

BOROUGH OF ALPINE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024

BOROUGH OF ALPINE TABLE OF CONTENTS

<u>Exhibits</u>		<u>Page</u>
 <u>Part I – Report on Audit of Financial Statements and Supplementary Schedules</u>		
	Independent Auditor’s Report	1-3
 Financial Statements		
A	Comparative Balance Sheets - Regulatory Basis - Current Fund	4
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	5
A-2	Statement of Revenues - Regulatory Basis – Current Fund	6-7
A-3	Statement of Expenditures - Regulatory Basis – Current Fund	8-12
B	Comparative Balance Sheets - Regulatory Basis - Trust Funds	13-14
B-1	Statement of Revenues – Regulatory Basis – Open Space Preservation Trust Fund	15
B-2	Statement of Appropriations – Regulatory Basis – Open Space Preservation Trust Fund	15
C	Comparative Balance Sheets - Regulatory Basis - General Capital Fund	16
C-1	Comparative Statements of Changes in Fund Balance - Regulatory Basis – General Capital Fund	17
D	Comparative Statements of General Fixed Assets Account Group - Regulatory Basis	18
	Notes to Financial Statements	19-56
 Supplementary Schedules		
<u>Current Fund</u>		
A-4	Statement of Current Cash and Investments – Collector/Treasurer	57
A-5	Statement of Change Funds	58
A-6	Statement of Petty Cash Funds	58
A-7	Statement of Due From State of New Jersey Senior Citizens' and Veterans' Deductions	58
A-8	Statement of Grant Receivables	58
A-9	Statement of Taxes Receivable and Analysis of Property Tax Levy	59
A-10	Statement of Revenue Accounts Receivable	60
A-11	Statement of 2023 Appropriation Reserves	61-62
A-12	Statement of Encumbrances Payable	63
A-13	Statement of Fees Payable	63
A-14	Statement of Prepaid Taxes	63
A-15	Statement of Tax Overpayments	64
A-16	Statement of County Taxes Payable	64
A-17	Statement of Local District School Tax Payable	65
A-18	Statement of Municipal Open Space Tax Payable	65
A-19	Statement of Reserve for Tax Appeals	65
A-20	Statement of Reserve for Fire Prevention	66
A-21	Statement of Reserve for Grants - Appropriated	66
A-22	Statement of Reserve for Grants and Aid - Unappropriated	66

**BOROUGH OF ALPINE
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
Supplementary Schedules (Continued)		
<u>Trust Funds</u>		
B-3	Statement of Trust Funds Cash	67
B-4	Statement of Reserve for Animal Control Fund Expenditures	68
B-5	Statement of Due From State of New Jersey - Animal Control Fund	68
B-6	Statement of Due from Current Fund – Animal Control Fund	68
B-7	Statement of Reserve for Unemployment Insurance Benefits	69
B-8	Statement of Due to State of New Jersey Unemployment Insurance Fund	69
B-9	Statement of Due from Current Fund – Open Space Preservation Trust Fund	69
B-10	Statement of Reserve for Open Space Expenditures – Open Space Trust Fund	70
B-11	Statement of Reserve for Recreation Expenditures – Recreation Trust Fund	70
B-12	Statement of Due from Current Fund – Other Trust Fund	71
B-13	Statement of Payroll Deductions Payable – Other Trust Fund	71
B-14	Statement of Miscellaneous Reserves and Deposits – Other Trust Fund	72
<u>General Capital Fund</u>		
C-2	Statement of General Capital Cash and Investments	73
C-3	Analysis of General Capital Cash and Investments	74
C-4	Statement of Grants Receivable	75
C-5	Statement of Deferred Charges to Future Taxation - Unfunded	76
C-6	Statement of Improvement Authorizations	77
C-7	Statement of Encumbrances Payable	78
C-8	Statement of Capital Improvement Fund	78
C-9	Statement of Due To Current Fund	79
C-10	Statement of Reserve for Field Improvements	79
C-11	Statement of Bond Anticipation Notes	80
C-12	Statement of Bonds and Notes Authorized But Not Issued	81

**BOROUGH OF ALPINE
TABLE OF CONTENTS**

	<u>Page</u>
 <u>Part II – Government Auditing Standards</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	82-83
Schedule of Expenditures of Federal Awards, Schedule A	84
Schedule of Expenditures of State Financial Assistance, Schedule B	85
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	86
Schedule of Findings and Responses	87-89
Summary Schedule of Prior Year Audit Findings	90
 <u>Part III – Supplementary Data and Letter of Comments and Recommendations</u>	
Comparative Statement of Operations and Change in Fund Balance - Current Fund	91
Property Acquired by Tax Title Lien Liquidation	92
Comparative Schedule of Fund Balances	92
Comparative Schedule of Tax Rate Information	92
Comparison of Levies and Collection Currently	93
Delinquent Taxes and Tax Title Liens	93
Officials in Office and Surety Bonds	94
General Comments	95-96
Appreciation	96
Recommendations	97

BOROUGH OF ALPINE

BERGEN COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Borough of Alpine which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2024, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the accompanying financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Alpine as of December 31, 2024 and 2023, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2024 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Alpine as of December 31, 2024 and 2023, or changes in financial position for the years then ended.

Basis for Opinions

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2024 and 2023. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 12 percent and 11 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2024 and 2023, respectively.

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Alpine as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Alpine. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Other Information

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

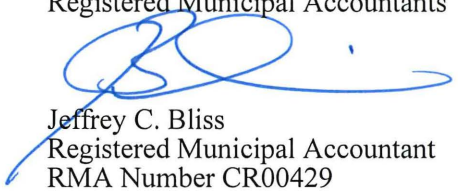
In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 28, 2025 on our consideration of the Borough of Alpine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Alpine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Alpine's internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP

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


Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429

Fair Lawn, New Jersey
May 28, 2025

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash	A-4	\$ 3,652,558	\$ 3,537,057
Cash - Change Funds	A-5	100	100
Cash - Petty Cash	A-6	500	-
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	<u>1,753</u>	<u>1,753</u>
		<u>3,654,911</u>	<u>3,538,910</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	475,077	257,414
Due from General Capital Fund	C-9	-	94,909
Revenue Accounts Receivable	A-10	<u>26,267</u>	<u>13,412</u>
		<u>501,344</u>	<u>365,735</u>
Total Assets		<u>\$ 4,156,255</u>	<u>\$ 3,904,645</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-11	\$ 258,314	\$ 216,515
Encumbrances Payable	A-12	44,885	69,792
Fees Payable	A-13	4,139	2,547
Prepaid Taxes	A-14	249,185	249,426
Tax Overpayments	A-15	13,364	-
Due to Open Space Preservation Trust Fund	B-9	417	-
Due to Other Trust Fund	B-12	29,297	98,301
Due to General Capital Fund	C-9	102,694	
Due to Animal Control Fund	B-6	500	1,000
County Taxes Payable	A-16	20,211	11,947
Local District School Tax Payable	A-17	1,475,363	1,405,740
Reserve for Tax Appeals	A-19	110,000	85,000
Reserve for Fire Prevention	A-20	20	
Reserve for Grants - Appropriated	A-21	96,038	54,376
Reserve for Grants and Aid - Unappropriated	A-22	<u>37,073</u>	<u>86,298</u>
		<u>2,441,500</u>	<u>2,280,942</u>
Reserve for Receivables and Other Assets	A	501,344	365,735
Fund Balance	A-1	<u>1,213,411</u>	<u>1,257,968</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,156,255</u>	<u>\$ 3,904,645</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ALPINE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,070,000	\$ 1,050,000
Miscellaneous Revenue Anticipated	A-2	1,871,068	1,994,250
Receipts from Delinquent Taxes	A-2	257,414	193,767
Receipts from Current Taxes	A-2	15,812,759	15,378,120
Non-Budget Revenue	A-2	221,112	162,952
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-11	64,235	46,383
Interfunds Returned	A	94,909	-
		<hr/>	<hr/>
Total Revenue		19,391,497	18,825,472
		<hr/>	<hr/>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	2,918,548	2,995,380
Other Expenses	A-3	1,856,387	1,621,600
Capital Improvements	A-3	12,000	76,707
Debt Service	A-3	327,255	295,858
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	932,255	900,491
County Taxes	A-16	4,792,150	4,440,577
Due to County for Added and Omitted Taxes	A-16	20,211	11,947
Local District School Tax	A-17	7,407,523	7,262,277
Municipal Open Space Tax	A-18	99,725	99,132
Interfunds Advanced	A-1	-	50,000
		<hr/>	<hr/>
Total Expenditures		18,366,054	17,753,969
		<hr/>	<hr/>
Statutory Excess in Revenue		1,025,443	1,071,503
FUND BALANCE, JANUARY 1	A	1,257,968	1,236,465
		<hr/>	<hr/>
		2,283,411	2,307,968
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	1,070,000	1,050,000
		<hr/>	<hr/>
FUND BALANCE, DECEMBER 31	A	\$ 1,213,411	\$ 1,257,968
		<hr/>	<hr/>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ALPINE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Reference</u>	<u>Budget</u>	Added By: <u>40A:4-87</u>	<u>Realized</u>	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	<u>\$ 1,070,000</u>	<u>-</u>	<u>\$ 1,070,000</u>	<u>-</u>
MISCELLANEOUS REVENUES					
Fees and Permits					
Other	A-2	80,000		80,568	\$ 568
Fines and Costs - Municipal Court	A-10	25,000		28,303	3,303
Interest and Costs on Taxes	A-10	58,000		81,138	23,138
Interest on Investments	A-2	100,000		206,140	106,140
Cell Tower Rent	A-10	286,000		295,505	9,505
Energy Receipts Tax	A-10	410,242		410,242	-
Open Space Pilot Aid	A-10	6,427		6,427	-
Uniform Construction Code Fees	A-10	400,000		405,016	5,016
Municipal Relief Fund Aid	A-22	42,286		42,286	-
Recycling Tonnage Grant	A-22	5,100		5,100	-
Alcohol Education and Rehab Fund	A-22	389	\$ 368	757	-
Body Armor Grant	A-22	1,268		1,268	-
Body Worn Cameras	A-8		12,668	12,668	-
Clean Communities Program	A-22	7,355		7,355	-
Police Donations	A-22	14,900		14,900	-
Stormwater Management Grant	A-22	15,000		15,000	-
Rent - U.S. Post Office	A-10	110,000		110,000	-
Payment in Lieu of Taxes - Boy Scouts of America	A-10	59,110		59,110	-
Cresskill Leaf Compost	A-10	70,000		74,285	4,285
General Capital Fund Balance (Surplus)	C-9	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total Miscellaneous Revenues	A-1	<u>1,706,077</u>	<u>13,036</u>	<u>1,871,068</u>	<u>151,955</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	<u>200,000</u>	<u>-</u>	<u>257,414</u>	<u>57,414</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes	A-2	<u>3,937,347</u>	<u>-</u>	<u>4,373,150</u>	<u>435,803</u>
	A-3	<u>\$ 6,913,424</u>	<u>\$ 13,036</u>	<u>7,571,632</u>	<u>\$ 645,172</u>
Non-Budget Revenue	A-1,A-2			<u>221,112</u>	
				<u>\$ 7,792,744</u>	

