TOWNSHIP OF PEQUANNOCK

COUNTY OF MORRIS

REPORT OF AUDIT

2021

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS

REPORT OF AUDIT

2021

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TOWNSHIP OF PEQUANNOCK

PART I

REPORT ON AUDIT OF

FINANCIAL STATEMENTS AND

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2021

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Newton, NJ
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Independent Member
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Independent Auditors' Report

The Honorable Mayor and Members
of the Township Council
Township of Pequannock
Pompton Plains, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Township of Pequannock, in the County of Morris (the "Township") as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Township as of December 31, 2021 and 2020, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

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 and account group of the Township as of December 31, 2021 and 2020, or the changes in financial position or where applicable, cash flows thereof 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 (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United State of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

The Honorable Mayor and Members
of the Township Council
Township of Pequannock
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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 these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. 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 misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

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

The Honorable Mayor and Members
of the Township Council
Township of Pequannock
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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group 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 data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2022 on our consideration of the Township'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 Township'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 Township's internal control over financial reporting and compliance.

May 26, 2022
Mount Arlington, New Jersey

NISIVOCCIA LLP

Raymond A. Sarinelli

Raymond A. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 563

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
CURRENT FUND

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS

	Ref.	December 31, 2021	December 31, 2020
ASSETS			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	$ 9,492,344.50	$ 8,811,336.36
Change Funds		360.00	360.00
		9,492,704.50	8,811,696.36
Due From State of New Jersey			
Senior Citizen and Veterans Deductions		130,073.73	121,598.38
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	213,742.27	256,205.65
Tax Title Liens Receivable	A-8	29,117.22	19,691.65
Property Acquired for Taxes - Assessed Valuation		941,050.00	941,050.00
Revenue Accounts Receivable	A-9	37,869.35	5,459.91
Due From Federal and State Grant Fund	A		53.54
Due from Animal Control Fund	B	1.11	3.24
Due from Other Trust Funds	B	156.73	180.21
Due from General Capital Fund	C	638.00	1,135.63
Due from Open Space Trust Fund	B	5.36	
Due from Payroll and Payroll Agency Accounts		45.95	38.94
Due from Pequannock Public Library		60,838.87	52,984.99
Total Receivables and Other Assets		1,283,464.86	1,276,803.76
Deferred Charges:			
Special Emergency Authorizations		160,000.00	240,000.00
Special Emergency Authorizations - COVID 19			185,000.00
Total Deferred Charges		160,000.00	425,000.00
Total Regular Fund		11,066,243.09	10,635,098.50
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	828,638.95	200,703.40
Grants Receivable	A-10	1,094,609.78	979,073.50
Due from Current Fund	A	1,578.92	
Due from Open Space Trust Fund	B		83,083.00
Total Federal and State Grant Fund		1,924,827.65	1,262,859.90
TOTAL ASSETS		$ 12,991,070.74	$ 11,897,958.40

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
(Continued)

	Ref.	December 31, 2021	December 31, 2020
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-11	$ 1,558,160.39	$ 2,019,207.96
Encumbered	A-3;A-11	396,821.04	430,434.84
Total Appropriation Reserves		1,954,981.43	2,449,642.80
Accounts Payable - Vendors		6,300.00	16,788.95
Tax Overpayments		4,643.18	64,431.65
School Taxes Payable	A-12	94,594.00	190,673.00
County Taxes Payable		10,842.36	17,721.22
Prepaid Taxes		313,370.39	327,153.88
Due to State of New Jersey - Building Surcharge Fees		7,188.00	9,332.00
Due to State of New Jersey - Marriage Licenses		515.00	405.00
Due to Federal and State Grant Fund	A	1,578.92	
Due to Open Space Trust Fund	B		27.10
Due to Water Utility Operating Fund	D		18.44
Due from Water Utility Capital Fund	D		17,000.00
Due to Sewer Utility Operating Fund	E	19,900.51	21,591.98
Due to Sewer Utility Assessment Trust Fund	E	163,626.66	88,453.00
Reserve for County PILOT Taxes		22,394.85	15,619.00
Reserve for Codification of Ordinances			7,000.00
Reserve for Pending Tax Appeals		813,113.05	773,113.05
Reserve for Tax Map			32,695.13
Reserve for Flood Expenses		43,455.99	68,455.99
Reserve for Revaluation		400,000.00	400,000.00
Reserve for Master Plan		150.00	13,230.00
		3,856,654.34	4,513,352.19
Reserve for Receivables and Other Assets	A	1,283,464.86	1,276,803.76
Fund Balance	A-1	5,926,123.89	4,844,942.55
Total Regular Fund		11,066,243.09	10,635,098.50
Federal and State Grant Fund:			
Due to Current Fund	A		53.54
Encumbrances Payable	A-13	234,798.19	400,974.56
Appropriated Reserves	A-13	905,184.98	829,734.50
Unappropriated Reserves	A-14	784,844.48	32,097.30
Total Federal and State Grant Fund		1,924,827.65	1,262,859.90
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 12,991,070.74	$ 11,897,958.40

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-REGULATORY BASIS

	Ref.	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenue and Other Income Realized			
Fund Balance Utilized		$ 2,119,500.00	$ 1,856,000.00
Miscellaneous Revenue Anticipated		4,917,536.31	4,794,997.83
Receipts from Delinquent Taxes		256,965.85	263,307.56
Receipts from Current Taxes		58,866,276.41	57,922,444.12
Nonbudget Revenue		124,853.24	177,132.22
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,963,944.52	776,805.45
Interfunds Returned		54,396.55	120,727.61
Cancellation of Prior Year Accounts Payable		4,650.00	38,315.50
Cancellation of Appropriated Grant Reserves		44,953.19	192,821.26
Cancellation of Unappropriated Grant Reserves		1.48	2.21
Cancellation of Reserve for Police Programs			540.00
Cancellation of Reserve for Sewer Line		107,585.79	
Cancellation of Reserve for Group Health		36,540.55	
Total Income		68,497,203.89	66,143,093.76
Expenditures			
Budget and Emergency Appropriations:			
Municipal Purposes		19,682,547.71	18,804,525.83
County Taxes		7,460,934.39	7,385,836.14
Local District School Tax		37,731,696.00	37,003,997.00
Municipal Open Space Tax		142,013.58	141,389.94
Prior Year Veterans and Senior Citizens Disallowed		2,500.00	6,278.09
Cancellation of Grants Receivable		30,144.85	176,685.90
Cancellation of Special Emergency Authorization		185,000.00	
Interfunds Advanced		61,686.02	54,396.55
Total Expenditures		65,296,522.55	63,573,109.45
Excess in Revenue		3,200,681.34	2,569,984.31
Adjustments to Excess Before Fund Balance:			
Included Above Which is by Statute a Deferred Charge to Budgets of Succeeding Years	A		185,000.00
Statutory Excess to Fund Balance		3,200,681.34	2,754,984.31
Fund Balance			
Balance January 1		4,844,942.55	3,945,958.24
		8,045,623.89	6,700,942.55
Decreased by:			
Utilization as Anticipated Revenue		2,119,500.00	1,856,000.00
Balance December 31	A	$ 5,926,123.89	$ 4,844,942.55

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF REVENUE-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	Anticipated			
	Budget	Added by N.J.S.A 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	$ 2,119,500.00		$ 2,119,500.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverage	22,800.00		22,800.00	
Other	32,500.00		38,368.00	$ 5,868.00
Fees and Permits	92,500.00		107,069.33	14,569.33
Municipal Court Fines and Costs	150,000.00		154,897.18	4,897.18
Interest and Costs on Taxes	58,000.00		63,779.29	5,779.29
Interest on Investments and Deposits	71,495.00		53,982.09	17,512.91 *
Cable Franchise Fee	64,435.00		64,435.00	
Senior Citizen House (PILOT)	106,490.00		153,741.15	47,251.15
Energy Receipts Tax (P.L.1999,Chapters 162 &167)	1,214,373.00		1,214,373.00	
Uniform Construction Code Official	355,000.00		369,240.44	14,240.44
Contracts for Dial-A-Ride:				
Borough of Butler	75,120.00		75,120.00	
Borough of Kinnelon	102,113.00		102,113.00	
Borough of Lincoln Park	104,833.00		104,833.00	
Borough of Riverdale	35,462.00		35,462.00	
Health Services:				
Borough of Kinnelon	151,070.00		151,070.00	
Borough of Bloomingdale	112,860.00		84,645.00	28,215.00 *
Borough of Riverdale	52,465.00		52,465.00	
Borough of Florham Park	172,415.00		172,415.00	
Field Maintenance Contract	59,000.00		60,487.98	1,487.98
County Road Plowing and Salting - Morris County	25,000.00		46,575.00	21,575.00
Vehicle Maintenance - Board of Education	16,000.00		16,075.00	75.00
Public Defender Fees	8,600.00		8,600.00	

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TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF REVENUE-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Anticipated			
	Budget	Added by N.J.S.A 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue:				
Atlantic Health System - Community Service Contribution	$ 282,077.00		$ 282,077.64	$ 0.64
Uniform Fire Code Fees	25,000.00		27,467.00	2,467.00
Uniform Fire Safety Act	30,000.00		24,713.99	5,286.01 *
Hotel Occupancy Tax	55,000.00		55,806.51	806.51
Reserve for Flood Expenses	25,000.00		25,000.00	
Reserve for Pending Tax Appeals	285,000.00		285,000.00	
Reserve to Pay Debt Service	190,000.00		190,000.00	
Clean Communities Program	32,097.00	$ 34,163.71	66,260.71	
Drunk Driving Enforcement Fund	4,759.00		4,759.00	
Municipal Alliance on Alcoholism and Drug Abuse		11,185.00	11,185.00	
New Jersey Police Body Worn Cameras		65,216.00	65,216.00	
New Jersey Senior Transportation Assistance Act	97,658.00		97,658.00	
Body Armor Replacement Fund	2,464.00		2,464.00	
National Institute of Justice Police Grant	2,520.00		2,520.00	
Morris County Historic Preservation Trust -				
Martin Berry House (Construction)		240,792.00	240,792.00	
Railroad Preservation Documents		23,920.00	23,920.00	
New Jersey Transportation Trust Fund Authority Act:				
West Parkway North		291,700.00	291,700.00	
Cablevision - Public Access Equipment Grant	2,450.00		2,450.00	
New Jersey Senior Citizen and Disabled Residents Transportation Assistance Act - Reserve	30,000.00		30,000.00	
Community Development Block Grant (CDBG) - Senior House Roof	36,000.00		36,000.00	
Total Miscellaneous Revenue	4,182,556.00	666,976.71	4,917,536.31	68,003.60
Receipts from Delinquent Taxes	255,000.00		256,965.85	1,965.85

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF REVENUE-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Anticipated			
	Budget	Added by N.J.S.A 40A:4-87	Realized	Excess or Deficit *
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	$ 12,710,047.00		$ 13,734,964.44	$ 1,024,917.44
Minimum Library Tax	960,953.00		960,953.00	
	13,671,000.00		14,695,917.44	1,024,917.44
Budget Totals	20,228,056.00	$ 666,976.71	21,989,919.60	1,094,886.89
Nonbudget Revenue			124,853.24	124,853.24
Totals	$ 20,228,056.00	$ 666,976.71	$ 22,114,772.84	$ 1,219,740.13

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TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF REVENUE-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Allocation of Current Tax Collections:		
Revenue from Collections		$ 58,866,276.41
Allocated to School, County and Municipal Open Space Taxes		45,334,643.97
Balance for Support of Municipal Budget Appropriations		13,531,632.44
Add: Appropriation "Reserve for Uncollected Taxes"		1,164,285.00
Realized for Support of Municipal Budget Appropriations		$ 14,695,917.44
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		$ 256,240.65
Tax Title Lien Collections		725.20
		$ 256,965.85
Analysis of Licenses - Other		
Township Clerk	$ 2,325.00	
Board of Health	36,043.00	
		$ 38,368.00
Analysis of Fees and Permits - Other:		
Township Clerk	$ 2,430.00	
Board of Health	67,308.00	
Police	2,854.00	
Planning and Zoning	32,517.33	
Tax Assessor	530.00	
Shade Tree	150.00	
Tax Collector	1,280.00	
		$ 107,069.33
Interest on Investments & Deposits:		
Collections	$ 53,838.29	
Due Other Trust Funds	143.80	
		$ 53,982.09

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF REVENUE-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Analysis of Nonbudget Revenue:		
Recyclable Materials	$ 1,176.00	
Sale of Municipal Assets- Auction	5,000.00	
State of New Jersey:		
2% Administration Fee for Senior and Veteran Deductions	3,263.07	
Miscellaneous	33,466.94	
Prior Year Expenditure Refund	71,359.55	
DMV Inspection Fees	2,617.33	
Finance	582.00	
Police	2,129.71	
Returned Check fees	820.00	
		$ 120,414.60
Tax Collector		4,438.64
		$ 124,853.24

