

**ANNUAL FINANCIAL STATEMENT FOR THE YEAR 2017
(UNAUDITED)**

POPULATION LAST CENSUS 15,540
 NET VALUATION TAXABLE 2017 2,481,945,300
 MUNICODE 1431

**FIVE DOLLARS PER DAY PENALTY IF NOT FILED BY:
 COUNTIES - JANUARY 26, 2018
 MUNICIPALITIES - FEBRUARY 10, 2018**

ANNUAL FINANCIAL STATEMENT REQUIRED TO BE FILED UNDER NEW JERSEY STATUTES ANNOTATED 40A:5-12, AS AMENDED, COMBINED WITH INFORMATION REQUIRED PRIOR TO CERTIFICATION OF BUDGETS BY THE DIRECTOR OF THE DIVISION OF LOCAL GOVERNMENT SERVICES.

Township of Pequannock, County of Morris

SEE BACK COVER FOR INDEX AND INSTRUCTIONS.
DO NOT USE THESE SPACES

	Date	Examined By:
1		Preliminary Check
2		Examined

I hereby certify that the debt shown on Sheets 31 to 34a, 49 to 51a and 63 to 65a are complete, were computed by me and can be supported upon demand by a register or other detailed analysis.

Signature *David W Hollberg*
 Title Chief Financial Officer

(This MUST be signed by Chief Financial Officer, Comptroller, Auditor or Registered Municipal Accountant.)

REQUIRED CERTIFICATION BY CHIEF FINANCIAL OFFICER:

I hereby certify that I am responsible for filing this verified Annual Financial Statement, (which I have prepared) or (which I have not prepared) [eliminate one] and information required also included herein and that this Statement is an exact copy of the original on file with the clerk of the governing body, that all calculations, extensions and additions are correct, that no transfers have been made to or from emergency appropriations and all statements contained herein are in proof; I further certify that this statement is correct insofar as I can determine from all the books and records kept and maintained in the Local Unit.

Further, I do hereby certify that I David W. Hollberg, am the Chief Financial Officer, License # N-0143, of the Township of Pequannock, County of Morris and that the statements annexed hereto and made a part hereof are true statements of the financial condition of the Local Unit as at December 31, 2017, completely in compliance with N.J.S. 40A:5-12, as amended. I also give complete assurance as to the veracity of required information included herein, needed prior to certification by the Director of Local Government Services, including the verification of cash balances as of December 31, 2017.

Signature *David W Hollberg*
 Title Chief Financial Officer
 Address 530 Turnpike, Pompton Plains, NJ 07444
 Phone Number (973) 835-5700 x133
 Fax Number (973) 835-1152

IT IS HEREBY INCUMBENT UPON THE CHIEF FINANCIAL OFFICER, WHEN NOT PREPARED BY SAID, AT A MINIMUM MUST REVIEW THE CONTENTS OF THIS ANNUAL FINANCIAL STATEMENT WITH THE PREPARER, SO FAR AS TO BE FAMILIAR WITH THE REPRESENTATIONS AND ASSERTIONS MADE HEREIN.

**MUNICIPAL BUDGET LOCAL EXAMINATION QUALIFICATION CERTIFICATION
BY
CHIEF FINANCIAL OFFICER**

One of the following Certifications must be signed by the Chief Financial Officer if your municipality is eligible for local examination.

CERTIFICATION OF QUALIFYING MUNICIPALITY

1. The outstanding indebtedness of the previous fiscal year is **not in excess of 3.5%**;
2. All emergencies approved for the previous fiscal year **did not exceed 3%** of total appropriations;
3. The tax collection rate **exceeded 90%**;
4. Total deferred charges **did not equal or exceed 4%** of the total tax levy;
5. There were **no "procedural deficiencies"** noted by the registered municipal accountant on Sheet 1a of the Annual Financial Statement; and
6. There was no **operating deficit** for the previous fiscal year.
7. The municipality **did not** conduct an accelerated tax sale for less than 3 consecutive years.
8. The municipality **did not** conduct a tax levy sale the previous fiscal year and does not plan to conduct one in the current year.
9. The current year budget does not contain a "CAP" waiver per N.J.S.A. 40A:4-45.3ee
10. The municipality will not apply for Extraordinary Aid for 2018.

The undersigned certifies that this municipality has complied in full in meeting ALL of the above criteria in determining its qualification for local examination of its Budget in accordance with N.J.A.C. 5:30-7.5.

Municipality: Township of Pequannock
 Chief Financial Officer: David W. Hollberg
 Signature: *David W Hollberg*
 Certificate #: N-0143
 Date: 3/23/2018

CERTIFICATION OF NON-QUALIFYING MUNICIPALITY

The undersigned certifies that this municipality does not meet item(s) # _____ of the criteria above and therefore does not qualify for local examination of its Budget in accordance with N.J.A.C. 5:30-7.5.