BOROUGH OF ALPINE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-9	\$ 15,837,759
Less: Transfer to Reserve for Tax Appeals	A-19	<u>25,000</u>
Revenue Realized	A-1	\$ 15,812,759
Less: Allocated to School, County and Municipal Open Space Taxes	A-16,A-17 A-18	<u>12,319,609</u>
		3,493,150
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>880,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 4,373,150</u>
Fees and Permits - Other		
Borough Clerk	A-10	\$ 13,625
Health Officer and Registrar	A-10	13,542
Police Department	A-10	11,445
Other Fees and Permits	A-10	<u>41,956</u>
	A-2	<u>\$ 80,568</u>
Interest on Investments		
Interest on Investments	A-10	\$ 161,476
Due from Animal Control Fund	B-6	133
Due from Other Trust Fund	B-12	<u>44,531</u>
	A-2	<u>\$ 206,140</u>
Analysis of Non-Budget Revenue		
Police Outside Duty Fees		\$ 126,150
Altice Franchise Fee		17,895
Verizon Franchise Fee		10,784
Bergen County JIF Safety Award		7,192
Sale of Municipal Assets		13,206
Liquor Licenses		1,669
Miscellaneous		20,337
Uniform Fire Safety LEA Rebate		20,855
Recycling Drop Off		1,709
Sale of SREC		1,230
Seniors' & Veterans' Admin. Fee		<u>85</u>
	A-2,A-4	<u>\$ 221,112</u>

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 158,000	\$ 148,000	\$ 147,043	\$ 957	
Other Expenses	20,000	21,696	20,110	1,586	
Elections	2,600	2,600	2,600	-	
Financial Administration					
Salaries and Wages	114,000	123,800	123,760	40	
Other Expenses	7,000	7,000	6,271	729	
Audit Services					
Other Expenses	42,200	42,200	39,100	3,100	
Computer Data Processing	44,700	43,700	42,546	1,154	
Collection of Taxes					
Salaries and Wages	24,000	11,348	10,868	480	
Other Expenses	6,500	6,550	6,546	4	
Other Expenses - Postage	7,000	7,000	4,407	2,593	
Tax Assessment Administration					
Salaries and Wages	18,100	18,100	18,008	92	
Other Expenses	1,600	1,600	1,092	508	
Legal Services and Costs					
Other Expenses	160,000	160,000	86,450	73,550	
Engineering Services and Costs					
Other Expenses	30,000	23,500	14,689	8,811	
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)					
Planning Board					
Salaries and Wages	8,800	8,800	8,179	621	
Other Expenses	5,000	3,750	3,156	594	
Zoning Board of Adjustment					
Salaries and Wages	7,000	7,000	6,261	739	
Other Expenses	6,950	4,450	3,705	745	
Insurance (N.J.S.A. 40A:4-45.3(00))					
General Liability	94,713	94,713	94,301	412	
Workers Compensation	82,843	82,843	82,843	-	
Employee Group Health	485,581	482,281	482,281	-	
Employee Group Health Waiver	6,404	6,404	6,024	380	
PUBLIC SAFETY					
Police					
Salaries and Wages	2,016,500	2,016,950	1,986,069	30,881	
Other Expenses	80,000	80,000	79,166	834	
Police Acquisition of Vehicles					
Other Expenses	49,000	49,000	30,367	18,633	
Police Dispatch/911					
Other Expenses	24,740	24,740	24,740	-	
Emergency Management Services					
Salaries and Wages	4,500	4,500	4,339	161	
Other Expenses	3,000	3,000	2,999	1	
First Aid Organization - Contribution	7,000	7,000	7,000	-	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY (Continued)					
Fire					
Salaries and Wages	\$ 5,700	\$ 5,700	\$ 5,656	\$ 44	
Other Expenses	35,000	35,000	29,111	5,889	
Fire Hydrant Services	75,000	75,000	74,960	40	
Fire Prevention/Uniform Fire Code					
Salaries and Wages	4,200	4,200	4,179	21	
Other Expenses	4,000	4,000	756	3,244	
Municipal Prosecutor					
Other Expenses - Contractual	7,200	7,200	7,098	102	
PUBLIC WORKS FUNCTION					
Road Repairs and Maintenance					
Salaries and Wages	371,000	370,000	357,807	12,193	
Other Expenses	53,000	53,000	48,342	4,658	
Public Buildings and Grounds					
Other Expenses	58,500	61,500	61,481	19	
Recycling - DPW					
Salaries and Wages	8,100	8,100	8,079	21	
Other Expenses	64,557	64,557	64,557	-	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	9,000	9,350	9,341	9	
Other Expenses	2,000	2,000	1,475	525	
Other Expenses - Contractual	20,500	20,500	20,417	83	
Environmental Commission (NJSA 40:56A et seq.)					
Other Expenses	1,250	1,250	903	347	
Animal Control					
Other Expenses	500	500	500	-	
Occupational Safety and Health Act					
Other Expenses - Hepatitis B. Inoculation	1,400	1,400		1,400	
PARKS AND RECREATION FUNCTIONS					
Parks and Playgrounds					
Other Expenses	3,000	3,000	2,781	219	
Swim Pool Committee					
Other Expenses	6,300	9,791	9,189	602	
EDUCATION FUNCTIONS					
Cresskill Library Fees	1,000	1,000	900	100	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	7,500	8,115	8,115	-	
MUNICIPAL COURT FUNCTION					
Municipal Court					
Salaries and Wages	24,000	24,000	23,357	643	
Other Expenses	5,500	5,500	2,845	2,655	
Public Defender (P.. 1997, C. 256)					
Salaries and Wages	2,500	2,500	2,491	9	

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Uniform Construction Code					
Salaries and Wages	\$ 109,000	\$ 114,000	\$ 113,951	\$ 49	
Other Expenses	20,000	18,750	15,358	3,392	
Electrical Inspector					
Salaries and Wages	15,000	15,000	14,925	75	
Plumbing Inspector					
Salaries and Wages	13,000	13,000	12,781	219	
Zoning Official					
Salaries and Wages	14,200	14,200	14,134	66	
Other Expenses	1,600	1,600	622	978	
UTILITY EXPENSES AND BULK PURCHASES					
Electric	42,000	52,000	40,438	11,562	
Street Lighting	46,000	46,000	40,850	5,150	
Telephone	25,000	25,000	15,715	9,285	
Water	6,500	9,500	8,354	1,146	
Natural Gas	9,700	11,700	8,889	2,811	
Gasoline	54,000	54,000	47,135	6,865	-
Total Operations Within "CAPS"	4,644,438	4,644,438	4,422,412	222,026	-
Detail:					
Salaries and Wages	2,926,600	2,918,548	2,871,228	47,320	-
Other Expenses	1,717,838	1,725,890	1,551,184	174,706	-
DEFERRED CHARGES AND STATUTORY					
EXPENDITURES - MUNICIPAL					
WITHIN "CAPS"					
Statutory Charges					
Social Security System	114,000	114,000	111,529	2,471	
Police and Fireman's Retirement System of NJ	710,057	710,057	710,057	-	
Public Employees Retirement System	107,198	107,198	107,198	-	
Defined Contribution Retirement Program	1,000	1,000	-	1,000	-
Total Deferred Charges and Statutory					
Expenditures - Municipal Within "CAPS"	932,255	932,255	928,784	3,471	-
Total General Appropriations for Municipal					
Purposes Within "CAPS"	5,576,693	5,576,693	5,351,196	225,497	-

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
PUBLIC SAFETY					
Fire					
Other Expense-LOSAP	\$ 32,000	\$ 32,000	\$ 30,852	\$ 1,148	-
Insurance					
General Liability	7,177	7,177	7,177	-	-
Workers Compensation	10,029	10,029	10,029	-	-
Recycling - DPW					
Other Expenses	24,243	24,243	24,243	-	-
Total Other Operations Excluded from "CAPS"	73,449	73,449	72,301	1,148	-
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
NJ Dep Stormwater Management - Reserve	15,000	15,000	6,045	8,955	
Clean Communities Program	7,355	7,355	298	7,057	
Body Armor Grant	1,268	1,268	1,268	-	
Body Worn Cameras	-	12,668	12,668		
Police Donations - Equipment	14,900	14,900	-	14,900	-
Alcohol Education and Rehab. Fund	389	757		757	
Recycling Tonnage Grant	5,100	5,100	5,100	-	-
Total Public and Private Programs Offset by Revenues	44,012	57,048	25,379	31,669	-
Total Operations Excluded from "CAPS"	117,461	130,497	97,680	32,817	-
Detail:					
Other Expenses	117,461	130,497	97,680	32,817	-
CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"					
Capital Improvement Fund	12,000	12,000	12,000	-	-
Total Capital Improvements-Excluded from "CAPS"	12,000	12,000	12,000	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Anticipation Notes	240,000	240,000	240,000		
Interest on Notes	87,270	87,270	87,255	-	\$ 15
Total Municipal Debt Service Excluded from "CAPS"	327,270	327,270	327,255	-	15

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 456,731	\$ 469,767	\$ 436,935	\$ 32,817	\$ 15
Subtotal General Appropriations	6,033,424	6,046,460	5,788,131	258,314	15
Reserve for Uncollected Taxes	880,000	880,000	880,000	-	-
Total General Appropriations	\$ 6,913,424	\$ 6,926,460	\$ 6,668,131	\$ 258,314	\$ 15
<u>Reference</u>	A-2		A-1	A, A-1	
Budget as Adopted	A-3	\$ 6,913,424			
Appropriation by 40A:4-87	A-2	13,036			
		\$ 6,926,460			
Cash Disbursements	A-4		\$ 5,742,746		
Encumbrances Payable	A-12		44,885		
Due to Animal Control Fund	B-6		500		
Reserve for Uncollected Taxes	A-2		880,000		
			\$ 6,668,131		

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2024 AND 2023

ASSETS	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ANIMAL CONTROL FUND			
Cash	B-3	\$ 3,199	\$ 2,176
Due from Current Fund	B-6	500	1,000
Due from State of New Jersey	B-5	<u>1</u>	<u>1</u>
		<u>3,700</u>	<u>3,177</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	<u>57,884</u>	<u>53,720</u>
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	783,879	662,613
Due from Current Fund	B-9	<u>417</u>	<u>-</u>
		<u>784,296</u>	<u>662,613</u>
RECREATION TRUST FUND			
Cash	B-3	<u>3,832</u>	<u>2,342</u>
OTHER TRUST FUND			
Cash	B-3	5,340,319	5,202,064
Due from Current Fund	B-12	<u>29,297</u>	<u>98,301</u>
		<u>5,369,616</u>	<u>5,300,365</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	796,618	686,938
Contributions Receivable	B	<u>30,120</u>	<u>30,120</u>
		<u>826,738</u>	<u>717,058</u>
Total Assets		<u>\$ 7,046,066</u>	<u>\$ 6,739,275</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Reserve for Animal Control Fund Expenditures	B-4	\$ 3,700	\$ 3,177
UNEMPLOYMENT INSURANCE TRUST FUND			
Reserve for Unemployment Insurance Benefits	B-7	57,884	53,720
OPEN SPACE PRESERVATION TRUST FUND			
Reserve for Open Space Expenditures	B-10	784,296	662,613
RECREATION TRUST FUND			
Reserve for Recreation Expenditures	B-11	3,832	2,342
OTHER TRUST FUND			
Payroll Deductions Payable	B-13	38,710	36,843
Miscellaneous Reserves and Deposits	B-14	5,330,906	5,263,522
		5,369,616	5,300,365
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	826,738	717,058
Total Liabilities and Reserves		\$ 7,046,066	\$ 6,739,275

BOROUGH OF ALPINE
STATEMENT OF REVENUES-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Anticipated</u>			
	<u>Budget</u>	<u>Budget After</u>		<u>Excess or</u>
	<u>(Memo)</u>	<u>Modification</u>	<u>Realized</u>	<u>Deficit</u>
		<u>(Memo)</u>		
Amount to be Raised by Taxation	\$ 99,308	\$ 99,308	\$ 99,725	\$ 417
	<u>\$ 99,308</u>	<u>\$ 99,308</u>	99,725	<u>\$ 417</u>
Non-Budget Revenue:				
Interest on Investments			<u>27,958</u>	
			<u>\$ 127,683</u>	
<u>Reference</u>	B-2	B-2	B-10	