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
Township Manager:					
Salaries and Wages	$ 174,700.00	$ 174,700.00	$ 164,641.67	$ 10,058.33	
Other Expenses	7,200.00	7,200.00	3,152.73	4,047.27	
Mayor and Council:					
Salaries and Wages	30,200.00	30,200.00	30,200.00		
Other Expenses	9,425.00	9,425.00	5,310.76	4,114.24	
Township Clerk:					
Salaries and Wages	134,910.00	134,910.00	134,529.20	380.80	
Other Expenses	85,300.00	85,300.00	74,048.29	11,251.71	
Financial Administration:					
Salaries and Wages	219,900.00	219,900.00	200,032.90	19,867.10	
Other Expenses	11,220.00	11,220.00	3,778.72	7,441.28	
Revenue Administration (Tax Collector):					
Salaries & Wages	95,040.00	95,040.00	82,353.13	12,686.87	
Other Expenses	11,000.00	11,000.00	6,190.88	4,809.12	
Audit Services:					
Other Expenses	58,000.00	58,000.00	52,315.04	5,684.96	
Data Processing	127,500.00	127,500.00	101,204.48	26,295.52	
Assessment of Taxes:					
Salaries and Wages	60,000.00	60,000.00	46,829.96	13,170.04	
Other Expenses	23,115.00	23,115.00	4,276.34	13,338.66	$ 5,500.00
Legal Services and Costs:					
Other Expenses	120,000.00	120,000.00	95,089.98	24,910.02	
Township Engineer:					
Salaries and Wages	75,000.00	75,000.00	63,942.24	11,057.76	
Other Expenses	32,500.00	32,500.00	32,451.14	48.86	
Economic Development Committee:					
Other Expense	4,000.00	4,000.00	445.00	3,555.00	
Historic District Commission:					
Other Expenses	850.00	850.00		850.00	

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TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Within "CAPS":					
LAND USE ADMINISTRATION:					
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	$ 94,000.00	$ 94,000.00	$ 66,974.73	$ 27,025.27	
Other Expenses	56,100.00	56,100.00	48,136.94	7,963.06	
Zoning Board of Adjustment:					
Salaries and Wages	15,500.00	15,500.00			$ 15,500.00
Other Expenses	11,900.00	11,900.00	5,517.32	6,382.68	
PUBLIC SAFETY:					
Municipal Prosecutor:					
Salaries and Wages	29,260.00	29,260.00	27,579.61	1,680.39	
Police Department:					
Salaries and Wages	4,561,545.00	4,603,545.00	4,305,833.72	297,711.28	
Other Expenses	258,740.00	266,740.00	263,101.53	3,638.47	
Municipal Flood Advocate:					
Salaries and Wages	72,120.00	72,120.00	66,116.87	6,003.13	
Other Expenses	20,300.00	20,300.00	20,300.00		
Office of Emergency Management:					
Salaries and Wages	22,030.00	22,030.00	20,001.01	2,028.99	
Other Expenses	5,000.00	5,000.00	4,555.05	444.95	
Aid to Volunteer Fire Companies:					
Salaries and Wages	87,000.00	87,000.00	87,000.00		
Aid to Volunteer Ambulance Companies:					
Other Expenses	25,000.00	25,000.00	25,000.00		
Fire Department:					
Other Expenses	59,500.00	59,500.00	38,589.28	20,910.72	
Other Expenses - Clothing Allowance	50,000.00	50,000.00	38,597.00	11,403.00	
Office of Fire Safety:					
Salaries and Wages	37,900.00	37,900.00	20,125.74	12,774.26	5,000.00
Other Expenses	26,636.00	26,636.00	20,319.95	6,316.05	

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TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Within "CAPS":					
PUBLIC WORKS:					
Streets and Roads Maintenance:					
Salaries and Wages	$ 324,090.00	$ 324,090.00	$ 273,263.52	$ 50,826.48	
Other Expenses	120,000.00	118,000.00	85,874.48	32,125.52	
Community Service Act:					
Other Expenses	22,000.00	22,000.00		22,000.00	
Building and Grounds:					
Salaries and Wages	133,525.00	118,525.00	70,103.46	38,421.54	$ 10,000.00
Other Expenses	108,260.00	108,260.00	107,349.80	910.20	
Vehicle Maintenance:					
Salaries and Wages	96,200.00	96,200.00	88,871.90	7,328.10	
Other Expenses	62,000.00	62,000.00	61,045.86	954.14	
Shade Tree:					
Other Expenses	34,250.00	34,250.00	25,685.67	8,564.33	
Flood Advisory Committee:					
Other Expenses	2,500.00	2,500.00	1,007.60	1,492.40	
HEALTH AND WELFARE FUNCTIONS:					
Board of Health:					
Salaries and Wages	173,390.00	144,390.00	137,415.29	6,974.71	
Other Expenses	26,750.00	55,750.00	20,396.35	35,353.65	
Animal Control Services:					
Other Expenses	30,000.00	30,000.00	15,000.00	15,000.00	
Senior Citizens' Committee:					
Other Expenses	2,000.00	2,000.00		2,000.00	
Environmental Protection Commission:					
Other Expenses	1,500.00	1,500.00	1,330.51	169.49	
Dial-A-Ride:					
Salaries and Wages	106,200.00	106,200.00	106,200.00		
Other Expenses	32,148.00	32,148.00	32,148.00		

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TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Within "CAPS":					
PARKS AND RECREATION FUNCTIONS:					
Parks and Playground Maintenance:					
Salaries and Wages	$ 380,780.00	$ 397,780.00	$ 394,790.52	$ 2,989.48	
Other Expenses	85,250.00	85,250.00	80,952.94	4,297.06	
Recreation & Playground Services:					
Salaries and Wages	177,120.00	174,120.00	147,542.85	26,577.15	
Other Expenses	34,600.00	34,600.00	19,167.98	15,432.02	
MUNICIPAL COURT AND PUBLIC DEFENDER:					
Municipal Court:					
Salaries and Wages	211,830.00	211,830.00	190,641.57	21,188.43	
Other Expenses	14,000.00	14,000.00	10,531.38	3,468.62	
Public Defender:					
Salaries and Wages	8,600.00	8,600.00	8,170.22	429.78	
UTILITIES AND BULK PURCHASES					
Electricity	121,500.00	118,500.00	34,399.30	79,100.70	$ 5,000.00
Street Lighting	153,000.00	150,000.00	92,395.96	57,604.04	
Telephone	60,000.00	70,000.00	68,172.06	1,827.94	
Water	9,000.00	9,000.00	4,669.91	4,330.09	
Natural Gas	40,000.00	40,000.00	25,705.22	14,294.78	
Gasoline	148,000.00	147,000.00	104,776.47	42,223.53	
Reserve for Tax Appeals	325,000.00	325,000.00	325,000.00		
INSURANCE:					
General Liability	220,160.00	220,160.00	142,231.00	77,929.00	
Workers Compensation	199,800.00	199,800.00	199,800.00		
Employee Group Health	1,833,896.00	1,780,746.00	1,677,632.21	103,113.79	
Health Benefits Waiver	24,000.00	27,150.00	25,900.00	1,250.00	
Unemployment Insurance	2,000.00	2,000.00		2,000.00	

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TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Within "CAPS":					
STATE UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salaries and Wages	$ 380,980.00	$ 380,980.00	$ 327,300.86	$ 53,679.14	
Other Expenses	16,750.00	16,750.00	11,209.91	5,540.09	
UNCLASSIFIED:					
Accumulated Leave Compensation	191,580.00	191,580.00	156,001.96	35,578.04	
Celebration of Public Events:					
Salaries and Wages	24,000.00	24,000.00	17,740.71	6,259.29	
Total Operations Within "CAPS"	12,649,050.00	12,649,050.00	11,248,966.68	1,359,083.32	$ 41,000.00
Detail:					
Salaries and Wages	7,917,400.00	7,929,400.00	7,234,203.64	664,696.36	30,500.00
Other Expenses	4,731,650.00	4,719,650.00	4,014,763.04	694,386.96	10,500.00
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"					
Statutory Expenditures:					
Contributions to:					
Police & Firemens' Retirement System	1,215,500.00	1,215,500.00	1,214,488.46	1,011.54	
Public Employees' Retirement System	440,412.00	440,412.00	439,454.00	958.00	
Social Security System (O.A.S.I.)	377,415.00	377,415.00	312,074.48	65,340.52	
Defined Contribution Retirement Program	37,000.00	37,000.00	7,356.27	29,643.73	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	2,070,327.00	2,070,327.00	1,973,373.21	96,953.79	
Total General Appropriations for Municipal Purposes Within "CAPS"	14,719,377.00	14,719,377.00	13,222,339.89	1,456,037.11	41,000.00

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TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Excluded from "CAPS":					
Maintenance of Free Public Library (PL 1988, Ch.82):					
Other Expenses	$ 960,953.00	$ 960,953.00	$ 960,953.00		
Fair Housing Committee:					
Salaries & Wages					
Other Expenses	20,500.00	20,500.00	18,240.97	$ 2,259.03	
Police Dispatch / 911:					
Salaries & Wages	302,655.00	302,655.00	244,840.58	57,814.42	
Field Maintenance:					
Salaries & Wages	34,000.00	34,000.00	34,000.00		
Other Expenses	25,000.00	25,000.00	25,000.00		
Vehicle Maintenance - Board of Education	16,000.00	16,000.00	11,000.00	5,000.00	
Dial-A-Ride Program:					
Salaries & Wages	54,813.00	54,813.00	54,813.00		
Other Expenses	262,715.00	262,715.00	225,665.17	37,049.83	
Shared Health Services Agreement:					
Salaries & Wages	488,810.00	488,810.00	488,810.00		
Morris County Road Snow Plowing	25,000.00	25,000.00	25,000.00		
Operations Excluded from "CAPS":					
Public & Private Programs Offset by Revenue:					
New Jersey Police Body Cameras (N.J.S.A 40A:4-87, + $65,216.00)		65,216.00	65,216.00		
Municipal Alliance on Alcoholism Drug Abuse Grant (N.J.S.A 40A:4-87, + $11,185.00)		11,185.00	11,185.00		
Resident Transportation Assistance Act - Dial-A-Ride Program	97,658.00	97,658.00	97,658.00		
Clean Communities Program (N.J.S.A 40A:4-87, + $34,163.71)	32,097.00	66,260.71	66,260.71		
Drunk Driving Enforcement Fund	4,759.00	4,759.00	4,759.00		
New Jersey Body Armor Replacement Funds	2,464.00	2,464.00	2,464.00		
National Institute of Justice Police Grant	2,520.00	2,520.00	2,520.00		
Cablevision - Public Access Equipment Grant	2,450.00	2,450.00	2,450.00		
Morris County - CDBG - Senior House Roof	36,000.00	36,000.00	36,000.00		

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TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Excluded from "CAPS":					
Public & Private Programs Offset by Revenue:					
New Jersey Transit Grant	$ 30,000.00	$ 30,000.00	$ 30,000.00		
Morris County Historic Preservation Trust -					
Martin Berry House Phase III (N.J.S.A 40A:4-87, + $240,792.00)		240,792.00	240,792.00		
Railroad Preservation Documents (N.J.S.A 40A:4-87, + $23,920.00)		23,920.00	23,920.00		
New Jersey Department of Transportation Municipal Aid					
West Parkway North (N.J.S.A 40A:4-87, + $291,700.00)		291,700.00	291,700.00		
Total Operations - Excluded from "CAPS"	2,398,394.00	3,065,370.71	2,963,247.43	$ 102,123.28	
Detail:					
Salaries and Wages	880,278.00	880,278.00	822,463.58	57,814.42	
Other Expenses	1,518,116.00	2,185,092.71	2,140,783.85	44,308.86	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	795,000.00	795,000.00	795,000.00		
Reserve for Road Resurfacing	430,000.00	430,000.00	430,000.00		
Reserve for Fire Appatatus	150,000.00	150,000.00	150,000.00		
Total Capital Improvements - Excluded from "CAPS"	1,375,000.00	1,375,000.00	1,375,000.00		

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TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Anticipation Notes	$ 190,000.00	$ 190,000.00	$ 190,000.00		
Interest on Notes	115,000.00	115,000.00	107,800.00		$ 7,200.00
Total Municipal Debt Service - Excluded from "CAPS"	305,000.00	305,000.00	297,800.00		7,200.00
Deferred Charges - Excluded from "CAPS":					
Special Emergency Authorizations- 5 years	80,000.00	80,000.00	80,000.00		
Deferred Charges to Future Taxation - Unfunded:					
Ordinance #2006-11	95,000.00	95,000.00	95,000.00		
Ordinance #2008-25	91,000.00	91,000.00	91,000.00		
Total Deferred Charges - Excluded from "CAPS"	266,000.00	266,000.00	266,000.00		
Total General Appropriations - Excluded from "CAPS"	4,344,394.00	5,011,370.71	4,902,047.43	$ 102,123.28	7,200.00
Subtotal General Appropriations	19,063,771.00	19,730,747.71	18,124,387.32	1,558,160.39	48,200.00
Reserve for Uncollected Taxes	1,164,285.00	1,164,285.00	1,164,285.00		
Total General Appropriations	$ 20,228,056.00	$ 20,895,032.71	$ 19,288,672.32	$ 1,558,160.39	$ 48,200.00
Ref.				A	

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TOWNSHIP OF PEQUANNOCK
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Ref.	Analysis of Budget After Modification	Analysis of Paid or Charged
Adopted Budget		$ 20,228,056.00	
Added by N.J.S.A. 40A:4-87		666,976.71	
		$ 20,895,032.71	
Cash Disbursed			$ 17,241,015.25
Encumbrances	A		396,821.04
Transfer to Federal and State Grant Fund:			
Federal and State Grants			874,924.71
Deferred Charges			80,000.00
Reserve for Tax Appeals			325,000.00
Reserve for Uncollected Taxes			1,164,285.00
			20,082,046.00
Less: Appropriation Refunds			793,373.68
			$ 19,288,672.32