Municipality: _____
 Chief Financial Officer: _____
 Signature: _____
 Certificate #: _____
 Date: _____

22-6002206

Fed I.D. #

Township of Pequannock

Municipality

Morris

County

Report of Federal and State Financial Assistance

Expenditure of Awards

Fiscal Year Ending: 12/31/2017

	(1) Federal programs Expended (administered by the state)	(2) State Programs Expended	(3) Other Federal Programs Expended
TOTAL	\$ <u> -</u>	\$ <u> 526,864.91</u>	\$ <u> -</u>

Type of Audit required by Uniform Guidance and NJ OMB 15-08:

- Single Audit
- Program Specific Audit
- X Financial Statement Audit Performed in Accordance
With Government Auditing Standards (Yellow Book)

Note: All local governments, who are recipients of federal and state awards (financial assistance), must report the total amount of federal and state funds expended during its fiscal year and the type of audit required to comply with the Uniform Guidance and NJ OMB 15-08. The single audit threshold has been increased to \$750,000 beginning with Fiscal Year ending after 12/31/14.

- (1) Report expenditures from federal pass-through programs received directly from state government. Federal pass-through funds can be identified by the Catalog of Federal Domestic Assistance (CFDA) number reported in the State's grant/contract agreements.
- (2) Report expenditures from state programs received directly from state government or indirectly from pass-through entities. **Exclude state aid (I.e., CMPTRA, Energy Receipts tax, etc.) since there are no compliance requirements.**
- (3) Report expenditures from federal programs received directly from the federal government or indirectly from entities other than state government.



Signature of Chief Financial Officer

3/23/2018

Date

IMPORTANT!

READ INSTRUCTIONS

INSTRUCTION

The following certification is to be used ONLY in the event there is NO municipally operated utility.

If there is a utility operated by the municipality or if a "utility fund" existed on the books of account, do not sign this statement and do not remove any of the UTILITY sheets from the document.

CERTIFICATION

I hereby certify that there was no "utility fund" on the books of account and there was no utility owned and operated by the _____ of _____ County of _____ during the year 2017 and that sheets 40 to 68 are unnecessary.

I have therefore removed from this statement the sheets pertaining only to utilities

Name _____
Title Chief Financial Officer


(This must be signed by the Chief Financial Officer, Comptroller, Auditor or Registered Municipal Accountant.)

NOTE:

When removing the utility sheets, please be sure to refasten the "index" sheet (the last sheet in the statement) in order to provide a protective cover sheet to the back of the document.

MUNICIPAL CERTIFICATION OF TAXABLE PROPERTY AS OF OCTOBER 1, 2017

Certification is hereby made that the Net Valuation Taxable of property liable to taxation for the tax year 2018 and filed with the County Board of Taxation on January 10, 2018 in accordance with the requirement of N.J.S.A. 54:4-35, was in the amount of \$ 2,406,453,500.00



SIGNATURE OF ASSESSOR
Township of Pequannock

MUNICIPALITY
Morris

COUNTY

MUNICIPAL PUBLIC DEFENDER CERTIFICATION

Public Law 1998, C. 256

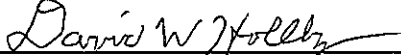
Municipal Public Defender Expended Prior Year 2016:	(1)	\$	10,500.00
			<u> 25%</u>
	(2)	\$	2,625.00

Municipal Public Defender Trust Cash Balance December 31, 2017: (3) \$ 37,843.86

Note: If the amount of money in a dedicated fund established pursuant to this section exceeds by more than 25% the amount which the municipality expended during the prior year providing the services of a municipal public defender, the amount in excess of the amount expended shall be forwarded to the Criminal Disposition and Review Collection Fund administered by the Victims of Crime Compensation Board. (P.O. Box 084, Trenton, NJ 08625)

Amount in excess of the amount expended: 3- (1 + 2) = \$ 24,718.86

The undersigned certifies that the municipality has complied with the regulations governing *Municipal Public Defender* as required under Public Law 1998, C. 256.

Chief Financial Officer: David W. Hollberg
Signature: 
Certificate #: N-0143
Date: 3/23/2018

CASH RECONCILIATION DECEMBER 31, 2017

	Cash		Less Checks Outstanding	Cash Book Balance
	* On Hand	On Deposit		
Current	10,128.83	5,914,483.22		5,924,612.05
Trust - Dog License	219.00	20,423.97		20,642.97
Trust - Other		1,536,522.78	103,568.91	1,432,953.87
Capital - General		717,749.02		717,749.02
Water - Operating		645,337.93		645,337.93
Water - Capital		208,029.89		208,029.89
Sewer - Operating	28,116.74	858,476.64		886,593.38
Sewer - Capital		547,561.22	3,034.27	544,526.95
Solid Waste Utility - Operating		707,551.86		707,551.86
Recreation Utility - Operating	162.00	116,693.38		116,855.38
Recreation Utility - Capital		8,553.66		8,553.66
Unemployment Trust		122,559.23		122,559.23
Payroll Section 125 Trust		4,767.25	2,852.60	1,914.65
Open Space Trust		161,548.83		161,548.83
Builder's Escrow		486,914.53		486,914.53
COAH Fund		77,934.50		77,934.50
Fire Safety Fund		15,520.04		15,520.04
Claims	20,070.01	1,071,494.90	531,927.58	559,637.33
Sewer Assessment Fund		492,250.22	13.10	492,237.12
State & Federal Grant Fund		51,347.55		51,347.55
Total	58,696.58	13,765,720.62	641,396.46	13,183,020.74

* Include Deposits in Transit

** Be sure to include Public Assistance Account reconciliation and trial balance if the municipality maintains such a bank account

REQUIRED CERTIFICATION

I hereby certify that all amounts shown in the "Cash on Desposit" column on Sheet 9 and 9(a) have been verified with the applicable bank statements, certificates, agreements or passbooks at December 31, 2017.