EXHIBIT B-2

STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	
	<u>(Memo)</u>	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>
		<u>(Memo)</u>		
Acquisition of Lands for Recreation and Conservation		\$ 6,000	\$ 6,000	
Reserve for Future Use	<u>\$ 99,308</u>	<u>93,308</u>	<u>-</u>	<u>\$ 93,308</u>
	<u>\$ 99,308</u>	<u>\$ 99,308</u>	<u>\$ 6,000</u>	<u>\$ 93,308</u>
<u>Reference</u>	B-1	B-1	B-10	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash	C-2,C-3	\$ 70,943	\$ 274,800
Grants Receivable	C-4	300,584	210,091
Deferred Charges to Future Taxation			
Unfunded	C-5	2,455,351	2,465,351
Due From Current Fund	C-9	<u>102,694</u>	<u>-</u>
 Total Assets		 <u>\$ 2,929,572</u>	 <u>\$ 2,950,242</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes Payable	C-11	\$ 2,054,000	\$ 1,939,000
Encumbrances Payable	C-7	191,946	427,466
Due to Current Fund	C-9	-	94,909
Improvement Authorizations			
Funded	C-6	28,241	22,173
Unfunded	C-6	620,473	422,936
Capital Improvement Fund	C-8	15,996	16,026
Reserve for Field Improvements	C-10	10,000	10,000
Fund Balance	C-1	<u>8,916</u>	<u>17,732</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 2,929,572</u>	 <u>\$ 2,950,242</u>

There were bonds and notes authorized but not issued on December 31, 2024 and 2023 of 401,351 and \$526,351 respectively. (Exhibit C-12)

BOROUGH OF ALPINE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
Balance, January 1	C	\$ 17,732	\$ 64,572
Increased by:			
Premium on Notes Issued	C-2	<u>6,184</u>	<u>3,160</u>
		23,916	67,732
Decreased by:			
Due to Current Fund as Anticipated Revenue	C-9	<u>15,000</u>	<u>50,000</u>
Balance, December 31	C	<u>\$ 8,916</u>	<u>\$ 17,732</u>

BOROUGH OF ALPINE
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS ACCOUNT GROUP -
REGULATORY BASIS
AS OF DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Land	\$ 6,386,500	\$ 6,386,500
Buildings and Building Improvements	1,755,614	1,755,614
Machinery and Equipment	<u>3,791,834</u>	<u>3,756,299</u>
	<u>\$ 11,933,948</u>	<u>\$ 11,898,413</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 11,933,948</u>	<u>\$ 11,898,413</u>

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Description of Regulatory Basis of Accounting

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

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

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

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

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

Financial Statements – Regulatory Basis

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

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

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

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

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

No depreciation has been provided for in the financial statements.

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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

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

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall Current Fund appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum. Additionally, municipalities can bank the unused appropriation increases for use in any of the next two (2) succeeding budget years.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy. Additionally, municipalities can bank the unused tax levy for use in any of the next three (3) succeeding budget years.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2024 and 2023 the Borough Council increased the original budget by \$13,036 and \$11,788. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2024 and 2023.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2024 and 2023, the book value of the Borough's deposits were \$9,913,214 and \$9,734,872 and bank and brokerage firm balances of the Borough's deposits amounted to \$10,128,877 and \$9,971,330, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" or “cash and cash equivalents” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2024</u>	<u>2023</u>
Insured	\$ 8,827,974	\$ 8,544,340
Uninsured and Collateralized	<u>1,300,903</u>	<u>1,426,990</u>
	<u>\$ 10,128,877</u>	<u>\$ 9,971,330</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2024 and 2023, the Borough’s bank balances of \$1,300,903 and \$1,426,990 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2024</u>	<u>2022</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 1,300,903	\$ 1,426,990

B. Investments

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

As of December 31, 2024 and 2023 the Borough had the following investments:

	<u>Valuation</u>		
	<u>Basis</u>	<u>2024</u>	<u>2023</u>
<u>Investment:</u>			
Lincoln Financial Group LOSAP Retirement Fund (Unaudited)	Fair Value	\$ 796,618	\$ 686,938

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2024 and 2023, \$796,618 and \$686,938 of the Borough’s investments were exposed to custodial credit risk as follows:

	<u>2023</u>	<u>2023</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 796,618	\$ 686,938

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2024 and 2023, the Borough’s investment in Lincoln Financial Group, a subsidiary to Lincoln National Life Insurance Company was rated A2 by Moody’s Investor Services.

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

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2024 and 2023 are categorized as Level 2.

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Property Taxes	\$ 475,077	\$ 257,414

In 2024 and 2023, the Borough collected \$257,414 and \$193,767 from delinquent taxes, which represented 100% and 100%, respectively of the prior year delinquent taxes receivable balance.

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2024</u>		<u>2023</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund		\$ 132,908	\$ 94,909	\$ 99,301
Trust Funds:				
Animal Control Fund	500		1,000	
Other Trust Fund	29,297		98,301	
Municipal Open Space Trust Fund	417			
General Capital Fund	102,694	-	-	94,909
Total	<u>\$ 132,908</u>	<u>\$ 132,908</u>	<u>\$ 194,210</u>	<u>\$ 194,210</u>

The above balances are the result of expenditures being paid by one fund on behalf of another or revenues earned by one fund on behalf of another fund.

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

NOTE 6 DEFERRED SCHOOL TAXES

Under the regulatory basis of accounting, regulations allow for the deferral to fund balance of not more than 50% of the annual school levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31. The balance of unpaid school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2024 and 2023 are as follows:

	<u>Local District School</u>	
	<u>2024</u>	<u>2023</u>
Balance of Tax	\$ 3,815,345	\$ 3,745,722
Deferred	<u>2,339,982</u>	<u>2,339,982</u>
Taxes Payable	<u>\$ 1,475,363</u>	<u>\$ 1,405,740</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 7 FUND BALANCES APPROPRIATED

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

	2024		2023	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 1,211,658	\$ 1,025,000	\$ 1,256,215	\$ 1,070,000
Non-Cash Surplus	<u>1,753</u>	<u>-</u>	<u>1,753</u>	<u>-</u>
	<u>\$ 1,213,411</u>	<u>\$ 1,025,000</u>	<u>\$ 1,257,968</u>	<u>\$ 1,070,000</u>

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2024 and 2023.

	Balance January 1, <u>2024</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2024</u>
<u>2024</u>				
Land	\$ 6,386,500			\$ 6,386,500
Buildings and Building Improvements	1,755,614			1,755,614
Machinery and Equipment	<u>3,756,299</u>	<u>\$ 35,535</u>	<u>-</u>	<u>3,791,834</u>
	<u>\$ 11,898,413</u>	<u>\$ 35,535</u>	<u>\$ -</u>	<u>\$ 11,933,948</u>
	Balance January 1, <u>2023</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
Land	\$ 6,386,500			\$ 6,386,500
Buildings and Building Improvements	1,755,614			1,755,614
Machinery and Equipment	<u>3,623,798</u>	<u>\$ 132,501</u>	<u>-</u>	<u>3,756,299</u>
	<u>\$ 11,765,912</u>	<u>\$ 132,501</u>	<u>\$ -</u>	<u>\$ 11,898,413</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2024</u>	<u>2023</u>
Issued		
General		
Notes	\$ 2,054,000	\$ 1,939,000
Less Funds Temporarily Held to Pay Notes	<u>-</u>	<u>-</u>
Net Debt Issued	2,054,000	1,939,000
Authorized But Not Issued		
General		
Bonds and Notes	<u>401,351</u>	<u>526,351</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 2,455,351</u>	<u>\$ 2,465,351</u>

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .122% and .127% at December 31, 2024 and 2023, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2024</u>			
General Debt	<u>\$ 2,455,351</u>	<u>\$ -</u>	<u>\$ 2,455,351</u>
<u>2023</u>			
General Debt	<u>\$ 2,465,351</u>	<u>\$ -</u>	<u>\$ 2,465,351</u>

Statutory Borrowing Power

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

	<u>2024</u>	<u>2023</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 70,643,862	\$ 67,805,238
Net Debt	<u>2,455,351</u>	<u>2,465,351</u>
Remaining Borrowing Power	<u>\$ 68,188,511</u>	<u>\$ 65,339,887</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

A. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2024 and 2023 was as follows:

Bond Anticipation Notes

<u>2024</u>	<u>Purpose</u>	<u>Rate</u> (%)	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>January 1,</u> <u>2024</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance,</u> <u>December 31,</u> <u>2024</u>
<u>General Capital Fund</u>							
	Various Capital Improvements	4.25%	8/13/2025	\$ 621,587	\$ 874,617	\$ 621,587	\$ 874,617
	Road Program	4.25%	8/13/2025	1,228,716	1,127,140	1,228,716	1,127,140
	School Field Improvements and Vehicle Acq.	4.25%	8/13/2025	<u>88,697</u>	<u>52,243</u>	<u>88,697</u>	<u>52,243</u>
				<u>\$ 1,939,000</u>	<u>\$ 2,054,000</u>	<u>\$ 1,939,000</u>	<u>\$ 2,054,000</u>
<u>2023</u>	<u>Purpose</u>	<u>Rate</u> (%)	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>January 1,</u> <u>2023</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance,</u> <u>December 31,</u> <u>2023</u>
<u>General Capital Fund</u>							
	Various Capital Improvements	4.50%	8/14/2024	\$ 702,260	\$ 621,587	\$ 702,260	\$ 621,587
	Road Program	4.50%	8/14/2024	1,186,686	1,228,716	1,186,686	1,228,716
	School Field Improvements and Vehicle Acq.	4.50%	8/14/2024	<u>100,054</u>	<u>88,697</u>	<u>100,054</u>	<u>88,697</u>
				<u>\$ 1,989,000</u>	<u>\$ 1,939,000</u>	<u>\$ 1,989,000</u>	<u>\$ 1,939,000</u>

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

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

	<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2024</u>			
	Road Improvements	\$171,646	2025
	Building Department IT Upgrades	20,300	2025
<u>2023</u>			
	Road Improvements	380,900	2024

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$646,944 and \$593,125 at December 31, 2024 and 2023, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2024 and 2023, the Borough has reserved in the Other Trust Fund \$48,737 and \$147,819, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

B. Financing Agreements

Capital Financing Agreements

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

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

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

B. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

	<u>2024</u>	<u>2023</u>
\$97,993, 2024 Agreement for the acquisition of police vehicles for a term of 3 years due in monthly principal installments of \$743 to \$3,204 through May 1, 2027 with interest at 8.45%.	\$ 84,360	\$ -
Total	<u>\$ 84,360</u>	<u>\$ 1,846</u>

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest as of December 31, 2024 is as follows:

Governmental Activities:

Calendar Year	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 32,841	\$ 5,873	\$ 38,714
2026	35,724	2,485	38,209
2027	<u>15,795</u>	<u>335</u>	<u>16,130</u>
Total	<u>\$ 84,360</u>	<u>\$ 8,693</u>	<u>\$ 93,053</u>

Changes in Other Long-Term Liabilities

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2024 and 2023 were as follows:

	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<u>2024</u>					
Compensated Absences	\$ 593,125	\$ 172,245	\$ 118,426	\$ 646,944	
Capital Financing Agreements	1,846	97,993	15,479	84,360	\$ 32,841
Net Pension Liability - PERS (1)	1,161,739			1,161,739	
Net Pension Liability - PFRS (1)	5,893,374			5,893,374	
Net OPEB Liability (1)	<u>1,809,489</u>	<u>-</u>	<u>-</u>	<u>1,809,489</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 9,459,573</u>	<u>\$ 270,238</u>	<u>\$ 133,905</u>	<u>\$ 9,595,906</u>	<u>\$ 32,841</u>

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

C. Deferred Pension Obligation (Continued)

Changes in Other Long-Term Liabilities (Continued)

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
Compensated Absences	\$ 902,070	\$ 9,295	\$ 318,240	\$ 593,125	\$ 30,957
Capital Financing Agreements	12,510		10,664	1,846	1,846
Net Pension Liability - PERS	1,213,080	55,857	107,198	1,161,739	
Net Pension Liability - PFRS	6,054,491	548,940	710,057	5,893,374	
Net OPEB Liability	<u>1,823,935</u>	<u>9,273</u>	<u>23,719</u>	<u>1,809,489</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 10,006,086</u>	<u>\$ 623,365</u>	<u>\$ 1,169,878</u>	<u>\$ 9,459,573</u>	<u>\$ 32,803</u>

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

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

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

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

The following represents the membership tiers for PFRS:

<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% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Other Pension Funds

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 was not available and for June 30, 2023 is \$14.6 billion, and the plan fiduciary net position as a percentage of the total pension liability is 65.22% at June 30, 2023. The collective net pension liability of the participating employers for local PFRS at June 30, 2024 was not available and for June 30, 2023 is \$13.1 billion and the plan fiduciary net position as a percentage of total pension liability is 70.16% at June 30, 2023.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Methods and Assumptions

In the July 1, 2022 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2024 and 2023 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee’s annual compensation.