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
OTHER TRUST FUNDS

TOWNSHIP OF PEQUANNOCK
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2021	December 31, 2020
ASSETS			
Animal Control Fund:			
Cash and Cash Equivalents:			
Treasurer	B-4	$ 22,267.71	$ 19,120.02
		22,267.71	19,120.02
Other Trust Funds:			
Cash and Cash Equivalents	B-4	2,325,596.15	1,916,721.42
Due From Recreation Utility Operating Fund	G	10,106.00	
Grants Receivable - FEMA Elevation		16,566.88	2,144,202.92
		2,352,269.03	4,060,924.34
Open Space Trust Fund:			
Cash and Cash Equivalents	B-4A	467,720.06	545,983.20
Due From Current Fund	A		27.10
		467,720.06	546,010.30
TOTAL ASSETS		$ 2,842,256.80	$ 4,626,054.66
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund:			
Prepaid Licenses - State Fees		$ 684.00	$ 625.20
Prepaid Licenses - Municipal Fees		12,210.00	11,294.80
Due to Current Fund	A	1.11	3.24
Due to State of New Jersey		10.80	81.60
Reserve for Animal Control Expenditures	B-6	9,361.80	7,115.18
		22,267.71	19,120.02

TOWNSHIP OF PEQUANNOCK
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2021	December 31, 2020
LIABILITIES, RESERVES AND FUND BALANCE (Cont'd)			
Other Trust Funds:			
Due to Current Fund	A	$ 156.73	$ 180.21
Due to General Capital Fund	C	16,566.88	1,759,202.92
Due to Sewer Utility Capital Fund	E		385,000.00
Due to Interlocal Towns		39,447.00	38,377.00
Reserve for:			
Developers Deposits - Affordable Housing		53,919.12	53,644.00
Fire Safety		12,319.06	12,290.92
Payroll Section 125 Trust		6,969.65	7,065.09
Unemployment Compensation Insurance		132,611.25	115,866.42
Developers Deposits - Escrow		947,163.31	213,021.30
Youth Development		27,990.68	21,929.75
Refundable Permits		33,985.37	33,957.34
Self Insured Group Health Insurance			797,028.82
Parking Offenses Adjudication Act		802.56	800.74
Sewer Line			107,585.79
Premium on Tax Sale		217,432.19	142,582.09
Public Defender		57,862.32	59,357.48
Storm Recovery		229,067.30	204,775.17
Insurance Refunds		487,122.68	82,053.15
Dial-A-Ride (D.A.R.) Bequests		25,327.76	25,269.89
Recreation		63,485.17	
FEMA Elevation Escrow		40.00	936.26
		2,352,269.03	4,060,924.34
Open Space Trust Fund:			
Due To Current Fund	A	5.36	
Due To Federal & State Grant Fund	A		83,083.00
Reserve for Open Space Expenditures		467,714.70	462,927.30
		467,720.06	546,010.30
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 2,842,256.80	$ 4,626,054.66

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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TOWNSHIP OF PEQUANNOCK
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

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TOWNSHIP OF PEQUANNOCK
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
GENERAL CAPITAL FUND

TOWNSHIP OF PEQUANNOCK
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2021	December 31, 2020
ASSETS			
Cash and Cash Equivalents	C-2	$ 7,480,167.17	$ 4,526,002.36
FEMA Grants Receivable:			
Flood Mitigation		7,685,133.00	8,891,225.00
Due from:			
Other Trust Fund	B	16,566.88	1,759,202.92
Recreation Utility Capital Fund	G	53,947.00	58,947.08
Deferred Charges to Future Taxation - Unfunded	C-4	14,736,081.60	11,360,081.60
TOTAL ASSETS		$ 29,971,895.65	$ 26,595,458.96
LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes Payable	C-7	$ 5,200,000.00	$ 5,390,000.00
Improvement Authorizations:			
Funded	C-5	1,553,977.28	1,250,634.47
Unfunded	C-5	8,742,659.50	9,204,791.41
Due to Current Fund	A	638.00	1,135.63
Capital Improvement Fund	C-6	360,995.30	260,436.88
Reserve for:			
DPW Equipment		12,000.00	70,500.00
Data Processing /Office Equipment			35,000.00
Road Resurfacing			20,000.00
Vehicle Replacement			188,824.00
Fire Apparatus		775,000.00	625,000.00
Flood Control Improvements		143,000.00	168,000.00
FEMA Flood Mitigation Grant Receivables		7,685,133.00	8,891,225.00
FEMA Administrative Cost		83,041.68	
Payment of Debt Service		5,200,820.00	324,041.00
Fund Balance	C-1	214,630.89	165,870.57
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 29,971,895.65	$ 26,595,458.96

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.		
Balance December 31, 2020	C		$ 165,870.57
Increased By:			
Improvement Authorizations Canceled		$ 10,951.54	
Premium on Bond Anticipation Notes Issued		37,808.78	
			48,760.32
Balance December 31, 2021	C		$ 214,630.89

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
WATER UTILITY FUND

TOWNSHIP OF PEQUANNOCK
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2021	December 31, 2020
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	D-4	$ 1,606,222.70	$ 1,350,818.34
Change Fund		60.00	60.00
		1,606,282.70	1,350,878.34
Due Current Fund	A		18.44
Due Water Utility Capital Fund	D	21.40	10.43
Due Sewer Utility Operating Fund	E	104,723.03	84,282.24
		1,711,027.13	1,435,189.45
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	806,052.41	769,615.88
Total Operating Fund		2,517,079.54	2,204,805.33
Assessment Trust Fund:			
Prospective Assessment Funded (Ordinance 2014-29)		260,000.00	260,000.00
Total Assessment Trust Fund		260,000.00	260,000.00
Capital Fund:			
Cash and Cash Equivalents	D-4	251,599.38	24,564.26
Due from Current Fund	A		17,000.00
Fixed Capital	D-7	18,487,245.43	15,416,131.96
Fixed Capital Authorized and Uncompleted	D-8	599,535.67	6,178,535.67
Total Capital Fund		19,338,380.48	21,636,231.89
TOTAL ASSETS		$ 22,115,460.02	$ 24,101,037.22

TOWNSHIP OF PEQUANNOCK
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2021	December 31, 2020
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	$ 141,261.97	$ 94,748.15
Encumbered	D-3;D-9	458,585.22	121,560.91
		599,847.19	216,309.06
Accounts Payable - Vendors		347.59	9,710.00
Accrued Interest on Bonds		75,977.35	152,000.00
Due to Solid Waste Utility Operating Fund	F	9.95	173.92
		676,182.08	378,192.98
Reserve for Receivables	D	806,052.41	769,615.88
Fund Balance	D-1	1,034,845.05	1,056,996.47
Total Operating Fund		2,517,079.54	2,204,805.33
Assessment Trust Fund:			
Reserve for Prospective Assessments Unfunded		260,000.00	260,000.00
Total Assessment Trust Fund		260,000.00	260,000.00
Capital Fund:			
Serial Bonds Payable	D-15	6,440,000.00	6,640,000.00
Improvement Authorizations:			
Funded	D-10	201,695.47	2,774,267.12
Unfunded	D-10	275,535.67	275,535.67
Due Water Utility Operating Fund	D	21.40	10.43
Capital Improvement Fund	D-11	118,749.09	127,978.34
Reserve for Amortization	D-12	11,671,750.97	11,394,637.50
Deferred Reserve for Amortization	D-13	318,000.00	339,000.00
Reserve to Pay Debt Service		231,950.66	4,125.61
Fund Balance	D-1A	80,677.22	80,677.22
Total Capital Fund		19,338,380.48	21,636,231.89
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 22,115,460.02	$ 24,101,037.22

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31, 2021	2020
Revenue and Other Income Realized			
Fund Balance Utilized		$ 285,142.00	$ 176,500.00
Rents		3,143,494.09	3,154,539.97
Miscellaneous Revenue		23,002.86	42,222.84
Water Rents - Rate Increase		42,000.00	67,295.00
Other Credits to Income:			
Cancellation of Accrued Interest on Notes			39,436.95
Cancellation of Prior Year Accounts Payable		8,000.00	
Unexpended Balance of Appropriation Reserves		119,129.76	257,864.68
Total Income		3,620,768.71	3,737,859.44
Expenditures			
Budget Expenditures:			
Operating		2,630,093.00	2,328,559.00
Capital Improvements		205,000.00	105,000.00
Debt Service		297,746.13	152,000.00
Deferred Charges and Statutory Expenditures		224,939.00	216,236.00
Total Expenditures		3,357,778.13	2,801,795.00
Excess in Revenue		262,990.58	936,064.44
Fund Balance			
Balance January 1		1,056,996.47	297,432.03
		1,319,987.05	1,233,496.47
Decreased by:			
Utilized as Anticipated Revenue		285,142.00	176,500.00
Balance December 31	D	$ 1,034,845.05	$ 1,056,996.47

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.		
Balance December 31, 2020	D	$	80,677.22
Balance December 31, 2021	D	$	80,677.22

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	Anticipated	Realized	Excess or Deficit *
Operating Fund Balance Anticipated	$ 285,142.00	$ 285,142.00	
Water Rents	3,100,890.00	3,143,494.09	$ 42,604.09
Miscellaneous Revenue	25,000.00	23,002.86	1,997.14 *
Water Rents - Rate Increase	42,000.00	42,000.00	
	$ 3,453,032.00	$ 3,493,638.95	$ 44,601.23

Analysis of Realized Revenue

Miscellaneous Revenue:	
Utility Collector:	
Interest on Delinquent Water Rents	$ 1,250.30
Water Connection and Other Fees	18,088.08
	19,338.38
Treasurer:	
Interest on Investments	3,664.48
	$ 23,002.86

TOWNSHIP OF PEQUANNOCK
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	Appropriations		Expended by		
	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Operating:					
Salaries and Wages	$ 824,700.00	$ 784,700.00	$ 665,627.12	$ 49,072.88	$ 70,000.00
Other Expenses	1,895,393.00	1,935,393.00	1,823,203.91	92,189.09	20,000.00
Capital Improvements:					
Capital Improvement Fund	205,000.00	205,000.00	205,000.00		
Debt Service:					
Payment on Bond Principal	200,000.00	200,000.00	200,000.00		
Interest on Bonds	103,000.00	103,000.00	97,746.13		5,253.87
Deferred Charges and Statutory Expenditures:					
Emergency Authorizations					
Deferred Charges:					
Ordinance 2007-14	40,000.00	40,000.00	40,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	88,849.00	88,849.00	88,849.00		
Social Security System (O.A.S.I.)	63,090.00	63,090.00	63,090.00		
Unemployment Compensation Insurance	2,000.00	2,000.00	2,000.00		
Paid Time Off (PTO) Buyback	31,000.00	31,000.00	31,000.00		
	$ 3,453,032.00	$ 3,453,032.00	$ 3,216,516.16	$ 141,261.97	$ 95,253.87
Ref.				D	

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TOWNSHIP OF PEQUANNOCK
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Ref.	Analysis of Budget After Modification	Analysis of Paid or Charged
Adopted Budget		$ 3,453,032.00	
		$ 3,453,032.00	
Cash Disbursed			$ 2,662,648.29
Accrued Interest on Bonds			97,746.13
Encumbrances Payable	D		458,585.22
			3,218,979.64
Less: Appropriation Refunds			(2,463.48)
			$ 3,216,516.16

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
SEWER UTILITY FUND

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2021	December 31, 2020
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	E-4	$ 1,014,045.61	$ 993,387.25
Due Current Fund	A	19,900.51	21,591.98
Due Sewer Utility Capital Fund	E	259.18	635.55
Due Sewer Utility Assessment Fund	E	105.81	211.35
		1,034,311.11	1,015,826.13
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-6	980,092.12	884,121.81
		980,092.12	884,121.81
Total Operating Fund		2,014,403.23	1,899,947.94
Assessment Trust Fund:			
Cash and Cash Equivalents	E-4	1,248,125.69	834,367.27
Assessments Receivable	E-9	2,864,414.09	3,600,986.71
Assessments Liens Receivable	E-9A	110,143.85	112,608.85
Due Current Fund	A	163,626.66	88,453.00
Prospective Assessments Funded		4,600,000.00	4,600,000.00
Total Assessment Trust Fund		8,986,310.29	9,236,415.83
Capital Fund:			
Cash and Cash Equivalents	E-4	3,049,760.58	2,498,274.86
Due Other Trust Funds	B		385,000.00
Fixed Capital	E-10	31,049,668.65	31,049,668.65
Fixed Capital Authorized and Uncompleted	E-11	6,155,000.00	6,155,000.00
Total Capital Fund		40,254,429.23	40,087,943.51
TOTAL ASSETS		$ 51,255,142.75	$ 51,224,307.28

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2021	December 31, 2020
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-12	$ 19,300.37	$ 34,722.54
Encumbered	E-3;E-12	12,136.09	347.60
Total Appropriation Reserves		31,436.46	35,070.14
Due Water Utility Operating Fund	D	104,723.03	84,282.24
Due Solid Waste Utility Operating Fund	F	384,448.53	324,016.52
Accrued Interest on Bonds		171,312.47	183,603.99
Reserve for Maintenance Bond		5,000.00	5,000.00
		696,920.49	631,972.89
Reserve for Receivables	E	980,092.12	884,121.81
Fund Balance	E-1	337,390.62	383,853.24
Total Operating Fund		2,014,403.23	1,899,947.94
Assessment Trust Fund:			
Due Sewer Utility Operating Fund	E	105.81	211.35
Reserve for Prospective Assessments Funded		4,600,000.00	4,600,000.00
Reserve for Assessments and Liens	E-13	2,974,557.94	3,713,595.56
Fund Balance	E-1A	1,411,646.54	922,608.92
Total Assessment Trust Fund		8,986,310.29	9,236,415.83