I also certify that all amounts, if any, shown for Investments in Savings and Loan Associations on any trial balance have been verified with the applicable passbooks at December 31, 2017.

All "Certificates of Deposit", "Repurchase Agreements" and other investments must be reported as cash and included in this certification.

(THIS MUST BE SIGNED BY THE REGISTERED MUNICIPAL ACCOUNTANT (STATUTORY AUDITOR) OR CHIEF FINANCIAL OFFICER) depending on who prepared this Annual Financial Statement as certified to on Sheet 1 or 1(a).


Signature: David W. Kelly

Title: Chief Financial Officer

**SCHEDULE OF RESERVE FOR TAX APPEALS PENDING -
(N.J.S.A. 54:3-27)**

	Debit	Credit
Balance January 1, 2017	XXXXXXXXXX	2,716,090.28
Taxes Pending Appeals	XXXXXXXXXX	XXXXXXXXXX
Interest Earned on Taxes Pending Appeals	XXXXXXXXXX	XXXXXXXXXX
Contested Amount of 2017 Taxes Collected which are Pending State Appeal (Item 14, Sheet 22)	XXXXXXXXXX	135,044.93
Interest Earned on Taxes Pending State Appeals	XXXXXXXXXX	
Budget Appropriation		
Cash Paid to Appelants (Including 5% Interest from Date of Payment) Closed to results of Operations (Portion of Appeal won by Municipality, including Interest)	12,316.25 4,237.80	XXXXXXXXXX XXXXXXXXXX
Balance December 31, 2017	2,834,581.16	XXXXXXXXXX
Taxes Pending Appeals*		XXXXXXXXXX
Interest Earned on Taxes Pending Appeals		XXXXXXXXXX
	2,851,135.21	2,851,135.21

* Includes State Tax Court and County Board of Taxation Appeals Not Adjusted by December 31, 2017.



Signature of Tax Collector

T-1450 3/22/18
License # Date

N.J.S. 40A:4-53 SPECIAL EMERGENCY -

TAX MAP; REVALUATION; MASTER PLAN; REVISION AND CODIFICATION OF ORDINANCES; DRAINAGE MAPS FOR FLOOD CONTROL; PRELIMINARY ENGINEERING STUDIES, ETC. FOR SANITARY SEWER SYSTEM; MUNICIPAL CONSOLIDATION ACT; FLOOD OR HURRICAN DAMAGE.

Date	Purpose	Amount Authorized	Not Less Than 1/5 of Amount Authorized*	Balance Dec. 31, 2016	REDUCED IN 2017		Balance Dec. 31, 2017
					By 2017 Budget	Canceled by Resolution	
	N/A						
Totals							
				80025-00		80026-00	

It is hereby certified that all outstanding "Special Emergency" appropriations have been adopted by the governing body in full compliance with N.J.S. 40A:4-53 et seq. and are recorded on this page.

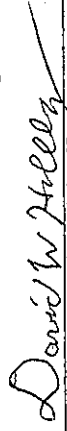
Daniel W. Kelly
Chief Financial Officer

* Not less than one-fifth (1/5) of amount authorized but not more than the amount shown in the column "Balance Dec. 31, 2017" must be entered here and then raised in the 2018 budget.

**N.J.S. 40A:4-55.1, ET SEQ., SPECIAL EMERGENCY - DAMAGE CAUSED TO ROADS OR BRIDGES BY SNOW, ICE, FROST OR FLOOD
N.J.S. 40A:4-55.13, ET SEQ., SPECIAL EMERGENCY - PUBLIC EXIGENCIES CAUSED BY CIVIL DISTURBANCES**

Date	Purpose	Amount Authorized	Not Less Than 1/3 of Amount Authorized*	Balance Dec. 31, 2016	REDUCED IN 2017		Balance Dec. 31, 2017 (Insert Date)
					By 2017 Budget	Canceled by Resolution	
	Totals				80027-00	80028-00	

It is hereby certified that all outstanding "Special Emergency" appropriations have been adopted by the governing body in full compliance with N.J.S. 40A:4-55.1 et seq. and N.J.S. 40A:4-55.13 et seq. and are recorded on this page.


Chief Financial Officer

* Not less than one-third (1/3) of amount authorized but not more than the amount shown in the column "Balance Dec. 31, 2017" must be entered here and then raised in the 2018 budget.