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers’ contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2024, 2023 and 2022 were equal to the required contributions.

During the years ended December 31, 2024, 2023 and 2022, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2024	\$ 710,057	\$ 107,198	None
2023	687,921	101,366	None
2022	603,109	90,777	None

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

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

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2024 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2024 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2023, the Borough reported a liability of \$1,161,739, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2023, the Borough's proportionate share was .00802 percent, which was a decrease of .00002 percent from its proportionate share measured as of June 30, 2022 of .00804 percent.

For the year ended December 31, 2023, the pension system has determined the Borough's pension (benefit) to be \$(25,738), for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$101,366. At December 31, 2023, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 11,108	\$ 4,749
Changes of Assumptions	2,552	70,406
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,350	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	54,735	10,611
Total	<u>\$ 73,745</u>	<u>\$ 85,766</u>

At December 31, 2023 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2024	\$ (45,231)
2025	(16,472)
2026	57,001
2027	(7,512)
2028	193
Thereafter	-
	<u>\$ (12,021)</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

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

Mortality Rates

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	2023	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2023 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2023</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>1,512,337</u>	\$ <u>1,161,739</u>	\$ <u>863,334</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2023. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

Police and Firemen’s Retirement System (PFRS)

At December 31, 2023, the Borough reported a liability of \$5,893,374, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2023, the Borough’s proportionate share was .05334 percent, which was an increase of .00045 percent from its proportionate share measured as of June 30, 2022 of .05289 percent.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2023, the pension system has determined the Borough pension expense to be \$488,664, for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$687,921. At December 31, 2023, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 252,342	\$ 281,062
Changes of Assumptions	12,720	397,944
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	300,138	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>353,277</u>	<u>-</u>
Total	<u><u>\$ 918,477</u></u>	<u><u>\$ 679,006</u></u>

At December 31, 2023 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2024	43,786
2025	47,150
2026	156,247
2027	(35,780)
2028	23,049
Thereafter	<u>5,019</u>
	<u><u>\$ 239,471</u></u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

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

Mortality Rates

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	2023	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2023 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
<u>2023</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ <u>8,211,385</u>	\$ <u>5,893,374</u>	\$ <u>3,963,025</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2023. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

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

At December 31, 2023, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,085,923. For the year ended December 31, 2023, the pension system has determined the State’s proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$123,521, which is less than the actual contribution the State made on behalf of the Borough of \$124,188. At December 31, 2023 (measurement date June 30, 2023) the State’s share of the PFRS net pension liability attributable to the Borough was .05334 percent, which was an increase of .00045 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of .05289 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported in the Borough’s financial statements.

Pension Plan Fiduciary Net Position

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

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

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

Plan Description and Benefits Provided

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

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

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

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

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

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2023:

Active Plan Members	65,613
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>34,771</u>
Total	<u>100,384</u>
Contributing Employers	574
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2024 was not available and for June 30, 2023 is \$15.0 billion, and the plan fiduciary net (deficit) as a percentage of the total OPEB liability is (0.79)% at June 30, 2023.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2022 which was rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

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

The employers participating in the OPEB plan made contributions of \$431.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$55.6 million for fiscal year 2023.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2024, 2023 and 2022 were \$15,530, \$23,719 and \$21,693, respectively, which equaled the required contributions for each year (or were not available).

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

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

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2024 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2024 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2023, the Borough reported a liability of \$1,809,489, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at June 30, 2023 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2023. As of the measurement date of June 30, 2023 the Borough's proportionate share was .01206 percent, which was an increase of .00077 percent from its proportionate share measured as of June 30, 2022 of .01129 percent.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

For the year ended December 31, 2023, the Plan has determined the Borough's OPEB expense to be \$14,693, based on the actuarial valuation which is less than the actual contributions reported in the Borough's financial statements of \$23,719. At December 31, 2023, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 83,444	\$ 491,398
Changes of Assumptions	234,397	511,484
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments		299
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>533,388</u>	<u>34,882</u>
Total	<u>\$ 851,229</u>	<u>\$ 1,038,063</u>

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

<u>Year Ending December 31,</u>	<u>Total</u>
2024	\$ (65,442)
2025	(15,653)
2026	38,269
2027	66,989
2028	(23,643)
Thereafter	<u>(187,354)</u>
	<u>\$ (186,834)</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough’s total OPEB liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55% Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25% Based on Years of Service

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Mortality Rates

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

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 6.50% and decreases to a 4.50% long-term trend rate after 9 years. For post-65 medical benefits PPO, the trend is, increasing to 14.80% in Fiscal Year 2026 and decreasing to 4.50% in Fiscal Year 2033. For HMO the trend is increasing to 17.40% in Fiscal Year 2026 and decreasing to 4.50% in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after 7 years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 measurement date was 3.65%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2023 calculated using the discount rate of 3.65% as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.65% or 1-percentage-point higher 4.65% than the current rate:

<u>2023</u>	<u>1% Decrease 2.65%</u>	<u>Current Discount Rate 3.65%</u>	<u>1% Increase 4.65%</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 2,095,965</u>	<u>\$ 1,809,489</u>	<u>\$ 1,579,063</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2023. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

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

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

<u>2023</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 1,537,853</u>	<u>\$ 1,809,489</u>	<u>\$ 2,157,266</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2023. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the pension system.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation

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

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

At December 31, 2023, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$3,721,606. For the year ended December 31, 2023 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$674,800. At December 31, 2023, (measurement date June 30, 2023), the State's share of the OPEB liability attributable to the Borough was .10666 percent, which was a decrease of .01500 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of .12166 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits. These on-behalf contributions have not been reported in the Borough's financial statements.

OPEB Plan Fiduciary Net Position

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

NOTE 14 RISK MANAGEMENT

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

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 14 RISK MANAGEMENT (Continued)

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

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2024	NONE	\$ 2,162	\$ 2,150	\$ 148	\$ 57,884
2023	NONE	3,055	1,645	15,162	53,720
2022	NONE	7,007	28	1,003	64,182

NOTE 15 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2024 and 2023. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2024 and 2023, the Borough reserved \$110,000 and \$85,000 respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2024 and 2023, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2024 and 2023, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

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

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

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

The Borough of Alpine has contributed \$1,506 for both 2024 and 2023, for each eligible volunteer fire department member into the Plan. The total Borough contributions were \$25,602 and \$24,096 for 2024 and 2023, respectively.

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

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

Vesting and Benefits

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

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

Reporting Requirements

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

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

Interlocal Services Agreement

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

The contributions are made in accordance with the plan established by the Borough of Closter pursuant to N.J.S.A. 40A:14-183 et seq. Alpine's share of contribution to the Closter Volunteer Ambulance Corps. is \$250 for both 2024 and 2023, for each eligible volunteer ambulance corps. member into the plan. The Borough's share of LOSAP contributions for the year ended December 31, 2024 and 2023 were \$5,250 and \$5,000, respectively.

NOTE 18 MORTGAGE NOTE

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

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

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

NOTE 19 LEASES RECEIVABLE

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

Leases receivable at December 31 are comprised of the following:

On April 1, 2000 the Borough began leasing cell tower space to a third party. The initial lease was for 10 years and the lease renews for three (3) additional 5-year terms unless the leasee notifies the Borough it's intention not to renew the lease at least sixty (60) days from expiration. The Borough will receive annual payments of \$23,688 to \$94,750. The Borough recognized \$94,750 and \$94,750 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$436 and \$784, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$23,600 and \$117,914, respectively, for the lease term ending March 31, 2025.

On June 1, 2001 the Borough began leasing cell tower space to a third party. The initial lease was for 10 years and the lease renews for three (3) additional 5-year terms upon the leasee notifying the Borough it's intention to renew the lease no later than ten (10) months prior to expiration. The Borough will receive annual payments of \$43,658 to \$102,700. The Borough recognized \$97,810 and \$93,152 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$849 and \$940, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$144,958 and \$241,919, respectively, for the lease term ending May 31, 2026.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 19 LEASES RECEIVABLE (Continued)

On June 1, 2001 the Borough began leasing cell tower space to a third party. The initial lease was for 10 years and the lease renews for three (3) additional 5-year terms upon the leasee notifying the Borough it's intention to renew the lease no later than ten (10) months prior to expiration. The Borough will receive annual payments of \$41,130 to \$96,753. The Borough recognized \$92,145 and \$87,758 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$230 and \$317, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$137,704 and \$229,620, respectively, for the lease term ending May 31, 2026.

On March 25, 2015 the Borough began leasing cell tower space to a third party. The initial lease was for 5 years and the lease renews for four (4) additional 5-year terms unless the leasee notifies the Borough it's intention not to renew the lease at least three (3) months from expiration. The Borough will receive annual payments of \$2,700 to \$10,800. The Borough recognized \$10,800 and \$10,800 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$50 and \$89, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$2,690 and \$13,440, respectively, for the lease term ending March 25, 2025.

On February 1, 2018 the Borough began leasing building space to a third party. The initial lease was for 5 years and the lease was renewed for one (1) additional 5-year term at the option of the leasee to January 31, 2028. The Borough will receive annual payments of \$102,220 to \$110,000. The Borough recognized \$110,000 and \$117,870 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$19,123 and \$13,787, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$308,342 and \$399,220, respectively, for the lease term ending January 31, 2028.