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2021	December 31, 2020
LIABILITIES, RESERVES AND FUND BALANCE			
Capital Fund:			
Serial Bonds	E-19	$ 18,795,000.00	$ 20,130,000.00
Improvement Authorizations:			
Funded	E-14	3,509,968.88	3,641,991.79
Unfunded	E-14	2,100,000.00	2,100,000.00
Capital Improvement Fund	E-15	105,685.20	53,685.20
Due to Sewer Utility Operating Fund	E	259.18	635.55
Reserve for Amortization	E-16	15,685,873.83	14,103,988.83
Deferred Reserve for Amortization	E-17	55,000.00	55,000.00
Fund Balance	E-1B	2,642.14	2,642.14
Total Capital Fund		40,254,429.23	40,087,943.51
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 51,255,142.75	$ 51,224,307.28

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31 2021	2020
Revenue and Other Income Realized			
Fund Balance Utilized		$ 150,143.00	$ 307,800.00
Sewer Service Charges		3,829,029.34	2,994,772.56
Miscellaneous		279,969.07	234,705.57
Sewer Rents - New Users		359,970.00	900,765.00
Sewer Assessment Surplus		250,000.00	650,000.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		34,946.97	14,395.76
Total Income		4,904,058.38	5,102,438.89
Expenditures			
Budget Appropriations:			
Operating		2,340,413.00	2,534,317.00
Capital Improvements		52,000.00	55,000.00
Capital Outlay		10,000.00	
Debt Service		2,053,421.00	2,051,163.00
Deferred Charges and Statutory Expenditures		344,544.00	393,085.00
Refund of Prior Year Revenue			1,155.98
Total Expenditures		4,800,378.00	5,034,720.98
Excess Revenue/Statutory Excess to Fund Balance		103,680.38	67,717.91
Fund Balance			
Balance January 1		383,853.24	623,935.33
		487,533.62	691,653.24
Decreased by:			
Utilized by Sewer Utility Operating Budget		150,143.00	307,800.00
Balance December 31	E	$ 337,390.62	$ 383,853.24

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2020	E	$ 922,608.92
Increased by:		
Collection of Unpledged Assessments		739,037.62
		1,661,646.54
Decreased by:		
Surplus Anticipated in Sewer Utility Operating Fund		250,000.00
Balance December 31, 2021	E	$ 1,411,646.54

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2020	E	$ 2,642.14
Balance December 31, 2021	E	$ 2,642.14

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	Anticipated	Realized	Excess or Deficit*
Fund Balance Anticipated	$ 150,143.00	$ 150,143.00	
Sewer Service Charges	3,895,265.00	3,829,029.34	$ 66,235.66 *
Miscellaneous	175,000.00	279,969.07	104,969.07
Sewer Assessment Surplus	250,000.00	250,000.00	
Rate Increase	359,970.00	359,970.00	
	$ 4,830,378.00	$ 4,869,111.41	$ 38,733.41

Miscellaneous		
Treasurer:		
Interest on Investments		$ 11,160.49
Collector:		
Interest on Sewer Rents	$ 134,943.38	
Sewer Tap/Connection Fees	37,625.00	
Other Miscellaneous	100,894.01	
		273,462.39
		284,622.88
Less: Refunded		4,653.81
		$ 279,969.07

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	Appropriation		Expended by		
	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Operating:					
Salaries and Wages	$ 360,200.00	$ 360,200.00	$ 330,527.46	$ 5,872.54	$ 23,800.00
Other Expenses	375,627.00	375,627.00	365,999.17	3,427.83	6,200.00
Two Bridges Sewerage Authority	1,634,586.00	1,634,586.00	1,634,586.00		
Capital Improvements:					
Capital Improvement Fund	52,000.00	52,000.00	52,000.00		
Capital Outlay	10,000.00	10,000.00		10,000.00	
Debt Service:					
Payment of Bond Principal	1,335,000.00	1,335,000.00	1,335,000.00		
Interest on Bonds	718,421.00	718,421.00	718,421.00		
Deferred Charges and Statutory Expenditures:					
Deferred Charges to Future Revenue:					
Ordinance 2006-14	246,885.00	246,885.00	246,885.00		
Statutory Expenditures:					
Contribution to:					
Public Employee Retirement System	38,103.00	38,103.00	38,103.00		
Social Security System (O.A.S.I.)	27,556.00	27,556.00	27,556.00		
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00		
Paid Time Off (PTO) Buyback	31,000.00	31,000.00	31,000.00		
Total Sewer Utility Appropriations	$ 4,830,378.00	$ 4,830,378.00	$ 4,781,077.63	$ 19,300.37	$ 30,000.00
Ref.				E	

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TOWNSHIP OF PEQUANNOCK
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		$ 4,830,378.00	
Cash Disbursed			$ 4,050,520.54
Encumbrances Payable	E		12,136.09
Accrued Interest on Bonds			718,421.00
			$ 4,781,077.63

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
SOLID WASTE UTILITY FUND

TOWNSHIP OF PEQUANNOCK
SOLID WASTE UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2021	December 31, 2020
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	F-4	$ 253,469.74	$ 248,062.56
Due Water Utility Operating Fund	D	9.95	173.92
Due Sewer Utility Operating Fund	E	384,448.53	324,016.52
		637,928.22	572,253.00
Receivables and Other Assets With Full Reserves:			
Consumer Accounts Receivable	F-5	144,778.33	124,626.14
Total Operating Fund		782,706.55	696,879.14
TOTAL ASSETS		$ 782,706.55	$ 696,879.14
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves:			
Encumbered	F-3;F-6	$ 148,710.72	$ 86,645.15
Unencumbered	F-3;F-6	83,274.69	58,575.96
		231,985.41	145,221.11
Reserve for Street Sweeper		59,000.00	
Reserve for Receivables		144,778.33	124,626.14
Fund Balance	F-1	346,942.81	427,031.89
Total Operating Fund		782,706.55	696,879.14
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 782,706.55	$ 696,879.14

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
SOLID WASTE UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31 2021	2020
Revenue and Other Income Realized			
Fund Balance Utilized		$ 161,970.00	$ 272,895.00
User Fees		1,672,882.83	1,734,903.26
Miscellaneous Revenue		10,677.23	13,797.39
Recycling Tonnage Grant		24,289.40	23,448.00
Interlocal Agreement Fees		47,933.00	
Rate Increase		316,658.00	
Other Credits to Incomes:			
Unexpended Balance of Appropriation Reserves		21,095.86	43,000.85
Total Income		2,255,506.32	2,088,044.50
Expenditures			
Budget Appropriations:			
Operating		2,020,908.40	1,876,143.00
Capital Improvements		77,925.00	45,000.00
Deferred Charges and Statutory Expenditures		74,792.00	70,975.00
Total Expenditures		2,173,625.40	1,992,118.00
Statutory Excess to Fund Balance		81,880.92	95,926.50
Fund Balance			
Balance January 1		427,031.89	604,000.39
		508,912.81	699,926.89
Decreased by:			
Utilized as Anticipated Revenue		161,970.00	272,895.00
Balance December 31	F	$ 346,942.81	$ 427,031.89

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
SOLID WASTE UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	Anticipated			
	Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or Deficit *
Operating Fund Balance Anticipated	$ 161,970.00		$ 161,970.00	
User Fees	1,685,000.00		1,672,882.83	$ 12,117.17 *
Miscellaneous Revenue	10,775.00		10,677.23	97.77 *
Recycling Tonnage Grant		$ 24,289.40	24,289.40	
Rate Increase	316,658.00		316,658.00	
Board of Education - Interlocal Agreement	47,933.00		47,933.00	
	$ 2,222,336.00	$ 24,289.40	$ 2,234,410.46	$ 12,214.94 *

Analysis of Realized Revenue		
Solid Waste User Fees:		
User Fees		$ 1,672,882.83
Rate Increase		316,658.00
		$ 1,989,540.83
Miscellaneous Revenue:		
Interest on Deposits		987.63
Interest on Delinquent Accounts	$ 9,186.28	
Miscellaneous Solid Waste Fees	503.32	
		9,689.60
		$ 10,677.23

TOWNSHIP OF PEQUANNOCK
SOLID WASTE UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	Ref.	Appropriations		Expended by		
		Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balances Cancelled
Operating:						
Salaries and Wages		$ 245,500.00	$ 245,500.00	$ 180,943.68	$ 34,556.32	$ 30,000.00
Other Expenses		1,823,044.00	1,823,044.00	1,732,400.63	48,718.37	41,925.00
Capital Improvements:						
Capital Outlay		20,000.00	20,000.00	18,925.00		1,075.00
Reserve for Street Sweeper		59,000.00	59,000.00	59,000.00		
Statutory Expenditures:						
Contribution to:						
Public Employee Retirement System		23,407.00	23,407.00	23,407.00		
Social Security System (O.A.S.I.)		18,785.00	18,785.00	18,785.00		
Unemployment Compensation Insurance		1,600.00	1,600.00	1,600.00		
Paid Time Off (PTO) Buyback		31,000.00	31,000.00	31,000.00		
Public & Private Programs Offset by Revenue:						
Recycling Tonnage Grant (N.J.S.A 40A:4-87, + $24,289.40)			24,289.40	24,289.40		
		$ 2,222,336.00	$ 2,246,625.40	$ 2,090,350.71	$ 83,274.69	$ 73,000.00
	Ref.				F	
Cash Disbursed				$ 1,882,639.99		
Reserve for Street Sweeper	F			59,000.00		
Reserve for Encumbrances	F			148,710.72		
				$ 2,090,350.71		

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
RECREATION UTILITY FUND

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2021	December 31, 2020
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	G-4	$ 215,225.42	$ 121,388.53
Due Recreation Utility Capital Fund	G	0.05	0.56
Deferred Charges:			
Special Emergency Authorization	G-1	208,565.00	208,565.00
Total Operating Fund		423,790.47	329,954.09
Capital Fund:			
Cash and Cash Equivalents	G-4	536.88	2,185.80
Fixed Capital	G-8	254,947.08	254,947.08
Total Capital Fund		255,483.96	257,132.88
TOTAL ASSETS		$ 679,274.43	$ 587,086.97
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves:			
Encumbered	G-3; G-10	$ 542.46	$ 3,942.18
Unencumbered	G-3; G-10	5,600.00	203,764.74
		6,142.46	207,706.92
Due Recreation Trust Fund	B	10,106.00	
Accrued Interest on Notes		345.60	732.33
Fund Balance	G-1	407,196.41	121,514.84
Total Operating Fund		423,790.47	329,954.09
Capital Fund:			
Bond Anticipation Notes Payable	G-15	74,500.00	81,000.00
Due General Capital Fund	C	53,947.00	58,947.08
Due Recreation Utility Operating Fund	G	0.05	0.56
Reserve for Payment of Debt Service			900.00
Reserve for Amortization	G-13	126,500.08	115,000.00
Fund Balance	G-1A	536.83	1,285.24
Total Capital Fund		255,483.96	257,132.88
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 679,274.43	$ 587,086.97

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31 2021	2020
Revenue and Other Income Realized			
Fund Balance Utilized			$ 44,300.00
Recreation User Fees		$ 237,920.00	131,646.32
Recreation Activity Fees		91,798.50	134,728.00
Miscellaneous		2,222.16	810.59
Capital Fund Balance Anticipated		1,285.00	8,898.68
Reserve for Payment of Debt Service		900.00	
Rate Increase - PV Park			36,000.00
Other Credits to Income:			
Cancellation of Reserve for Future Recreation Programs			110.00
Unexpended Balance of Appropriation Reserves		206,789.17	42,748.14
Total Income		540,914.83	399,241.73
Expenditures			
Budget Expenditures:			
Operating		231,370.00	470,053.00
Debt Service		7,733.26	25,772.06
Deferred Charges and Statutory Expenditures		16,130.00	31,945.00
Total Expenditures		255,233.26	527,770.06
Excess/(Deficit) in Revenue		285,681.57	(128,528.33)
Adjustments to Excess Before Fund Balance:			
Included Above Which is by Statute a Deferred Charge to Budgets of Succeeding Years	G		208,565.00
Statutory Excess to Fund Balance		285,681.57	80,036.67
Fund Balance			
Balance January 1		121,514.84	85,778.17
		407,196.41	165,814.84
Decreased by:			
Utilized as Anticipated Revenue			44,300.00
Balance December 31	G	$ 407,196.41	$ 121,514.84

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	Ref.				
Balance December 31, 2020	E			$	1,285.24
Increased by:					
Bond Anticipation Note Premium					536.83
					1,822.07
Decreased by:					
Recreation Utility Operating Fund Anticipated Revenue		$	1,285.00		
Cancel to Recreation Utility Operating Fund			0.24		
					1,285.24
Balance December 31, 2021	E			$	536.83

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	Anticipated	Realized	Excess or Deficit *
Recreation User Fees	$ 170,728.00	$ 237,920.00	$ 67,192.00
Recreation Activity Fees	100,000.00	91,798.50	8,201.50 *
Miscellaneous	700.00	2,222.16	1,522.16
Capital Fund Balance	1,285.00	1,285.00	
Reserve for Payment of Debt Service	900.00	900.00	
	$ 273,613.00	$ 334,125.66	$ 60,512.66

Analysis of Realized Revenue	
Recreation User Fees	$ 242,084.00
Less Recreation User Fees Refunded	(4,164.00)
	$ 237,920.00
Recreation Activity Fees	$ 97,121.00
Less Recreation Activity Fees Refunded	(5,322.50)
	$ 91,798.50
Miscellaneous:	
Other Miscellaneous	1,793.75
Interest on Investments	420.08
Due from Recreation Utility Capital Fund:	
Interest on Investments	8.09
Fund Balance Cancelled	0.24
	$ 2,222.16

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	Ref.	Appropriations		Expended by		
		Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balances Cancelled
Operating:						
Salaries and Wages		$ 186,770.00	$ 186,770.00	$ 166,114.49	$ 3,640.00	$ 17,015.51
Other Expenses		61,713.00	61,713.00	59,655.51	1,960.00	97.49
Debt Service:						
Payment of Bond Anticipation Notes		6,500.00	6,500.00	6,500.00		
Interest on Notes		2,500.00	2,500.00	1,233.26		1,266.74
Deferred Charges to Future Revenue:						
Ordinance 2003-19		5,000.00	5,000.00	5,000.00		
Statutory Expenditures:						
Contribution to:						
Social Security System		11,130.00	11,130.00	11,130.00		
		$ 273,613.00	$ 273,613.00	$ 249,633.26	$ 5,600.00	$ 18,379.74
					G	
	G		Cash Disbursed	$ 248,257.54		
			Encumbrances	542.46		
			Accrued Interest on Notes	1,233.26		
			Less: Appropriation Refunds	(400.00)		
				$ 249,633.26		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF PEQUANNOCK

COUNTY OF MORRIS

2021

PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF PEQUANNOCK
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31, 2021	December 31, 2020
ASSETS		
Land and Buildings	$ 39,253,222.00	$ 39,368,223.00
Machinery and Equipment	2,930,052.00	2,765,517.00
Furniture and Fixtures	2,026,943.00	1,814,553.00
Vehicles	7,394,934.00	7,393,776.00
TOTAL ASSETS	$ 51,605,151.00	$ 51,342,069.00
RESERVES		
Reserve for General Fixed Assets	$ 51,605,151.00	$ 51,342,069.00

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Pequannock include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Pequannock, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Pequannock do not include the operations of the municipal library, volunteer fire department, or first aid squad.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Pequannock accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Water Utility Operating, Assessment and Capital Funds - Account for the operations, resources and expenditures for payment of assessment debt and acquisition of capital facilities of the municipally owned Water Utility.