The future lease revenue principal and interest payments as of December 31, 2024 were as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	320,085	15,756	335,841
2026	183,889	10,898	194,787
2027	104,572	5,428	110,000
2028	<u>8,748</u>	<u>419</u>	<u>9,167</u>
Total	<u>\$ 617,294</u>	<u>\$ 32,501</u>	<u>\$ 649,795</u>

NOTE 20 SUBSEQUENT EVENTS

Debt Authorized

On April 23, 2025 the Borough adopted a bond ordinance authorizing the issuance \$1,221,000 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

CURRENT FUND

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

Balance, December 31, 2023		\$ 3,537,057
Increased by:		
Taxes Receivable	\$ 15,841,497	
Revenue Accounts Receivable	1,712,070	
Non-Budget Revenue	221,112	
Grant Receivables	12,668	
Due from State of NJ (Ch. 20, P.L. 1972)	4,250	
Prepaid Taxes	249,185	
Tax Overpayments	40,499	
Fees Payable	15,088	
Grant Receipt Due to General Capital Fund	118,477	
Reserve for Grants - Unappropriated	37,441	
Reserve for Fire Prevention	20	
Received From Animal Control Fund	133	
Received From Other Trust Fund	89,609	
Received From General Capital Fund	94,126	
	<u>18,436,175</u>	
		21,973,232
Decreased by Disbursements:		
2024 Budget Appropriations	5,742,746	
2023 Appropriation Reserves	68,507	
Encumbrance Payables	69,792	
County Taxes Payable	4,804,097	
Local District School Tax Payable	7,337,900	
Fees Payable	13,496	
Tax Overpayments	27,135	
Reserve for Grants - Appropriated	22,767	
Payments made on Behalf of Other Trust Fund	34,806	
Payments to Open Space Trust Fund	99,308	
Payments to Animal Control Fund	1,000	
Payments to Other Trust Fund	98,620	
Petty Cash	500	
	<u>18,320,674</u>	
Balance, December 31, 2024		\$ <u>3,652,558</u>

**BOROUGH OF ALPINE
STATEMENT OF CHANGE FUNDS**

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

Balance, December 31, 2024		\$ <u>100</u>
----------------------------	--	---------------

STATEMENT OF PETTY CASH FUNDS

Increased by:		
Received from Treasurer		\$ <u>500</u>

Balance, December 31, 2024		\$ <u>500</u>
----------------------------	--	---------------

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

Balance, December 31, 2023		\$ 1,753
----------------------------	--	----------

Increased by:		
Senior Citizens Deductions per Tax Duplicate	\$ 250	
Veterans' Deductions per Tax Duplicate	<u>4,000</u>	
		<u>4,250</u>

		6,003
Decreased by:		
Receipts from State of New Jersey		<u>4,250</u>

Balance, December 31, 2024		\$ <u>1,753</u>
----------------------------	--	-----------------

STATEMENT OF GRANT RECEIVABLES

	Balance, December 31, <u>2023</u>	<u>Accrued</u>	<u>Received</u>	Balance, December 31, <u>2024</u>
Body Worn Cameras	\$ -	\$ 12,668	\$ 12,668	\$ -
	<u>\$ -</u>	<u>\$ 12,668</u>	<u>\$ 12,668</u>	<u>\$ -</u>

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

<u>Year</u>	Balance, December 31, <u>2023</u>	2024 <u>Levy</u>	<u>Cash Collections</u>		Senior Citizens' and Veterans' Deductions <u>Allowed</u>	Remitted, Abated or Cancelled	Balance, December 31, <u>2024</u>
			<u>2023</u>	<u>2024</u>			
2023	257,414			\$ 257,414			\$ -
2024	<u>-</u>	<u>\$ 16,315,034</u>	<u>\$ 249,426</u>	<u>15,584,083</u>	<u>\$ 4,250</u>	<u>\$ 2,198</u>	<u>\$ 475,077</u>
	<u>\$ 257,414</u>	<u>\$ 16,315,034</u>	<u>\$ 249,426</u>	<u>\$ 15,841,497</u>	<u>\$ 4,250</u>	<u>\$ 2,198</u>	<u>\$ 475,077</u>

Analysis of 2024 Property Tax Levy

TAX YIELD

General Purpose Tax	\$ 16,246,717	
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>68,317</u>	
		<u>\$ 16,315,034</u>

TAX LEVY

Local District School Taxes	\$ 7,407,523	
County Taxes - General	\$ 4,586,026	
County Taxes - Open Space	206,124	
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>20,211</u>	
		4,812,361
Municipal Open Space Tax	99,308	
Municipal Open Space Added Taxes	<u>417</u>	
		99,725
Local Tax for Municipal Purposes	3,937,347	
Add Additional Tax Levies	<u>58,078</u>	
		<u>3,995,425</u>
		<u>\$ 16,315,034</u>

BOROUGH OF ALPINE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2023</u>	Accrued in <u>2024</u>	<u>Collected</u>	Balance, December 31, <u>2024</u>
Borough Clerk				
Fees and Permits		\$ 13,625	\$ 13,625	
Health Officer and Registrar				
Fees and Permits		13,542	13,542	
Police Department				
Fees and Permits		11,445	11,445	
Other Fees and Permits		41,956	41,956	
Municipal Court				
Fines and Costs	\$ 1,325	29,337	28,303	\$ 2,359
Interest and Cost on Taxes	12,087	92,959	81,138	23,908
Interest on Investments		161,476	161,476	
Cell Tower Rent		295,505	295,505	
Energy Receipts Tax		410,242	410,242	
Open Space PILOT Aid		6,427	6,427	
Uniform Construction Code Fees		405,016	405,016	
Cresskill Leaf Compost		74,285	74,285	
Rent - U.S. Post Office	-	110,000	110,000	-
Payment in Lieu of Taxes - Boy Scouts of America	-	59,110	59,110	-
	<u>\$ 13,412</u>	<u>\$ 1,724,925</u>	<u>\$ 1,712,070</u>	<u>\$ 26,267</u>

BOROUGH OF ALPINE
STATEMENT OF 2023 APPROPRIATION RESERVES

	Balance, December 31, <u>2023</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfers</u>	Balance <u>Lapsed</u>
Salaries and Wages					
General Administration	\$ 6,163	\$ 6,163		\$ 6,163	\$ -
Financial Administration	3,554	3,554		3,554	-
Collection of Taxes	1,190	1,190		1,190	-
Tax Assessment Administration	59	59		59	-
Planning Board	25	25		25	-
Zoning Board Adjustment	822	822		822	-
Police	-	6,378	\$ 6,378	-	-
Emergency Management Services	98	98		98	-
Fire	1	1		1	-
Fire Prevention/Uniform Fire Code	22	22		22	-
Road Repairs and Maintenance	21,291	4,783		4,783	-
Recycling-DPW	85	85		85	-
Municipal Court	379	379		379	-
Board of Health	265	265		265	-
Public Defender	37	37		37	-
Uniform Construction Code	1,793	1,793		1,793	-
Electrical Inspector	45	45		45	-
Plumbing Inspector	10	10		10	-
Zoning Official	13	13	-	13	-
Total Salaries & Wages	<u>35,852</u>	<u>25,722</u>	<u>6,378</u>	<u>19,344</u>	<u>-</u>
Other Expenses					
General Administration	6,809	6,809	\$ 2,290		\$ 4,519
Election	755	755	-		755
Financial Administration	1,769	1,769	1,307		462
Collection of Taxes	730	730			730
Collection of Taxes - Postage	1,162	1,162	-		1,162
Computer Data Processing	3,870	3,870	-		3,870
Tax Assessment Administration	941	941	-		941
Audit Services	1,795	1,795	-		1,795
Legal Services & Costs	22,495	22,495	16,829		5,666
Engineering Services & Costs	7,546	7,546	3,230		4,316
Planning Board	1,111	1,111	525		586
Zoning Board of Adjustment	1,917	1,917	600		1,317
Liability Insurance	-	704	704	-	-
Employee Group Insurance	368	368	-		368
Fire	-	4,414	4,414	-	-
Fire Hydrant Services	4,506	4,506			4,506
Police	3,241	3,241	2,731		510
Emergency Management Services	913	913	900		13
Fire Prevention/Uniform Fire Code	4,220	4,220	-		4,220
Road Repairs and Maintenance	8,322	8,322	8,258		64
Public Buildings & Grounds	1,319	1,319	295		1,024
Board of Health	691	691	400		291

BOROUGH OF ALPINE
STATEMENT OF 2023 APPROPRIATION RESERVES

	Balance, December 31, <u>2023</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfers</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Environmental Commission	\$ 578	\$ 578			\$ 578
Occupational Safety and Health Act	1,400	1,400			1,400
Swim Pool Committee	1,600	1,600	\$ 1,600		-
Cresskill Library Fees	100	100			100
Celebration of Public Events	756	756	-		756
Social Security System	8,178	8,178			8,178
Defined Contribution Retirement Program	600	600			600
Municipal Prosecutor Contractual	175	175			175
Municipal Court	3,128	3,128			3,128
Uniform Construction Code	1,947	1,947	1,765		182
Utility Expenses					
Electric	613	2,573	2,573		-
Street Lighting	4,914	4,914	4,115		799
Telephone	3,472	3,472	165		3,307
Water	245	245	-		245
Natural Gas	567	643	643		-
Gasoline	1,909	4,885	4,885		-
L.O.S.A.P.	7,904	7,904	232		7,672
Alcohol Rehab and Education Fund	316	316		\$ 316	-
Police Donations-Equipment	16,450	16,450	-	16,450	-
Clean Communities Grant	6,557	6,557	468	6,089	-
FEMA Grant - Borough-Wide Culvert Improv.	44,774	44,774	3,200	41,574	-
 Total Other Expenses	 \$ 180,663	 \$ 190,793	 \$ 62,129	 \$ 64,429	 \$ 64,235
 Total	 \$ 216,515	 \$ 216,515	 \$ 68,507	 \$ 83,773	 \$ 64,235

Cash Disbursements	\$ 68,507	
Due to Other Trust Fund - Terminal Leave		\$ 19,344
Transfer to Appropriated Grant Reserves	-	64,429
	<u>\$ 68,507</u>	<u>\$ 83,773</u>

BOROUGH OF ALPINE
STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2023	\$ 69,792
Increased by:	
Charges to Budget Appropriations	<u>44,885</u>
	114,677
Decreased by:	
Cash Disbursements	<u>69,792</u>
Balance, December 31, 2024	<u>\$ 44,885</u>

STATEMENT OF FEES PAYABLE

	Balance, December 31, <u>2023</u>	Fees <u>Collected</u>	<u>Payments</u>	Balance, December 31, <u>2024</u>
Due State of New Jersey				
Marriage License Fees		\$ 150	\$ 150	
State Training Fees	\$ 2,547	<u>14,938</u>	<u>13,346</u>	<u>4,139</u>
	<u>\$ 2,547</u>	<u>\$ 15,088</u>	<u>\$ 13,496</u>	<u>\$ 4,139</u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2023	\$ 249,426
Increased by:	
Collection of 2025 Taxes	<u>249,185</u>
	498,611
Decreased by:	
Applied to 2024 Taxes Receivable	<u>249,426</u>
Balance, December 31, 2024	<u>\$ 249,185</u>

**BOROUGH OF ALPINE
STATEMENT OF TAX OVERPAYMENTS**

Increased by:		
Overpayments Received		\$ 40,499
Decreased by:		
Overpayments Refunded		<u>27,135</u>
Balance, December 31, 2024		<u><u>\$ 13,364</u></u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2023			\$ 11,947
Increased by:			
2024 Levy - General Taxes	\$ 4,586,026		
2024 Levy - Open Space Taxes	<u>206,124</u>		
		\$ 4,792,150	
2024 Added and Omitted Taxes		<u>20,211</u>	
			<u>4,812,361</u>
			4,824,308
Decreased by:			
Payments			<u>4,804,097</u>
Balance, December 31, 2024			<u><u>\$ 20,211</u></u>

BOROUGH OF ALPINE
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2023		
School Tax Payable	\$ 1,405,740	
School Tax Deferred	<u>2,339,982</u>	
		\$ 3,745,722
Increased by:		
Levy - School Year July 1, 2023 to June 30, 2024		<u>7,407,523</u>
		11,153,245
Decreased by:		
Payments		<u>7,337,900</u>
Balance, December 31, 2024		
School Tax Payable	1,475,363	
School Tax Deferred	<u>2,339,982</u>	
		\$ 3,815,345
<u>Liability for Local District School Tax</u>		
School Tax Payable December 31, 2024		\$ 1,475,363
Add: Payments		<u>7,337,900</u>
		8,813,263
Less: School Tax Payable at December 31, 2023		<u>1,405,740</u>
Amount Charged to 2024 Operations		<u>\$ 7,407,523</u>

EXHIBIT A-18

STATEMENT OF MUNICIPAL OPEN SPACE TAX PAYABLE

Increased by:		
2024 Levy	\$ 99,308	
2024 Added and Omitted Taxes	<u>417</u>	
		\$ 99,725
Decreased by:		
Due to Open Space Preservation Trust Fund		<u>\$ 99,725</u>

EXHIBIT A-19

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2023	\$ 85,000
Increased by:	
Transfer from Current Year Tax Collections	<u>25,000</u>
Balance, December 31, 2024	<u>\$ 110,000</u>

BOROUGH OF ALPINE
STATEMENT OF RESERVE FOR FIRE PREVENTION

Increased by:	
Cash Receipts	\$ <u>20</u>
Balance, December 31, 2024	\$ <u><u>20</u></u>

EXHIBIT A-21

STATEMENT OF RESERVE FOR GRANTS - APPROPRIATED

	Balance, December 31, <u>2023</u>	Transferred 2023 Appropriation <u>Reserves</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2024</u>
Alcohol Education and Rehab. Fund	\$ 1,970	\$ 316		\$ 2,286
Clean Communities Grant	28,839	6,089	\$ 2,361	32,567
Drunk Driving Enforcement Fund	2,339			2,339
Recycling Tonnage Grant	12,358		7,201	5,157
NJ DEP Stormwater Grant	967			967
Municipal Recycling Assistance Program	1,693			1,693
Police Donations	1,756	16,450	13,205	5,001
FEMA Grant		41,574		41,574
DARE Municipal Alliance Program:				
County Share	2,101			2,101
Local Share	853			853
200 Club of Bergen County Grant	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>
	<u>\$ 54,376</u>	<u>\$ 64,429</u>	<u>\$ 22,767</u>	<u>\$ 96,038</u>

EXHIBIT A-22

STATEMENT OF RESERVE FOR GRANTS AND AID - UNAPPROPRIATED

	Balance, December 31, <u>2023</u>	Cash <u>Receipts</u>	Anticipated in 2024 <u>Budget</u>	Balance, December 31, <u>2024</u>
Municipal Relief Fund Aid	\$ 42,286		\$ 42,286	-
Body Armor Grant	1,268	\$ 1,305	1,268	\$ 1,305
Clean Communities Program	7,355	8,353	7,355	8,353
Alcohol Education and Rehab. Fund	389	368	757	-
Police Donations	14,900	22,200	14,900	22,200
NJ DEP Stormwater Grant	15,000		15,000	-
Recycling Tonnage Grant	<u>5,100</u>	<u>5,215</u>	<u>5,100</u>	<u>5,215</u>
	<u>\$ 86,298</u>	<u>\$ 37,441</u>	<u>\$ 86,666</u>	<u>\$ 37,073</u>

TRUST FUNDS

**BOROUGH OF ALPINE
STATEMENT OF TRUST FUNDS CASH**

	<u>Animal Control</u>	<u>Unemployment Insurance</u>	<u>Open Space</u>	<u>Recreation Trust</u>	<u>Other Trust</u>
Balance, December 31, 2023	\$ 2,176	\$ 53,720	\$ 662,613	\$ 2,342	\$ 5,202,064
Increased by Receipts:					
Received From Current Fund	\$ 1,000		\$ 99,308		\$ 98,620
Interest on Deposits	133	\$ 2,150	27,958		205,273
Grant Reimbursement			-		
Miscellaneous Reserves and Deposits					1,589,189
Received From Unemployment					-
Payroll Deductions Payable					4,530,855
Employee Unemployment Contributions		2,162			
Due to State of NJ - Registration Fees	343				
Animal License Fees	3,324				
Recreation Fees	-	-	-	\$ 58,871	-
	<u>4,800</u>	<u>4,312</u>	<u>127,266</u>	<u>58,871</u>	<u>6,423,937</u>
	6,976	58,032	789,879	61,213	11,626,001
Decreased by Disbursements:					
Reserve for Open Space Expenditures			6,000		
Miscellaneous Reserves and Deposits					1,667,085
Payroll Deductions Payable					4,528,988
Payments to Current Fund	133				89,609
Payments to Payroll Agency		-			
Due to State of NJ	343	148			
Reserve for Animal Control Expenditures	3,301				
Reserve for Recreation Expenditures	-	-	-	57,381	-
	<u>3,777</u>	<u>148</u>	<u>6,000</u>	<u>57,381</u>	<u>6,285,682</u>
Balance, December 31, 2024	<u>\$ 3,199</u>	<u>\$ 57,884</u>	<u>\$ 783,879</u>	<u>\$ 3,832</u>	<u>\$ 5,340,319</u>

BOROUGH OF ALPINE
STATEMENT OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Balance, December 31, 2023		\$ 3,177
Increased by:		
Dog License Fees	\$ 2,136	
Cat License Fees	410	
Late Fees	778	
	<u>3,324</u>	
2024 Budget Appropriation Due From Current Fund	<u>500</u>	
		<u>3,824</u>
		7,001
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash Disbursements		<u>3,301</u>
Balance, December 31, 2024		<u>\$ 3,700</u>

EXHIBIT B-5

STATEMENT OF DUE FROM STATE OF NEW JERSEY
ANIMAL CONTROL FUND

Balance, December 31, 2023		\$ 1
Increased by:		
Payments to the State		<u>343</u>
		344
Decreased by:		
State Fees Collected		<u>343</u>
Balance, December 31, 2024		<u>\$ 1</u>

EXHIBIT B-6

STATEMENT OF DUE FROM CURRENT FUND
ANIMAL CONTROL FUND

Balance, December 31, 2023		\$ 1,000
Increased by:		
2024 Budget Appropriation	\$ 500	
Payments to Current Fund	<u>133</u>	
		633
Decreased by:		
Interest Earned	133	
Cash Received from Current Fund	<u>1,000</u>	
		<u>1,133</u>
Balance, December 31, 2024		<u>\$ 500</u>

BOROUGH OF ALPINE
STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE BENEFITS

Balance, December 31, 2023		\$ 53,720
Increased by:		
Employee Contributions	\$ 2,162	
Interest on Investments	<u>2,150</u>	
		<u>4,312</u>
		58,032
Decrease by:		
Unemployment Claims Due to State		<u>148</u>
Balance, December 31, 2024		<u>\$ 57,884</u>

EXHIBIT B-8

STATEMENT OF DUE TO STATE OF NEW JERSEY
UNEMPLOYMENT INSURANCE FUND

Increased by:		
Unemployment Claims Charged to Reserve		\$ 148
Decreased by:		
Cash Disbursements		<u>\$ 148</u>

EXHIBIT B-9

STATEMENT OF DUE FROM CURRENT FUND
OPEN SPACE PRESERVATION TRUST FUND

Increased by:		
Open Space Tax Levy	\$ 99,308	
Added Open Space Tax Levy	<u>417</u>	
		\$ 99,725
Decreased by:		
Cash Received from Current Fund		<u>99,308</u>
Balance, December 31, 2024		<u>\$ 417</u>

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

Balance, December 31, 2023			\$	662,613
Increased by:				
Due from Current Fund:				
Open Space Tax Levy	\$	99,308		
Added Open Space Tax Levy		<u>417</u>		
			\$	99,725
Interest on Deposit				<u>27,958</u>
				<u>127,683</u>
				790,296
Decreased by:				
Cash Disbursements				<u>6,000</u>
Balance, December 31, 2024			\$	<u>784,296</u>

EXHIBIT B-11

STATEMENT OF RESERVE FOR RECREATION EXPENDITURES
RECREATION TRUST FUND

	Balance, December 31, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>
Swim and Racquet Club	\$ (1,620)	\$ 53,371	\$ 51,881	\$ (130)
Biddy Basketball	12			12
Men's Basketball	<u>3,950</u>	<u>5,500</u>	<u>5,500</u>	<u>3,950</u>
	<u>\$ 2,342</u>	<u>\$ 58,871</u>	<u>\$ 57,381</u>	<u>\$ 3,832</u>
Cash Receipts		\$ 58,871		
Cash Disbursements		<u>-</u>	<u>\$ 57,381</u>	
		<u>\$ 58,871</u>	<u>\$ 57,381</u>	

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

Balance, December 31, 2023		\$ 98,301
Increased by:		
Transfer from 2023 Appropriation Reserves - Terminal Leave	\$ 19,344	
Payments to Current Fund	<u>89,609</u>	
		<u>\$ 108,953</u>
		207,254
Decreased by:		
Cash Receipts from Current Fund	98,620	
Payments Made by Current Fund	34,806	
Interest on Deposits	<u>44,531</u>	
		<u>177,957</u>
Balance, December 31, 2024		<u><u>\$ 29,297</u></u>

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

Balance, December 31, 2023		\$ 36,843
Increased by:		
Cash Receipts:		
Payroll Deposits		<u>4,530,855</u>
		4,567,698
Decreased by:		
Cash Disbursements		<u>4,528,988</u>
Balance, December 31, 2024		<u><u>\$ 38,710</u></u>

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

	Balance, December 31, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>
Escrow Deposits	\$ 1,247,812	\$ 165,148	\$ 289,543	\$ 1,123,417
Affordable Housing Developer Fees	2,495,476	524,825	376,732	2,643,569
Cell Tower Security Deposits	131,075			131,075
POAA Fees	658	6		664
Fire Inspection Penalty Fees	374			374
COAH/Balanced Housing Note Reserve	1,210,696	104,652		1,315,348
COAH Security Deposits	6,544	255		6,799
Terminal Leave Reserve	147,819	19,344	118,426	48,737
Police Outside Duty Fees	23,068	935,945	917,190	41,823
Tax Sale Premiums	-	19,100	-	19,100
	<u>\$ 5,263,522</u>	<u>\$ 1,769,275</u>	<u>\$ 1,701,891</u>	<u>\$ 5,330,906</u>
Cash Receipts		\$ 1,589,189		
Due from Current Fund		19,344		
Interest on Deposits		160,742		
Cash Disbursed			\$ 1,667,085	
Due to Current Fund		-	34,806	
		<u>\$ 1,769,275</u>	<u>\$ 1,701,891</u>	

GENERAL CAPITAL

BOROUGH OF ALPINE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2023		\$ 274,800
Increased by Receipts:		
Bond Anticipation Notes	\$ 355,000	
Premium on Notes Issued	6,184	
Budget Appropriation - Capital Improvement Fund	<u>12,000</u>	
		<u>373,184</u>
		647,984
Decreased by Disbursements:		
Encumbrances Payable	296,962	
Improvement Authorizations	185,953	
Due to Current Fund	<u>94,126</u>	
		<u>577,041</u>
Balance, December 31, 2024		<u><u>\$ 70,943</u></u>

BOROUGH OF ALPINE
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	Balance, December 31, <u>2024</u>
Fund Balance	\$ 8,916
Due from Current Fund	(102,694)
Encumbrances Payable	191,946
Capital Improvement Fund	15,996
Reserve for Field Improvements	10,000
Grants Receivable	(300,584)
Improvement Authorizations:	
Ordinance	
<u>Number</u>	
729	2012 Capital Improvements 3,000
753	2015 Road Program 6,068
759	2016 Various Improvements 6,703
769	2017 Road Program 29,189
786	2019 Road Program 41,678
787	2019 Various Improvements 14,082
788	2019 Various Improvements 12,470
795	2020 Road Program (19,287)
796	2020 Various Capital Improvements 807
805	2021 Road Program 40,394
806	2021 Various Capital Improvements 42,261
813	2022 Road Program 115,145
814	2022 Various Capital Improvements 32,067
820	2023 Various Capital Improvements (21,383)
827	Various Acquisitions and Improvements (55,831)
	<u>\$ 70,943</u>