Sewer Utility Operating, Assessment and Capital Funds - Account for the operations, resources and expenditures for payment of assessment debt and acquisition of capital facilities of the municipally owned sewer utility.

Solid Waste Utility Operating Fund – is used to account for garbage collection and recycling operations of the Township.

Recreation Utility Operating and Capital Funds – Account for collections of fees and operation of recreational services of the Township. The Capital Fund is used to account for financial resources to be used for the acquisition of recreation utility capital facilities.

General Fixed Assets Account Group- Estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E "General Fixed Assets".

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the Operating Funds when it is budgeted and in the Capital Funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase, fixed assets purchased by the Water, Sewer, and Recreation Utility Capital Funds would be depreciated, investments would generally be stated at fair value and the Township's net pension liability and net OPEB liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust and Capital Funds.

D. Deferred Charges to Future Taxation - The General Capital Fund balance sheet may include both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, or by issuing bonds, loans or capital lease purchase agreements.

E. Other Significant Accounting Policies

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed Property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

Inventories of Supplies - The cost of inventories of supplies for all funds is recorded as an expenditure at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other Significant Accounting Policies (Cont'd)

Grants Receivable - Grants receivable represent the total grant awards less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

General Fixed Assets - In accordance with New Jersey Administrative Code Accounting Requirements, as promulgated by Division of Local Government Services, General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost as estimated by the independent appraisal company which conducted the inventory of the Township's assets. Infrastructure assets are not included in general fixed assets; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly.

Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Utility Funds. The values recorded in the General Fixed Asset Account Group and the Current and Capital Funds may not always agree due to differences in valuation methods, timing or recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Utility Funds are recorded in the Utility Capital accounts at cost and are not adjusted for dispositions and abandonments. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represent charges to operations for the costs of the acquisition of property, equipment and improvements. The Utility Funds do not record depreciation on fixed assets.

F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for Current Operating, Utility Operating and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31, 2021	2020	2019
Issued:			
General:			
Bonds and Notes	$ 5,200,000.00	$ 5,390,000.00	$ 5,500,000.00
Water Utility:			
Bonds and Notes	6,440,000.00	6,640,000.00	6,686,000.00
Sewer Utility:			
Bonds and Notes	18,795,000.00	20,130,000.00	21,410,000.00
Recreation Utility:			
Bonds and Notes	74,500.00	81,000.00	104,000.00
Total Issued	30,509,500.00	32,241,000.00	33,700,000.00
Authorized but not Issued:			
General:			
Bonds and Notes	9,536,081.60	5,970,081.60	6,156,081.60
Water Utility:			
Bonds and Notes	657,030.13	3,221,030.13	3,275,030.13
Sewer Utility:			
Bonds and Notes	2,668,794.82	2,915,679.82	3,215,679.82
Recreation Utility:			
Bonds and Notes	53,947.00	58,947.48	63,947.48
Total Authorized but not Issued	12,915,853.55	12,165,739.03	12,710,739.03
Less:			
Funds Temporarily Held to Pay Bonds and Notes			
FEMA Grant Receivable	7,685,133.00	8,891,225.00	8,891,225.00
Reserve to Pay Debt Service:			
General	5,200,820.00	324,041.00	351,672.29
Water Utility	231,950.66	4,125.61	4,125.61
	13,117,903.66	9,219,391.61	9,247,022.90
Net Bonds, Notes and Loans Issued and Authorized but not Issued	$ 30,307,449.89	$ 35,187,347.42	$ 37,163,716.13

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding – Current Year

	Balance 12/31/2020	Additions	Retirements	Balance 12/31/2021
Serial Bonds:				
Water Utility Capital Fund	$ 6,640,000.00		$ 200,000.00	$ 6,440,000.00
Sewer Utility Capital Fund	20,130,000.00		1,335,000.00	18,795,000.00
Bond Anticipation Notes:				
General Capital Fund	5,390,000.00	$ 5,200,000.00	5,390,000.00	5,200,000.00
Recreation Utility Capital Fund	81,000.00	74,500.00	81,000.00	74,500.00
Total	$ 32,241,000.00	$ 5,274,500.00	$ 7,006,000.00	$ 30,509,500.00

Summary of Municipal Debt Issued and Outstanding - Prior Year

	Balance 12/31/2019	Additions	Retirements	Balance 12/31/2020
Serial Bonds:				
Water Utility Capital Fund		$ 6,640,000.00		$ 6,640,000.00
Sewer Utility Capital Fund	$ 21,410,000.00		$ 1,280,000.00	20,130,000.00
Bond Anticipation Notes:				
General Capital Fund	5,500,000.00	5,390,000.00	5,500,000.00	5,390,000.00
Water Utility Capital Fund	6,686,000.00		6,686,000.00	
Recreation Utility Capital Fund	104,000.00	81,000.00	104,000.00	81,000.00
Total	$ 33,700,000.00	$ 12,111,000.00	$ 13,570,000.00	$ 32,241,000.00

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.0635%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	$ 8,995,000.00	$ 8,995,000.00	
General Debt	14,736,081.60	12,885,953.00	$ 1,850,128.60
Water Utility Debt	7,097,030.13	7,097,030.13	
Sewer Utility Debt	21,463,794.82	21,463,794.82	
Recreation Utility Debt	128,447.00	128,447.00	
	$ 52,420,353.55	$ 50,570,224.95	$ 1,850,128.60

Net Debt $1,850,128.60 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, $2,914,836,522 = 0.0635%.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

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

4% Average Equalized Valuation of Real Property	$ 116,593,460.88
Net Debt	1,850,128.60
Remaining Borrowing Power	$ 114,743,332.28

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		$ 3,493,638.95
Deductions:		
Operating and Maintenance Costs	$ 2,855,032.00	
Debt Service per Water Account	297,746.13	
		3,152,778.13
Excess in Revenue		$ 340,860.82

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		$ 4,869,111.41
Deductions:		
Operating and Maintenance Costs	$ 2,684,957.00	
Debt Service per Sewer Account	2,053,421.00	
		4,738,378.00
Excess in Revenue		$ 130,733.41

Calculation of "Self-Liquidating Purpose", Recreation Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		$ 334,125.66
Deductions:		
Operating and Maintenance Costs	$ 247,500.00	
Debt Service per Recreation Account	7,733.26	
		255,233.26
Excess in Revenue		$ 78,892.40

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Analysis of Debt Issued and Outstanding at December 31, 2021

Sewer Capital Serial Bonds Payable

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2020
2016 Refunding Bonds	10/15/23	3.00%	$ 1,215,000.00
Sewer Extension	04/01/40	1.70%-3.50%	17,580,000.00
			$ 18,795,000.00

Water Capital Serial Bonds Payable

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2020
Water Tanks and Mains	07/15/45	2.00%-4.00%	$ 6,440,000.00

General Capital Bond Anticipation Notes

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2020
Flood Elevations and Generators	07/15/21	1.00%	$ 5,200,000.00

Recreation Capital Bond Anticipation Notes

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2020
PV Park Dock and Swim Lanes	07/15/21	1.00%	$ 74,500.00

Total Debt Issued and Outstanding	$ 30,509,500.00

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Thereafter for Bonds Issued and Outstanding:

	Water Utility Capital Fund		Sewer Utility Capital Fund		
Year	Principal	Interest	Principal	Interest	Total
2022	$ 200,000.00	$ 165,768.76	$ 1,380,000.00	$ 676,312.50	$ 2,422,081.26
2023	200,000.00	157,768.76	1,435,000.00	621,162.50	2,413,931.26
2024	200,000.00	149,768.76	1,100,000.00	554,862.50	2,004,631.26
2025	200,000.00	141,768.76	1,100,000.00	499,862.50	1,941,631.26
2026	200,000.00	133,768.76	1,100,000.00	444,862.50	1,878,631.26
2027-2031	1,080,000.00	558,543.80	5,500,000.00	1,575,312.50	8,713,856.30
2032-2036	1,300,000.00	429,843.80	3,925,000.00	834,203.14	6,489,046.94
2037-2041	1,570,000.00	284,262.52	3,255,000.00	225,940.65	5,335,203.17
2042-2045	1,490,000.00	90,250.02			1,580,250.02
	$ 6,440,000.00	$ 2,111,743.94	$ 18,795,000.00	$ 5,432,518.79	$ 32,779,262.73

Note 3: Fund Balance Appropriated

Fund balances at December 31, 2021, which are appropriated and included in the Current, Water Utility Operating, Sewer Utility Operating, Solid Waste Utility Operating, and Recreation Utility Operating Fund adopted budgets for the year ending December 31, 2022, are as follows:

Current Fund	$ 1,945,000.00
Water Utility Operating Fund	285,000.00
Sewer Utility Operating Fund	151,000.00
Solid Waste Utility Operating Fund	170,080.00
Recreation Utility Operating Fund	336,950.17

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2021, there were deferred charges to be raised in the succeeding years budgets in the Current Fund and Recreation Fund.

	Balance Dec. 31, 2021	Required 2022 Budget Appropriation	Balance to Succeeding Years' Budgets
Current Fund:			
Special Emergency Authorizations	$ 160,000.00	$ 80,000.00	$ 80,000.00
Recreation Fund:			
Special Emergency Authorization	$ 208,565.00	$ 208,565.00	$ -0-

The appropriation in the 2022 budget is not less than that required by statute.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning, with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

Township contributions to PERS amounted to $589,813 for 2021.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability was $9,927,004 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the Township's proportion was 0.061%, which was a decrease of 0.001% from its proportion measured as of June 30, 2019. The Township has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2020 information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this audit.

For the year ended December 31, 2021, the Township recognized actual pension expense in the amount of $589,813.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

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

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

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 a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's proportionate share of the Net Pension Liability	$ 12,468,760	$ 9,927,004	$ 7,729,605

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description

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

Benefits Provided

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

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Benefits Provided (Cont'd)

The following represents the membership tiers for PFRS:

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

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of the retirement system, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State 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 local participating employers 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. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Special Funding Situation (Cont'd)

Township contributions to PFRS amounted to $1,214,488.46 for the year ended December 31, 2021. During the fiscal year ended June 30, 2020, the State of New Jersey contributed $167,614 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of $246,859.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability for its proportionate share of the net pension liability was $14,035,426. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the Township's proportion was 0.108%, which was a decrease of 0.004% from its proportion measured as of June 30, 2019. The Township has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2020 information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this audit.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is $2,178,234 as of June 30, 2020. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the State's proportion was 0.108%, which was a decrease of 0.004% from its proportion measured as of June 30, 2019 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	$	14,035,426
State's Proportionate Share of the Net Pension Liability Associated with the Township		2,178,234
Total Net Pension Liability	$	16,213,660

For the year ended December 31, 2021, the Township recognized total pension expense of $1,214,488.46

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 – 15.25% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2010 Safety Employee Mortality Table with a 105.6% adjustment for males and 102.5% 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 Safety Retiree Below-Median Income Weighted Retiree mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2020 are summarized in the table on the following page:

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Township) as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2020	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Township	$ 21,560,831	$ 16,213,660	$ 11,772,426

Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

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

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Township recognized pension expense of $7,356.27 for the year ended December 31, 2021. Employee contributions to DCRP amounted to $21,593.70 for the year ended December 31, 2021.

Note 6: Local School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township of Pequannock has elected not to defer school taxes.

Note 7: Accrued Sick and Vacation Benefits

The Township permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate $2,695,509 at December 31, 2021. This amount is not reported either as an expenditure or a liability as of December 31, 2021.

Note 8: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of $10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December.

Comparative Schedule of Tax Rate Information

	2021	2020	2019
Tax Rate	$ 2.497	$ 2.465	$ 2.385
Apportionment of Tax Rate			
Municipal	.584	.575	.560
County	.316	.315	.304
Local School	1.597	1.575	1.521
Assessed Valuations			
2021	$ 2,362,977,300.00		
2020		$ 2,350,398,000.00	
2019			$ 2,386,220,200.00

Comparison of Tax Levies and Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 8: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collection Currently (Cont'd)

		Currently	
Year	Tax Levy	Cash Collections	Percentage of Collection
2021	$ 59,089,093.19	$ 58,866,276.41	99.62%
2020	58,212,929.93	57,922,444.12	99.50%
2019	56,998,435.52	56,724,483.43	99.52%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 9: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Custodial Credit Risk – The Township's policy with respect to custodial credit risk requires that the Township ensures that Township funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

Note 9: Cash and Cash Equivalents and Investments: (Cont'd)

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

Investments:

New Jersey statutes permit the Township to purchase the following types of securities:

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) 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 obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (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;

(6) Local government investment pools;

(7) 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); or

(8) Agreements for the repurchase of fully collateralized securities if:

  (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);

  (b) the custody of collateral is transferred to a third party;

  (c) the maturity of the agreement is not more than 30 days;

  (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and

  (e) a master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 9: Cash and Cash Equivalents and Investments: (Cont'd)

As of December 31, 2021, cash and cash equivalents of the Township of Pequannock consisted of the following:

Fund	Cash on Hand	Checking Accounts	Totals
Current	$ 360.00	$ 9,492,344.50	$ 9,492,704.50
Federal and State Grant		828,638.95	828,638.95
Animal Control		22,267.71	22,267.71
Other Trust		2,325,596.15	2,325,596.15
Open Space Trust		467,720.06	467,720.06
General Capital		7,480,167.17	7,480,167.17
Water Utility Operating	60.00	1,606,222.70	1,606,282.70
Water Utility Capital		251,599.38	251,599.38
Sewer Utility Operating		1,014,045.61	1,014,045.61
Sewer Utility Assessment		1,248,125.69	1,248,125.69
Sewer Utility Capital		3,049,760.58	3,049,760.58
Solid Waste Utility Operating		253,469.74	253,469.74
Recreation Utility Operating		215,225.42	215,225.42
Recreation Utility Capital		536.88	536.88
	$ 420.00	$ 28,255,720.54	$ 28,256,140.54

The Township did not hold any investments during the year ended December 31, 2021. The carrying amount of the Township of Pequannock's cash and cash equivalents at December 31, 2021, was $28,256,140.54 and the bank balance was $29,888,864.74.

Note 10: Risk Management

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

The Township of Pequannock is a member of the Morris County Municipal Joint Insurance Fund ("MCMJIF"). This fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by the MCMJIF to its members:

a.) Workers' Compensation and Employers' Liability
b.) Liability Other Than Motor Vehicles
c.) Property Damage Other Than Motor Vehicles
d.) Motor Vehicle
e.) Public Officials' Liability/Employment Practices Coverage
f.) Environmental Coverage

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 10: Risk Management (Cont'd)

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

The Funds can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared. The MCMJIF has not declared dividends in the last six years and currently has no intention to reinstate the dividends. The Finance Committee of the MCMJIF has made this recommendation, which is embraced by the full membership.

The December 31, 2021 audit report for this Fund was not filed as of the date of this report. Selected financial information for the Fund as of December 31, 2020 is as follows:

	Morris County Municipal Joint Insurance Fund
Total Assets	$ 37,043,381
Net Position	$ 15,309,967
Total Revenue	$ 21,527,917
Total Expenses	$ 19,011,852
Change in Net Position	$ 2,516,065
Members Dividends	$ -0-

Financial statements for these funds are available at the Office of the Executive Director.

Morris County Municipal Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, New Jersey 07054
(201) 881-7632

Health Benefits

The Township is also a member of the North Jersey Municipal Employee Benefits Fund, (the "NJMEBF"). The NJMEBF is both an insured and self-administered group of municipalities established for the purpose of providing certain employee benefits for member municipalities in order to keep local property taxes at a minimum.

The following health benefit coverages are offered by the NJMEBF to its members:

a.) Medical
b.) Prescription
c.) Dental

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 10: Risk Management (Cont'd)

Health Benefits (Cont'd)

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

The NJMEBF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

The December 31, 2021 audit report for this Fund was not filed as of the date of this report. Selected financial information for the Fund as of December 31, 2020 is as follows:

	North Jersey Municipal Employee Benefits Fund
Total Assets	$ 26,535,569
Net Position	$ 20,504,257
Total Revenue	$ 42,185,943
Total Expenses	$ 38,206,466
Change in Net Position	$ (3,520,523)
Member Dividends	$ 7,500,000

Financial statements for the NJMEBF are available at the Office of the Executive Director:

North Jersey Municipal Employee Benefits Fund
PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, New Jersey 07054
(201) 881-7632

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 10: Risk Management (Cont'd)

The table is a summary of the interest earned and the ending balance of the Township's expendable trust fund for the current and prior two years.

Fiscal Year	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2021	$ 49,920.34	$ 285.18	$ 33,460.69	$ 132,611.25
2020	38,025.01	607.24	18,915.75	115,866.42
2019	27,667.98	1,014.43	44,260.44	96,149.92

Note 11: Contingent Liabilities

The Township is periodically involved in various lawsuits arising in the normal course of business, which often include claims for property damage, personal injury, and various contract disputes. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Township's financial position as of December 31, 2021.

Amounts received or receivable from grantors, principally federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

The Township has been advised that a number of tax appeals have been filed. The Township has established a reserve in the amount of $813,113.05 which it believes is sufficient to provide for this contingency as of December 31, 2021.

Note 12: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2021:

Fund	Interfund Receivable	Interfund Payable
Current Fund	$ 801.20	$ 185,106.09
Federal and State Grant Fund	1,578.92	
Animal Control Fund		1.11
Other Trust Funds	10,106.00	16,723.61
Open Space Trust Fund		5.36
General Capital Fund	70,513.88	638.00
Water Utility Operating Fund	104,744.43	9.95
Water Utility Capital Fund		21.40
Sewer Utility Operating Fund	20,265.50	489,171.56
Sewer Utility Assessment Fund	163,626.66	105.81
Sewer Utility Capital Fund		259.18
Solid Waste Utility Operating Fund	384,458.48	
Recreation Utility Operating Fund	0.05	10,106.00
Recreation Utility Capital Fund		53,947.05
	$ 756,095.12	$ 756,095.12

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 12: Interfund Receivables and Payables (Cont'd)

The interfund receivable in the Current Fund is comprised of interest earned in the General Capital, Other Trust and Animal Control Funds as well as the cancellation of older grant funds in the Federal and State Grant Fund. The interfund receivable in the Water Utility Operating Fund represents interest earned in the Water Utility Capital Fund and prior year interfund not turned over. The interfund receivable in the Sewer Utility Operating Fund represents interest earned in the Sewer Utility Capital Fund and prior year interfund balance not turned over. The interfund receivable in the Solid Waste Utility Operating Fund represents delinquent interest earned and prior year interfund balances not turned over as of December 31, 2021. The interfund receivable in the Recreation Utility Operating Fund is the interest earned in Recreation Utility Capital Fund not yet turned over to the Recreation Utility Operating Fund. The Interfund Payable in the Recreation Utility Capital Fund is a prior year interfund not turned over to the General Capital Fund. The interfund Receivable in the General Capital Fund is due to the FEMA monies being collected in the Escrow Trust account. The interfund receivable in the Sewer Utility Assessment Fund represents collections in the Current Fund not turned over by December 31, 2021.

Note 13: Deferred Compensation

The Township offers its employees two deferred compensations plans created in accordance with Internal Revenue Code Section 457. The plans, which are administered by AIG/Valic and AXA/Equitable, permit participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

Note 14: Economic Dependency

The Township of Pequannock receives nominal amount of support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

Note 15: Open Space Trust Reserve

The 2021 Open Space tax levy is $142,013.58 and the 2021 Open Space tax rate is $0.007. The balance in the Reserve for Open Space at December 31, 2021 is $467,714.70. The Funds collected are used to acquire and maintain open space, historical preservation and farm land property in the Township.

Note 16: Post-Retirement Benefits

A. General Information about the Township's OPEB Plan

Plan Description and Benefits Provided

The provisions of Chapter 88, P.L. 1974, along with any Township approved ordinances and resolutions, provide the authority for the Township to offer post-employment health care benefits as detailed below.

The Township provides medical, prescription during, and dental to retirees and their covered dependents that meet the appropriate requirements. The Township provides Medicare Part B and D reimbursements to Policemen's Benevolent Association and Superior Officer Association retirees and their covered dependents after 25 years of service. All active employees who retire from the Township and meet the eligibility criteria receive these benefits. As of January 1, 2019, new hires are no longer eligible for lifetime post-employment health care benefits.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 16: Post-Retirement Benefits (Cont'd)

A. General Information about the Township's OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

Employees are eligible to receive postretirement health benefits through the Township health plan after 25 years or more of service in the State Pension Plan.

Contributions

The Township subsidizes 100% of the cost of coverage for current retirees meeting the requirements outlined above and for future retirees who have at least 25 years of service as of May 21, 2010, the Township will reimburse 100% of eligible Police Benevolent Association and Superior Officer Association retiree's Medicare Part B premiums.

NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowances from the Public Employees Retirement System. For purposes of this valuation and for conservatism, it was assumed that future retiree contribution percentage rates will not increase. Thus, it was assumed that a future retiree will contribute his/her current employee contribution as reported by the Township increased annually by the medical trend rate.

2021 employer contributions for retiree benefits paid by the Township were $438,922.76 for 27 retirees.

Employees Covered by Benefit Terms

As of December 31, 2021, there were 27 retirees and spouses currently receiving retiree benefits and 94 active participants, of which 9 are eligible to retire as of the valuation date.

Total OPEB Liability

The Township's OPEB liability of $26,932,044 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.06% at December 31, 2021
	2.12% at December 31, 2020
Salary Increases	2.50% per year
Inflation Assumptions	2.50% per year

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 16: Post-Retirement Benefits (Cont'd)

A. General Information about the Township's OPEB Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

The selected discount rate was based on the Bond Buyer 20 Index at December 31, 2021.

Health Care Trend Rates	Year	Medical	Drug
Year 1 Trend	2021	5.50%	7.00%
Ultimate Trend	2026	4.50%	4.50%

The medical trend rate reduces .2% per annum, leveling at 4.5% per annum in 2026.

The drug trend rate reduces .5% per annum, leveling at 4.5% per annum in 2026.

Mortality rates were based on the RP 2000 Combined Healthy Male Mortality Rates set forward three years.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2021	$ 27,444,908
Changes for Year:	
Service Cost	977,431
Interest on Total OPEB liability - over measurement period	596,548
Changes in Assumptions	(1,520,269)
Benefit Payments	(566,574)
Net Changes	(512,864)
Balance at December 31, 2021	$ 26,932,044

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 16: Post-Retirement Benefits (Cont'd)

A. General Information about the Township's OPEB Plan (Cont'd)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Township as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage lower (1.06 percent) or 1 percentage higher (3.06 percent) than the current discount rate:

	December 31, 2021		
	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB Liability	$ 30,104,072	$ 26,932,044	$ 24,359,811

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Township as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage lower or 1 percentage higher than the valuation healthcare cost trend rates:

	December 31, 2021		
	1% Decrease	Valuation Healthcare Trend Rates	1% Increase
Total OPEB Liability	$ 24,985,831	$ 26,932,044	$ 29,399,815

OPEB Expense

For the year ended December 31, 2021, the Township's OPEB expense was $1,805,632 as determined by the actuarial valuation.

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 16: Post-Retirement Benefits (Cont'd)

B. State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

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

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.

Note 16: Post-Retirement Benefits (Cont'd)

B. State Health Benefit Local Government Retired Employees Plan (Cont'd)

Contributions

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 of coverage.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium 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.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only note disclosure of this information. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Note 16: Post-Retirement Benefits (Cont'd)

B. State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense

The Township has rolled forward the net OPEB liability as of June 30, 2020 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities to include the June 30, 2020 OPEB information in the notes to the Financial Statements as the June 30, 2021 OPEB information has not been released as of the date of this audit.

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2020 was $8,993,682. At June 30, 2020, the State's proportion related to the Township was .164650%. This is the percentage of the total State Share of the net OPEB liability of the Plan.

During the year ended June 30, 2020, the State of New Jersey's OPEB benefit related to the Township was $447,708.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

Mortality:

PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

TOWNSHIP OF PEQUANNOCK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 16: Post-Retirement Benefits (Cont'd)

B. State Health Benefit Local Government Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for the periods July 1, 2013 to June 30, 2018 and July 1, 2014 – June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially is 5.6% and decreases to a 4.5% long term trend rate after seven years. For post 65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond 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.

Note 17: Fixed Assets

The following is a summarization of the activity of the Township of Pequannock' fixed assets for the year ended December 31, 2021.