**BOROUGH OF ALPINE
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2023</u>	Grant <u>Awards</u>	Grant <u>Receipts</u>	Balance, December 31, <u>2024</u>	<u>Balance Pledged to:</u> Improvement <u>Authorization</u> <u>Reserve</u>	
N.J. Dept. of Transportation						
Ord. 788 - 2019 Road Improvements	\$ 59,162			\$ 59,162	\$ 59,162	
Ord. 795 - 2020 Road Improvements	56,195			56,195	56,195	
Ord. 813 - 2022 Road Improvements	38,367			38,367	38,367	
Ord. 813 - 2022 Road Improvements	56,367			56,367	56,367	
Ord. 827 - Various Acquisitions & Improvements	-	\$ 157,970	\$ 118,477	39,493	39,493	-
N.J. Dept. of Consumer Affairs						
Ord. 827 - Various Acquisitions & Improvements	-	51,000	-	51,000	51,000	-
	<u>\$ 210,091</u>	<u>\$ 208,970</u>	<u>\$ 118,477</u>	<u>\$ 300,584</u>	<u>\$ 300,584</u>	<u>\$ -</u>
Due from Current Fund			<u>\$ 118,477</u>			

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

Ord. No.	Improvement Description	Balance, December 31, 2023	2024 Authorizations	Notes Paid by Budget	Balance, December 31, 2024	<u>Analysis of Balance</u>		Unexpended Improvement Authorizations
						Bond Anticipation Note	Expenditures	
742	2014 Road Program							
752	2015 Various Capital Improvements							
753	2015 Road Program	\$ 109,698		109,698	\$ -	\$ -		
758	School Field Improvements and Vehicle Acquisition	88,697		36,454	52,243	52,243		
760	2016 Road Program	89,255		12,200	77,055	77,055		
769	2017 Road Program	107,911		9,448	98,463	98,463		
776	2018 Road Program	157,697		19,716	137,981	137,981		
777/779	2018 Various Capital Improvements	65,459		5,678	59,781	59,781		
786	2019 Road Program	191,250		11,250	180,000	180,000		
787	2019 Various Improvements	142,653		14,097	128,556	128,556		
795/816	2020 Road Program	248,455		10,795	237,660	183,510	\$ 19,287	\$ 34,863
796	2020 Various Capital Improvements	146,300		10,664	135,636	135,636		
805	2021 Road Program	203,600			203,600	203,600		
806	2021 Various Capital Improvements	267,400			267,400	267,175		225
813	2022 Road Program	246,531			246,531	246,531		
814	2022 Various Capital Improvements	183,350			183,350	183,350		
820	2023 Various Capital Improvements	217,095	\$ -	-	217,095	100,119	21,383	95,593
827	Various Acquisitions and Improvements	-	230,000	-	230,000	-	55,831	174,169
		<u>\$ 2,465,351</u>	<u>\$ 230,000</u>	<u>\$ 240,000</u>	<u>\$ 2,455,351</u>	<u>\$ 2,054,000</u>	<u>\$ 96,501</u>	<u>\$ 304,850</u>

Improvement Authorizations Unfunded			\$ 620,473
Less: Unexpended Bond Anticipation Note Proceeds			
Ordinance No.	769	\$ 29,189	
	786	41,678	
	787	14,082	
	796	807	
	805	40,394	
	806	42,261	
	813	115,145	
	814	32,067	
			<u>315,623</u>
			<u>\$ 304,850</u>

BOROUGH OF ALPINE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2023		2024 Authorizations			Encumbrances Payable Cancellations	Paid or Charged	Balance, December 31, 2024	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded	Grants Awards			Funded	Unfunded
729	2012 Capital Improvements	4/25/2012	\$ 182,500	\$ 3,000						\$ 3,000		
753	2015 Road Program	4/22/2015	237,000		\$ 6,068					6,068		
759	2016 Various Capital Improvements	4/27/2016	147,100	6,703						6,703		
769	2017 Road Program	4/26/2017	335,000		29,189						\$ 29,189	
786	2019 Road Program	4/24/2019	225,000		41,776				\$ 98		41,678	
787	2019 Various Improvements	4/24/2019	165,000		14,082						14,082	
788	Road and Swim Pool Improvements	8/28/2019	186,500	12,470						12,470	-	
795/816	2020 Road Program	4/22/2020 - 3/22/2023	435,000		55,692				20,829		34,863	
796	2020 Various Capital Improvements	4/22/2020	154,000		807						807	
805	2021 Road Program	5/26/2021	214,000		42,421				2,027		40,394	
806	2021 Various Capital Improvements	5/26/2021	281,000		42,486						42,486	
813	2022 Road Program	4/27/2022	600,000	-	18,417				\$ 130,504	33,776	- 115,145	
814	2022 Various Capital Improvements	4/27/2022	193,000		43,790					11,723	32,067	
820	2023 Various Capital Improvements	4/26/2023	228,000		128,208			-		32,615	95,593	
827	Various Acquisitions and Improvements	4/24/2024	451,000	-	-	\$ 12,030	\$ 230,000	\$ 208,970	-	276,831	- 174,169	
				\$ 22,173	\$ 422,936	\$ 12,030	\$ 230,000	\$ 208,970	\$ 130,504	\$ 377,899	\$ 28,241 \$ 620,473	
Cash Disbursements										\$ 185,953		
Encumbrances Payable										191,946		
										\$ 377,899		

**BOROUGH OF ALPINE
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2023		\$ 427,466
Increase by:		
Charges to Improvement Authorization		<u>191,946</u>
		619,412
Decrease by:		
Cancellations Restored to Improvement Authorizations	\$ 130,504	
Cash Disbursements	<u>296,962</u>	
		<u>427,466</u>
Balance, December 31, 2024		<u>\$ 191,946</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2023		\$ 16,026
Increased by:		
2024 Budget Appropriation		<u>12,000</u>
		28,026
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>12,030</u>
Balance, December 31, 2024		<u>\$ 15,996</u>

BOROUGH OF ALPINE
STATEMENT OF DUE TO/FROM CURRENT FUND

Balance, December 31, 2023 - (Due To)		\$ 94,909
Increased by:		
Fund Balance Realized as Budget Revenue		<u>15,000</u>
		109,909
Decreased by:		
Grant Receipt Deposited in Current Fund	\$ 118,477	
Cash Disbursements	<u>94,126</u>	
		<u>212,603</u>
Balance, December 31, 2024 - (Due From)		<u><u>\$ 102,694</u></u>

STATEMENT OF RESERVE FOR FIELD IMPROVEMENTS

Balance, December 31, 2023	<u>\$ 10,000</u>
Balance, December 31, 2024	<u><u>\$ 10,000</u></u>

BOROUGH OF ALPINE
STATEMENT OF BOND ANTICIPATION NOTES

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2023</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2024</u>
753	2015 Road Program	12/8/2015	8/13/2023	8/13/2024	4.50	% \$ 109,698		109,698	\$ -
758	School Field Improvements and Vehicle Acq.	12/5/2016	8/13/2024	8/13/2025	4.25		52,243		52,243
			8/14/2023	8/14/2024	4.50	88,697		88,697	
760	2016 Road Program	12/5/2016	8/13/2024	8/13/2025	4.25		77,055		77,055
			8/14/2023	8/14/2024	4.50	89,255		89,255	
769	2017 Road Program	11/30/2017	8/13/2024	8/13/2025	4.25		98,463		98,463
			8/14/2023	8/14/2024	4.50	107,911		107,911	
776	2018 Road Program	11/28/2018	8/13/2024	8/13/2025	4.25		137,981		137,981
			8/14/2023	8/14/2024	4.50	157,697		157,697	
777/779	2018 Various Capital Improvements	11/28/2018	8/13/2024	8/13/2025	4.25		59,781		59,781
			8/14/2023	8/14/2024	4.50	65,459		65,459	
786	2019 Road Program	11/26/2019	8/13/2024	8/13/2025	4.25		180,000		180,000
			8/14/2023	8/14/2024	4.50	191,250		191,250	
787	2019 Various Capital Improvements	11/19/2020	8/13/2024	8/13/2025	4.25		128,556		128,556
			8/14/2023	8/14/2024	4.50	142,653		142,653	
795/816	2020 Road Program	11/19/2020	8/13/2024	8/13/2025	4.25		183,510		183,510
			8/14/2023	8/14/2024	4.50	194,305		194,305	
796	2020 Various Capital Improvements	11/17/2021	8/13/2024	8/13/2025	4.25		135,636		135,636
			8/14/2023	8/14/2024	4.50	146,300		146,300	
805	2021 Road Program	11/15/2022	8/13/2024	8/13/2025	4.25		203,600		203,600
			8/14/2023	8/14/2024	4.50	203,600		203,600	
806	2021 Various Capital Improvements	11/15/2022	8/13/2024	8/13/2025	4.25		267,175		267,175
			8/14/2023	8/14/2024	4.50	267,175		267,175	
813	2022 Road Program	8/14/2023	8/13/2024	8/13/2025	4.25		246,531		246,531
			8/14/2023	8/14/2024	4.50	175,000		175,000	
814	2022 Various Improvements	8/13/2024	8/13/2024	8/13/2025	4.25		183,350		183,350
820	2023 Various Improvements	8/13/2024	8/13/2024	8/13/2025	4.25	-	100,119	-	100,119
						<u>\$ 1,939,000</u>	<u>\$ 2,054,000</u>	<u>\$ 1,939,000</u>	<u>\$ 2,054,000</u>
						Renewals	\$ 1,699,000	\$ 1,699,000	
						Issued for Cash	355,000		
						Paid by Budget Appropriation	-	240,000	
							<u>\$ 2,054,000</u>	<u>\$ 1,939,000</u>	

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2023</u>	2024 <u>Authorizations</u>	Bond Anticipation Notes <u>Issued</u>	Balance, December 31, <u>2024</u>
806	2021 Various Capital Improvements	\$ 225			\$ 225
813	2022 Road Program	71,531		\$ 71,531	-
814	2022 Various Capital Improvements	183,350		183,350	-
816	2020 Road Program	54,150			54,150
820	2023 Various Capital Improvements	217,095	-	100,119	116,976
827	Various Acquisitions & Improvements	-	230,000	-	230,000
		<u>\$ 526,351</u>	<u>\$ 230,000</u>	<u>\$ 355,000</u>	<u>\$ 401,351</u>

BOROUGH OF ALPINE
PART II
GOVERNMENT AUDITING STANDARDS



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Alpine which comprise the balance sheets – regulatory basis of the various funds and account group as of December 31, 2024, and the related statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended and the related notes to the financial statements, and have issued our report thereon dated May 28, 2025. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Alpine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and responses as item 2024-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Alpine in Part III of this report of audit entitled; "Letter of Comments and Recommendations".