	Balance Dec. 31, 2020	Additions	Deletions	Balance Dec. 31, 2021
Land & Buildings	$ 39,502,276		$ 115,001	$ 39,387,275
Machinery and Equipment	2,725,702	$ 164,535		2,890,237
Furniture and Fixtures	1,814,553	212,390		2,026,943
Vehicles	7,299,538	1,158		7,300,696
	$ 51,342,069	$ 378,083	$ 115,001	$ 51,605,151

Note 18: Tax Abatements

GASB requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. As of December 31, 2021, the Township provides a tax abatement to a nonprofit housing corporation for its senior citizen housing development in the Township pursuant to the authority contained in Section 18 of the Limited Dividend Law (N.J.SA. 55:16-18), Section 30 of the HFA Law (N.J.S.A. 55:14J-30) and a resolution of the Mayor and Township Council and with the approval of the New Jersey Housing Finance Agency (NJHFA) as provided under Section 30(b) of the NJHFA law. In consideration of the full abatement of taxes, the nonprofit housing corporation is required to pay to the Township an annual service charge for municipal services in an amount not exceeding the tax on the property on which the abatement is received. The tax abatement per the agreement became effective upon the date that a first mortgage upon the development is first executed and shall continue for a period of not more than fifty years therefrom nor less than the term of the related NJHFA mortgage. The annual service charge made by the nonprofit housing corporation will be in an amount not exceeding 6.28% of the annual gross revenues of the housing development as detailed in the tax abatement agreement. In the event that a breach of the agreement by either the Township or the nonprofit housing corporation or a dispute arises between the two parties either party may apply to the Superior Court, Chancery Division to settle and resolve said dispute in such fashion to accomplish the purposes of the Limited-Dividend Laws and the HFA Law.

The Township recognized revenue in the amount of $153,741.15 from this annual service charge or payment in lieu of taxes which is recorded as revenue in the Current Fund. The taxes which would have been paid on this property for 2021 without the abatement would have been $235,479.59 of which $55,074.12 would have been for the local municipal tax, minimum library tax and municipal open space tax.

TOWNSHIP OF PEQUANNOCK

SUPPLEMENTARY DATA

TOWNSHIP OF PEQUANNOCK
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2021

Name	Title	Amount of Bond	Name of Corporate Surety
Kyle Russell	Mayor		
Melissa Florance-Lynch	Deputy Mayor		
David Kohle	Council Member		
Richard Phelan	Council Member (Through 6/30/21)		
Ryan Herd	Council Member		
John Driesse	Council Member (From 7/13/21)		
Adam Brewer	Township Manger/QPA	**	MCM/MEL JIF
Julie Kupilik	Chief Financial Officer	**	MCM/MEL JIF
Carol Marsh	Township Clerk	**	MCM/MEL JIF
Evelyn Roosma	Tax Collector	**	MCM/MEL JIF
Hollis J. Lyon	Treasurer	**	MCM/MEL JIF
Patricia Rudolph-Conte	Utility Collector	**	MCM/MEL JIF
Robert Oostdyk	Township Attorney		
John A. Paparazzo	Municipal Magistrate	**	MCM/MEL JIF
Shelly Gallagher	Court Administrator	**	MCM/MEL JIF
Daniel Comune	Police Chief	**	MCM/MEL JIF
Thomas Cantisano	Health Officer	**	MCM/MEL JIF

** There is a Public Employee Blanket Bond for $1,000,000 covering all municipal employees.

Morris County Municipal Joint Insurance Fund	$ 50,000
Municipal Excess Liability Joint Insurance Fund	950,000
	$ 1,000,000

All bonds were examined and were properly executed.

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
CURRENT FUND

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	Ref.		
Balance December 31, 2020	A		$ 8,811,336.36
Increased by Receipts:			
Tax Collector		$ 59,140,083.68	
Petty Cash		350.00	
Miscellaneous Revenue Not Anticipated		120,414.60	
Revenue Accounts Receivable		3,667,408.51	
Due From State of New Jersey -			
Senior Citizens' and Veterans' Deductions		162,653.42	
Appropriation Refunds		793,373.68	
Appropriation Reserve Refunds		19,279.66	
Due Federal and State Grant Fund:			
State and Federal Grants		1,662.02	
Interfund Returned		15,956.33	
Due Animal Control Fund		2.13	
Due Other Trust Funds		167.28	
Due General Capital Fund		1,737.32	
Due Sewer Utility Assessment Trust		163,626.66	
Due Payroll and Payroll Agency Accounts		828.79	
Due Pequannock Public Library		706,685.76	
Reserve for County PILOT Taxes Payable		6,775.85	
Cancel Reserve for Sewer Line Trust Fund		107,585.79	
Cancel Reserve for Group Health Trust Fund		36,540.55	
Due to State of New Jersey:			
Building Surcharge Fees		25,941.00	
Marriage License Fees		2,465.00	
			64,973,538.03
			73,784,874.39

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF CASH - TREASURER
(Continued)

	Ref.		
Decreased by Disbursements:			
2021 Appropriations		$ 17,241,015.25	
2020 Appropriation Reserves		498,677.94	
Petty Cash		350.00	
County Taxes		7,467,813.25	
Local School District Taxes		37,827,775.00	
Tax Overpayments Refunded		56,693.05	
Accounts Payable		12,138.95	
Reserve for Master Plan		13,080.00	
Reserve for Codification		7,000.00	
Reserve for Tax Map Updates		32,695.13	
Third Party Tax Title Lien Redemptions		137,851.17	
Due to State of New Jersey:			
Building Surcharge Fees		28,085.00	
Marriage License Fees		2,355.00	
Due Federal and State Grant Fund		1,176.07	
Due General Capital Fund		1,239.69	
Due to Open Space Trust Fund		142,046.04	
Due Water Utility Operating Fund		18.44	
Due Water Utility Capital Fund		17,000.00	
Due Sewer Utility Operating Fund		1,691.47	
Due Sewer Utility Assessment Trust		88,453.00	
Due Pequannock Public Library		714,539.64	
Due Payroll and Payroll Agency Accounts		835.80	
			$ 64,292,529.89
Balance December 31, 2021	A		$ 9,492,344.50

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2021

Increased by Receipts:	
Taxes Receivable	$ 58,580,391.44
Interest and Costs on Taxes	63,779.29
Tax Search Fees and Other Fees	1,280.00
2022 Prepaid Taxes	313,370.39
Tax Overpayments	38,247.55
Tax Title Liens	725.20
Third-Party Lien Redemptions	137,851.17
Other Miscellaneous	4,438.64
	59,140,083.68
Decreased by:	
Amount Turned Over to Treasurer	$ 59,140,083.68

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS

	Ref.		
Balance December 31, 2020	A		$ 200,703.40
Increased by Receipts:			
Grant Funds Received		$ 656,106.12	
Unappropriated Grant Reserves		827,020.35	
Due Open Space Trust Fund		149,261.00	
Due Current Fund		1,176.07	
			1,633,563.54
			1,834,266.94
Decreased by Disbursements:			
Appropriated Grant Reserve Expenditures		989,671.66	
Due Current Fund		15,956.33	
			1,005,627.99
Balance December 31, 2021	A		$ 828,638.95

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2020	2021 Levy	Collections 2020	Collections 2021	Tax Overpayments Applied	Senior Citizens' and Veterans' Deductions	Taxes Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2021
2020	$ 256,205.65			$ 256,240.65		$ (2,500.00)		$ 2,465.00	
2021		$ 59,089,093.19	$ 327,153.88	58,324,150.79	$ 41,342.97	173,628.77	$ 1,388.74	7,685.77	$ 213,742.27
Total	$ 256,205.65	$ 59,089,093.19	$ 327,153.88	$ 58,580,391.44	$ 41,342.97	$ 171,128.77	$ 1,388.74	$ 10,150.77	$ 213,742.27
Ref.	A								A

Analysis of 2021 Property Tax Levy

Tax Yield:		
General Purpose Tax		$ 59,003,547.22
Added, Omitted and Rollback Taxes		85,545.97
		$ 59,089,093.19
Tax Levy:		
Local School District Taxes		$ 37,731,696.00
County Taxes	$ 7,271,477.79	
County Open Space Taxes	178,614.24	
County Added and Omitted Taxes	10,842.36	
		7,460,934.39
Local Taxes for Open Space - Due Other Trust Funds		142,013.58
		45,334,643.97
Local Tax for Municipal Purposes	12,710,047.00	
Minimum Library Tax	960,953.00	
Add: Additional Tax Levied	83,449.22	
		13,754,449.22
		$ 59,089,093.19

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	Ref.		
Balance December 31, 2020	A	$	19,691.65
Increased by:			
Transfer from Taxes Receivable			10,150.77
			29,842.42
Decreased by:			
Redeemed			725.20
Balance December 31, 2021	A	$	29,117.22

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2020	Accrued In 2021	Collected by Collector	Collected by Treasurer	Balance Dec. 31, 2021
Clerk:					
Licenses:					
Alcoholic Beverage		$ 22,800.00		$ 22,800.00	
Other		2,325.00		2,325.00	
Fees and Permits		2,430.00		2,430.00	
Board of Health:					
Other Licenses		36,043.00		36,043.00	
Fees and Permits		67,308.00		67,308.00	
Planning and Zoning:					
Fees and Permits		32,517.33		32,517.33	
Shade Tree:					
Fees and Permits		150.00		150.00	
Police:					
Fees and Permits		2,854.00		2,854.00	
Tax Assessor:					
Fees and Permits		530.00		530.00	
Tax Collector:					
Fees and Permits		1,280.00	$ 1,280.00		
Municipal Court:					
Fines and Costs	$ 5,459.91	159,091.62		154,897.18	$ 9,654.35
Interest and Cost on Taxes		63,779.29	63,779.29		
Interest on Investments and Deposits		53,838.29		53,838.29	
Cable Television Franchise Fee		64,435.00		64,435.00	
Senior Citizen House (PILOT)		153,741.15		153,741.15	
Energy Receipts Tax		1,214,373.00		1,214,373.00	
Uniform Construction Code Official		369,240.44		369,240.44	
Reserve to Pay Debt Service		190,000.00		190,000.00	
Field Maintenance Contract		60,487.98		60,487.98	
County Road Plowing and Salting - Morris County		46,575.00		46,575.00	
Vehicle Maintenance - Board of Education		16,075.00		16,075.00	

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TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
(Continued)

	Balance Dec. 31, 2020	Accrued In 2021	Collected by Collector	Collected by Treasurer	Balance Dec. 31, 2021
Health Service Contract:					
Borough of Kinnelon		$ 151,070.00		$ 151,070.00	
Borough of Bloomingdale		112,860.00		84,645.00	$ 28,215.00
Borough of Riverdale		52,465.00		52,465.00	
Borough of Florham Park		172,415.00		172,415.00	
Contracts for Dial-A-Ride:					
Borough of Butler		75,120.00		75,120.00	
Borough of Kinnelon		102,113.00		102,113.00	
Borough of Lincoln Park		104,833.00		104,833.00	
Borough of Riverdale		35,462.00		35,462.00	
Uniform Fire Code Fees		27,467.00		27,467.00	
Uniform Fire Safety Act		24,713.99		24,713.99	
AHS - Community Service Contribution		282,077.64		282,077.64	
Public Defender Fees		8,600.00		8,600.00	
Hotel Occupancy Tax		55,806.51		55,806.51	
	$ 5,459.91	$ 3,764,877.24	$ 65,059.29	$ 3,667,408.51	$ 37,869.35
Ref.	A				A

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TOWNSHIP OF PEQUANNOCK
FEDERAL AND STATE GRANT FUNDS
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	Balance Dec. 31, 2020	Budget Revenue Realized	Received	Transfer from Unappropriated Reserves	Canceled to Operations	Balance Dec. 31, 2021
Municipal Alliance on Alcoholism and Drug Abuse:						
2020	$ 14,659.00		$ 4,699.96		$ 9,959.04	
2021	11,072.00		500.00		10,572.00	
2021		$ 4,856.00	1,597.40		3,258.60	
2021 Matching		1,214.00	1,214.00			
2022		6,329.00				$ 6,329.00
2022 Matching		1,582.25	1,582.25			
NJ Body Armor Replacement Fund		2,464.00		$ 2,464.00		
Clean Communities Program						
2021		32,097.00		32,097.00		
2022		34,163.71		34,163.71		
Cablevision - Public Access Equipment Grant		2,450.00		2,450.00		
NJ Senior Citizen & Disabled Residents Transportation Assistance:						
2020	24,414.50		24,414.50			
2021		97,658.00	73,243.50			24,414.50
NJ Senior Citizen & Disabled Transit Asst - (NJ Transit)						
2020	25,000.00		25,000.00			
2021		30,000.00				30,000.00
Drunk Driving Enforcement:						
2020	7,423.00		7,423.00			
2021		4,759.00		4,759.00		
Community Development Block Grant						
Senior House Roof - 2021		36,000.00				36,000.00
NJ Department of Transportation Trust Fund:						
West Parkway North 2021		291,700.00	218,775.00			72,925.00
Alexander Ave	300,000.00		294,895.79		5,104.21	
Hillview Guide Rails 2020	250,000.00					250,000.00
National Institute of Justice - Bullet Proof Vest						
2019	1,251.00				1,251.00	
2020	422.00		422.00			
2021		2,520.00	2,338.72			181.28
NJ Department of Law & Public Safety						
Police Body Cameras - 2021		65,216.00				65,216.00
Morris County Historic Preservation Trust -						
Martin Berry House (Construction)	344,832.00					344,832.00
Martin Berry House - Phase III Construction		240,792.00				240,792.00
Martin Berry House - Phase III Construction (Matching)		60,198.00	60,198.00			
Railroad - Preservation Plan		23,920.00				23,920.00
Railroad - Preservation Plan (Matching)		5,980.00	5,980.00			
	$ 979,073.50	$ 943,898.96	$ 722,284.12	$ 75,933.71	$ 30,144.85	$ 1,094,609.78
Ref.	A					A

Federal and State Grants	$ 656,106.12
Open Space Trust Fund	66,178.00
	$ 722,284.12