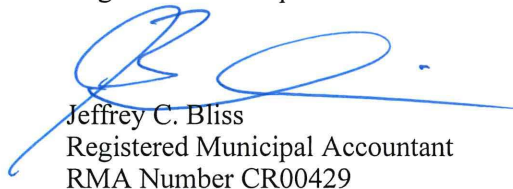
Borough of Alpine's Response to Finding

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

Purpose of this Report

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

Lerch, Vinci & Bliss, LLP
LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants


Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429

Fair Lawn, New Jersey
May 28, 2025

**BOROUGH OF ALPINE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>Federal Program</u>	<u>Grant Program</u>	<u>AL Number</u>	<u>Grant Year</u>	<u>Award Amount</u>	Balance, December 31, <u>2023</u>	<u>Expended</u>	Balance, December 31, <u>2024</u>	Memo Cumulative <u>Expenditures</u>
U.S. Department of Highway Safety (Passed through State Department of Law and Public Safety)								
FEMA - Hurricane Ida	N/A	97.036	2022	\$ 76,707	<u>\$ 44,774</u>	<u>\$ 3,200</u>	<u>\$ 41,574</u>	\$ 35,133
					<u>\$ 44,774</u>	<u>\$ 3,200</u>	<u>\$ 41,574</u>	

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

BOROUGH OF ALPINE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2024 Grant Receipts</u>	<u>Balance, January 1, 2024</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2024</u>	<u>Memo Cumulative Expenditures</u>
Municipal Recycling Assistance Program (Passed Through County of Bergen)	4910-759-690-50	2004	\$ 1,591		\$ 1,591			\$ 1,591	
		2005	1,574		84			84	\$ 1,490
		2007	1,239		18			18	1,221
<u>Department of Environmental Protection</u> Clean Communities Program	042-4900-765-004	2015	6,463		2,149		\$ 2,149	-	6,463
		2017	6,280		5,083		212	4,871	1,409
		2018	6,005		5,130			5,130	875
		2019	6,704		5,379			5,379	1,325
		2020	6,044		5,294			5,294	750
		2021	6,428		5,804			5,804	624
		2022	6,557		6,557		468	6,089	7,025
		2023	7,355			7,355	298	7,057	298
		2024	8,353	\$ 8,353				-	
Recycling Tonnage	042-4910-100-224	2017	13,857		94		\$ 94	-	13,857
		2018	4,243		2,943		2,943	-	4,243
		2019	4,267		1,179		1,179	-	4,267
		2021	8,020		6,325		2,985	3,340	4,680
		2022	4,822		1,817			1,817	3,005
		2023	5,100		-	5,100	5,100	-	5,100
		2024		5,215	-			-	-
NJ DEP Municipal Stormwater Program	N/A	2007	1,705		967			967	738
		2023	15,000			15,000	6,045	8,955	21,045
<u>Judiciary</u> Alcohol Education and Rehabilitation Fund	098-9735-760-001	2008	375		375			375	
		2009	325		325			325	
		2010	251		251			251	
		2011	54		54			54	
		2012	108		108			108	
		2013	53		53			53	
		2014	354		354			354	
		2015	59		59			59	
		2016	181		181			181	
		2017	64		64			64	
		2018	146		146			146	
		2022	316		316			316	
		2023	389		-	389		389	
		2024	368	368	-	368		368	
Drunk Driving Enforcement Fund	1110-448031020-22	2013	4,678		2,339			2,339	2,339
Municipal Alliance Program	N/A	2020	3,410		2,101			2,101	1,309
Body Armor Grant	066-1020-718-001	2024	1,268			1,268	1,268	-	1,268
		2025	1,305	1,305	-			-	-
Body Worn Camera Grant	N/A	2024	12,668	12,668	-	12,668	12,668	-	12,668
State Department of Transportation Local Municipal Aid									
Allison Road (Ord. #788)	078-6320-480-ANP	2019	166,400		18,651			18,651	147,749
Cambridge Way (Ord. #795)	078-6320-480-AN8	2020	154,000		3,950		3,679	271	150,050
Glen Goin Drive (Ord. #813)	MA-2022-00619	2022	190,000		11,823	-	-	11,823	178,177
Anderson Ave (Ord. #827)	LA-2023 MA Alpine	2024	157,970	118,477		157,970	9,954	148,016	9,954
State Department of Consumer Affairs Local Recreation Improvement Grant	LRIG-2023	2024	51,000		-	51,000	3,718	47,282	3,718
					<u>\$ 91,564</u>	<u>\$ 251,118</u>	<u>\$ 52,760</u>	<u>\$ 289,922</u>	

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

See accompanying Notes to Schedule of Expenditures of State Financial Assistance

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

BOROUGH OF ALPINE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ -	\$ 42,148	\$ 42,148
General Capital Fund	<u>-</u>	<u>208,970</u>	<u>208,970</u>
	<u>\$ -</u>	<u>\$ 251,118</u>	<u>\$ 251,118</u>

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 INDIRECT COST RATE

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

**BOROUGH OF ALPINE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Part I – Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

1) Material weakness(es) identified yes X no

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

Noncompliance material to the financial
statements noted? X yes no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**BOROUGH OF ALPINE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2024**

Part II – Schedule of Financial Statement Findings

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

Finding 2024-001

Our review of the general ledgers of the various funds revealed account balances were not in agreement with subsidiary ledgers and other supporting records at year end. Numerous audit adjustments were required to reconcile general ledger control account balances to supporting records.

Criteria or Specific Requirement

Maintenance of a General Ledger Accounting System

Condition

General ledger control account balances at year end were not in agreement with the respective subsidiary ledgers and other supporting records and documentation at December 31, 2024.

Cause

General ledger account balances were not reconciled to supporting records during the year.

Effect

General ledger accounts may not accurately reflect reported transactions and balances.

Recommendation

Procedures be reviewed and revised to ensure general ledger account balances are reconciled to and in agreement with subsidiary ledgers and supporting records on a monthly basis.

Views of Responsible Officials and Planned Corrective Action Plan

Management has reviewed this finding and had indicated appropriate corrective action will be taken.

**BOROUGH OF ALPINE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2024**

Part III – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB Circular 15-08.

CURRENT YEAR STATE AWARDS

Not Applicable.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

**BOROUGH OF ALPINE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.

BOROUGH OF ALPINE
BERGEN COUNTY, NEW JERSEY

PART III

SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

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

	<u>Year 2024</u>		<u>Year 2023</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,070,000	5.52 %	\$ 1,050,000	5.58 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,092,180	10.79	2,157,202	11.46
Collection of Delinquent Taxes and Tax Title Liens	257,414	1.33	193,767	1.03
Collection of Current Tax Levy	15,812,759	81.55	15,378,120	81.69
Other Credits to Income	<u>159,144</u>	<u>0.81</u>	<u>46,383</u>	<u>0.24</u>
Total Income	<u>19,391,497</u>	<u>100.00</u> %	<u>18,825,472</u>	<u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	6,046,445	32.92 %	5,890,036	33.18 %
County Taxes	4,812,361	26.20	4,452,524	25.07
Local School Taxes	7,407,523	40.33	7,262,277	40.91
Municipal Open Space Tax	99,725	0.55	99,132	0.56
Other Expenditures	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>0.28</u>
Total Expenditures	<u>18,366,054</u>	<u>100.00</u> %	<u>17,753,969</u>	<u>100.00</u> %
Excess in Revenue	1,025,443		1,071,503	
Fund Balance, January 1	<u>1,257,968</u>		<u>1,236,465</u>	
	2,283,411		2,307,968	
Less Utilization as Anticipated Revenue	<u>1,070,000</u>		<u>1,050,000</u>	
Fund Balance, December 31	<u>\$ 1,213,411</u>		<u>\$ 1,257,968</u>	

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2020 through 2024 by foreclosure or deed, as a result of liquidation of tax title liens.

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>	2024	\$1,213,411	\$1,075,000
	2023	1,257,968	1,070,000
	2022	1,236,465	1,050,000
	2021	1,387,663	1,200,000
	2020	1,350,811	1,050,000

Comparative Schedule of Tax Rate Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Tax Rate</u>	<u>\$1.818</u>	<u>\$0.790</u>	<u>\$0.767</u>

Apportionment of Tax Rate

Municipal	.198	.192	.182
Municipal Open Space	.005	.005	.004
County (Including Open Space)	.242	.226	.228
Local School	.373	.367	.353

Assessed Valuation

2024	<u>\$1,986,151,200</u>	
2023		<u>\$1,977,359,600</u>
2022		<u>\$1,993,262,800</u>

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

Comparison of Levies and Collection Currently

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

<u>Year</u>		<u>Tax Levy</u>		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2024	\$	16,315,034	\$	15,837,759	97.07%
2023		15,662,904		15,403,120	98.34%
2022		15,314,514		15,091,807	98.55%

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>		<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2024	None	\$ 475,077	\$	475,077	2.91%
2023	None	257,414		257,414	1.64%
2022	None	193,767		193,767	1.27%

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Name of Corporate Amount of Bond or Personal Surety</u>
Paul H. Tomaso	Mayor	
Gayle Gerstein	Council President	
Vicki Frankel	Councilwoman	
Arthur Frankel	Councilman	
Scott Bosworth	Councilman	
Steven Cohen	Councilman	
David Kupferschmid	Councilman	
Stephanie Wehmann	Borough Clerk	
Marti Francis	Deputy Borough Clerk	
Judith Curran	Chief Financial Officer (6/1/24 thru 2/28/25)	
	Tax Collector	
Marilyn Hayward	Treasurer	
	Tax Search Officer(1/1/24 thru 5/31/24)	
Erik Lenander	Qualified Purchasing Agent	
Robert J. Cohan	Magistrate	1,000,000 A
Dawn Curatola	Court Administrator	1,000,000 A
Joh Scialla	Building Inspector	
	Construction Code Official	
	Plumbing Inspector	
Keith Dalton	Fire Sub-Code Official/Zoning Officer	
Gregory Zaremba	DPW Superintendent	
Matthew Kent	Police Chief	
William Yirce	Tax Assessor	

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

BOROUGH OF ALPINE

LETTER OF COMMENTS AND RECOMMENDATION

GENERAL COMMENTS

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

- **Finding** – Our audit of the year end bank reconciliations revealed numerous reconciling items existed which appeared invalid and should be cleared of record.

Recommendation – All reconciling items on the monthly bank reconciliations be reviewed for validity and invalid items be cleared of record in a timely manner.

- **Finding** – Our audit revealed purchase orders were not issued and encumbered in the Borough's accounting records for certain contracts awarded and when expenditures were incurred during the year. In addition, we noted numerous purchase orders were dated after goods or services were received ("confirming orders").

Recommendation – Procedures be revised to ensure purchase orders are issued and encumbered when contract awards are approved and expenditures are incurred during the year. In addition, approved purchase orders be issued prior to the ordering of goods and services.

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

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

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

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

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

Anderson Ave. Improvement Project

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

BOROUGH OF ALPINE
LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS (Continued)

Collection of Interest on Delinquent Taxes and Assessments

The New Jersey statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent. The Governing Body on January 4, 2024 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED, by the Mayor and Council of the Borough of Alpine, County of Bergen, State of New Jersey, that the rate of interest on delinquent taxes for the year 2024, shall be computed at the rate of eight (8%) percent per annum and,

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

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

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

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 18, 2024. There was no tax sale held for the year ended December 31, 2023.

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

<u>Year</u>	<u>Number of Liens</u>
2024	None
2023	None
2022	None

Management Suggestions

- Change orders to approved contracts be formally approved by resolution.
- The Borough Attorney’s opinion be sought on the payment of unused sick days at year end.

APPRECIATION

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

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

RECOMMENDATIONS

It is recommended that:

1. Procedures be reviewed and revised to ensure general ledger account balances are reconciled to and in agreement with subsidiary ledgers and supporting records on a monthly basis.
2. All reconciling items on the monthly bank reconciliations be reviewed for validity and invalid items be cleared of record in a timely manner.
3. Procedures be revised to ensure purchase orders are issued and encumbered when contract awards are approved and expenditures are incurred during the year. In addition, approved purchase orders be issued prior to the ordering of goods and services.

* * * * *

A review was performed on the prior year's recommendation and it was noted there were none.

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

Lerch, Vinci & Bliss, LLP

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



Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429