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
Township Clerk:				
Salaries and Wages	$ 2,774.72	$ 2,774.72		$ 2,774.72
Other Expenses	29,726.52	29,726.52	$ 2,148.28	27,578.24
Mayor and Council:				
Other Expenses	4,302.66	4,302.66		4,302.66
Manager's Office:				
Salaries and Wages	8,506.91	8,506.91		8,506.91
Other Expenses	4,342.29	4,342.29	28.32	4,313.97
Legal Services and Costs:				
Other Expenses	43,034.57	43,034.57	7,236.00	35,798.57
Animal Control Services:				
Other Expenses	13,000.00	13,000.00		13,000.00
Financial Administration (Treasury):				
Salaries and Wages	11,864.03	11,864.03		11,864.03
Other Expenses	840.03	840.03		840.03
Audit Services:				
Other Expenses	95,600.00	95,600.00	77,800.00	17,800.00
Data Processing	32,702.55	32,702.55	10,191.34	22,511.21
Revenue Administration (Tax Collection):				
Salaries and Wages	15,269.85	15,269.85		15,269.85
Other Expenses	6,852.23	6,852.23	298.49	6,553.74
Tax Assessment Administration:				
Salaries and Wages	11,364.15	11,364.15		11,364.15
Other Expenses	23,321.00	23,321.00	3,563.50	19,757.50
Planning Board:				
Salaries and Wages	51,651.39	51,651.39		51,651.39
Other Expenses	15,737.12	15,737.12	3,861.19	11,875.93
Zoning Board of Adjustment:				
Salaries and Wages	526.38	526.38		526.38
Other Expenses	8,731.11	8,731.11	6,194.54	2,536.57
Municipal Flood Advocate:				
Salaries and Wages	936.04	936.04		936.04
Other Expenses	13,822.57	13,822.57	11,150.71	2,671.86
Office of Fire & Safety:				
Salaries & Wages	21,768.74	21,768.74		21,768.74
Other Expenses	5,454.00	5,454.00	114.40	5,339.60
PUBLIC SAFETY:				
Municipal Prosecutor :				
Salaries and Wages	1,617.94	1,617.94		1,617.94
Municipal Court:				
Salaries and Wages	12,712.04	12,712.04		12,712.04
Other Expenses	4,166.59	4,166.59	397.50	3,769.09
Engineering Services:				
Salaries and Wages	9,847.37	9,847.37		9,847.37
Other Expenses	11,796.63	11,796.63	8,445.96	3,350.67
Public Defender:				
Salary and Wages	410.80	410.80		410.80

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY: (Con't)				
Police:				
Salaries & Wages	$ 428,605.86	$ 428,605.86		$ 428,605.86
Other Expenses	191,323.83	191,323.83	$ 176,360.25	14,963.58
Emergency Management:				
Salaries & Wages	3,387.65	3,387.65		3,387.65
Other Expenses	5,000.00	5,000.00		5,000.00
Fire Department:				
Clothing Allowance	5,507.00	5,507.00	1,800.00	3,707.00
Other Expenses	34,425.00	34,425.00	20,185.07	14,239.93
OTHER COMMON OPERATING FUNCTIONS:				
Historic Preservation:				
Other Expenses	850.00	850.00		850.00
Environmental Committee:				
Other Expenses	1,025.00	1,025.00	239.32	785.68
Economic Development Committee:				
Other Expense	3,800.00	3,800.00		3,800.00
Flood Advisory Committee	2,500.00	2,500.00	98.00	2,402.00
HEALTH AND WELFARE FUNCTIONS:				
Senior Citizen Advisory Committee:				
Other Expenses	1,898.01	1,898.01		1,898.01
Board of Health:				
Salaries & Wages	162,329.42	162,329.42		162,329.42
Other Expenses	10,635.93	10,635.93	3,367.81	7,268.12
PUBLIC WORKS:				
Community Service Act:				
Other Expenses	22,000.00	22,000.00	10,423.16	11,576.84
Shade Tree Commission:				
Other Expenses	7,442.33	7,442.33	3,022.00	4,420.33
Public Building & Grounds:				
Salaries & Wages	33,437.15	33,437.15		33,437.15
Other Expenses	34,969.34	34,969.34	25,790.28	9,179.06
Road Repairs & Maintenance:				
Salaries and Wages	49,500.10	49,500.10		49,500.10
Other Expenses	37,326.73	37,326.73	18,198.70	19,128.03
Vehicle Maintenance:				
Salaries and Wages	10,985.05	10,985.05		10,985.05
Other Expenses	23,076.63	23,076.63	14,762.48	8,314.15
PARKS AND RECREATION FUNCTIONS:				
Parks & Playgrounds:				
Salaries & Wages	6,649.95	6,649.95		6,649.95
Other Expenses	26,505.96	26,505.96	2,925.55	23,580.41
Recreation:				
Salaries & Wages	36,897.00	36,897.00		36,897.00
Other Expenses	22,967.15	22,967.15	6,803.47	16,163.68

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
General Government:				
Dial-a-Ride Program:				
Other Expenses	$ 36,068.90	$ 36,068.90	$ 3,487.77	$ 32,581.13
Celebration of Public Events:				
Salaries & Wages	22,470.20	22,470.20		22,470.20
INSURANCE:				
General Liability	96,860.00	96,860.00		96,860.00
Unemployment Insurance	2,000.00	2,000.00		2,000.00
Employee Group Health	78,551.67	78,551.67		78,551.67
Health Benefit Waiver	1,000.00	1,000.00		1,000.00
STATE UNIFORM CONSTRUCTION CODE:				
Salaries and Wages	40,286.96	40,286.96		40,286.96
Other Expenses	3,484.80	3,484.80	283.30	3,201.50
UNCLASSIFIED:				
Utility Expenses:				
Electricity	56,277.28	56,277.28	15,888.15	40,389.13
Telephone	641.65	641.65	641.65	
Water	5,328.12	5,328.12	1,697.46	3,630.66
Natural Gas	27,635.46	27,635.46	8,099.83	19,535.63
Street Lighting	61,712.15	61,712.15	18,991.71	42,720.44
Gasoline	83,174.74	83,174.74	9,468.27	73,706.47
Accumulated Leave	52,567.14	52,567.14		52,567.14
STATUTORY EXPENDITURES:				
Public Employees' Retirement System	22,330.00	22,330.00	5,642.52	16,687.48
Social Security	82,782.49	82,782.49		82,782.49
Defined Contribution Retirement Program	40,332.03	40,332.03		40,332.03
Police Dispatch/911-Salaries & Wages	47,317.14	47,317.14		47,317.14
Fair Housing Committee:				
Other Expenses	7,796.75	7,796.75	6,091.30	1,705.45
Capital Improvements - Excluded from "CAPS":				
Reserve for Road Resurfacing	25,300.00	25,300.00		25,300.00
Reserve for Data Processing and Office Equipment	30,000.00	30,000.00		30,000.00
	$ 2,449,642.80	$ 2,449,642.80	$ 485,698.28	$ 1,963,944.52

Balance December 31, 2021:

Unencumbered	$ 2,019,207.96
Encumbered	430,434.84
	$ 2,449,642.80

Cash Disbursed	$ 498,677.94
Accounts Payable	6,300.00
	504,977.94
Less Refunds	(19,279.66)
	$ 485,698.28

TOWNSHIP OF PEQUANNOCK
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	Ref.		
Balance December 31, 2020	A	$	190,673.00
Increased by:			
Levy - Calendar Year 2021			37,731,696.00
			37,922,369.00
Decreased by:			
Payments to Board of Education			37,827,775.00
Balance December 31, 2021	A	$	94,594.00

TOWNSHIP OF PEQUANNOCK
FEDERAL AND STATE GRANT FUNDS
SCHEDULE OF APPROPRIATED GRANT RESERVES

	Balance Dec. 31, 2020	Transfer from Current Fund Budget	Prior Year Encumbrances Returned	Paid or Charged	Encumbered	Balance Transfers To/(From)	Cancelled	Balance Dec. 31, 2021
Municipal Alcohol Education and Rehabilitation Grant:								
2020	$ 1,760.83							$ 1,760.83
Clean Communities Program:								
2019	13,917.15			$ 13,917.15				
2020	35,597.00			377.38	$ 629.98			34,589.64
2021		$ 32,097.00		8,788.98	4,600.00			18,708.02
2022		34,163.71						34,163.71
Municipal Alliance on Alcoholism and Drug Abuse:								
2019			$ 405.00				$ 405.00	
2020	9,678.80			625.00			9,053.80	
2020 Local Match	4,164.75						4,164.75	
2021	10,550.25						10,550.25	
2021 - Local Match	1,518.05			1,249.95			268.10	
2021		4,856.00		500.00			4,356.00	
2021 - Local Match		1,214.00					1,214.00	
2022		6,329.00		1,193.32				5,135.68
2022 - Local Match		1,582.25						1,582.25
NACCHO Grant:								
2017	1,500.00						1,500.00	
2020	820.00							820.00
NJ Body Armor Replacement Fund:								
2020	3,185.00			3,185.00				
2021		2,464.00		1,755.00	709.00			
National Institute of Justice Body Armor:								
2019	3,437.08						3,437.08	
2020	422.00			422.00				
2021		2,520.00			2,520.00			

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TOWNSHIP OF PEQUANNOCK
FEDERAL AND STATE GRANT FUNDS
SCHEDULE OF APPROPRIATED GRANT RESERVES
(Continued)

	Balance Dec. 31, 2020	Transfer from Current Fund Budget	Prior Year Encumbrances Returned	Paid or Charged	Encumbered	Balance Transfers To/(From)	Cancelled	Balance Dec. 31, 2021
Cablevision - Public Access Equipment Grant:								
2017	$ 2,450.00						$ 2,450.00	
2018	2,450.00						2,450.00	
2019	4,900.00							$ 4,900.00
2020	2,450.00							2,450.00
2021		$ 2,450.00						2,450.00
NJ Department of Transportation Trust Fund:								
West Parkway North - 2021		291,700.00		$ 234,705.38	$ 56,994.62			
Alexander Ave - 2020	300,000.00			294,895.79			5,104.21	
Hillview Guide Rails - 2020	250,000.00							250,000.00
NJ Department of Environmental Protection:								
River Desnagging Grant	17,267.51		$ 2,444.48	5,554.63	1,986.22			12,171.14
Atlantic Health System - Mental Health First Responders	4,783.80							4,783.80
Recycling Tonnage Grant - 2019			19,317.00	19,317.00				
Recreation Trail Program:								
Local Match 2016			2,302.02	263.74		$ (742.03)		1,296.25
2019	10,828.97					742.03		11,571.00
Tobacco Age of Sale Enforcement Program Enforcement:								
2010	2,820.00							2,820.00
Drunk Driving Enforcement:								
2020	5,631.00			5,631.00				
2021		4,759.00		4,759.00				
NJ Department of Law & Public Safety								
Police Body Cameras - 2021		65,216.00		41,000.00				24,216.00
Community Development Block Grant								
Senior House Roof - 2021		36,000.00		20,711.00				15,289.00

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TOWNSHIP OF PEQUANNOCK
FEDERAL AND STATE GRANT FUNDS SCHEDULE
OF APPROPRIATED GRANT RESERVES
(Continued)

	Balance Dec. 31, 2020	Transfer from Current Fund Budget	Prior Year Encumbrances Returned	Paid or Charged	Encumbered	Balance Transfers To/(From)	Cancelled	Balance Dec. 31, 2021
NJ Senior Citizen Transit Assistant Act- (County MAPS)								
2020	$ 9,054.55							$ 9,054.55
2021		$ 97,658.00		$ 51,355.65				46,302.35
NJ Senior Citizen Transit Assistant Act (NJ Transit)								
2019	25,500.00							25,500.00
2020	25,000.00							25,000.00
2021		30,000.00						30,000.00
NJ Senior Citizen Transit Assistant Act- (DAR Trust):								
2019	17,863.76							17,863.76
2020	20,000.00							20,000.00
Morris County Historic Preservation Trust:								
Martin Berry House Construction Phase I & II	42,184.00		$ 376,506.06	279,464.69	$ 110,876.37			28,349.00
Martin Berry House Construction Phase III		240,792.00			26,582.00			214,210.00
Martin Berry House Construction Phase III - Matching		60,198.00						60,198.00
Railroad Preservation Plan		23,920.00			23,920.00			
Railroad Preservation Plan - Matching		5,980.00			5,980.00			
	$ 829,734.50	$ 943,898.96	$ 400,974.56	$ 989,671.66	$ 234,798.19	$ -0-	$ 44,953.19	$ 905,184.98
Ref.	A				A			A

Federal and State Grant Funds	$ 874,924.71
Due From Open Space Trust Fund	66,178.00
Local Matching Funds	2,796.25
	$ 943,898.96

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TOWNSHIP OF PEQUANNOCK
FEDERAL AND STATE GRANT FUNDS
SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2020	Cash Received	Transferred to Grants Receivable	Cancelled	Balance Dec. 31, 2021
Drunk Driving Enforcement Fund		$ 4,759.93	$ 4,759.00	$ 0.93	
NJ Body Armor Replacement Fund		4,126.27	2,464.00	0.25	$ 1,662.02
Clean Communities Program	$ 32,097.30	34,163.71	66,260.71	0.30	
American Rescue Plan (ARP) Grant		783,182.46			783,182.46
Cablevision - Public Access Equipment Grant		2,450.00	2,450.00		
	$ 32,097.30	$ 828,682.37	$ 75,933.71	$ 1.48	$ 784,844.48
Ref.	A				A

Cash Received	$ 827,020.35
Due from Current Fund	1,662.02
	$ 828,682.37

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TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
OTHER TRUST FUNDS

TOWNSHIP OF PEQUANNOCK
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	Ref.	Animal Control Fund		Other Trust Funds	
Balance December 31, 2020	B		$ 19,120.02		$ 1,916,721.42
Increased by Receipts:					
Animal Control Collector		$ 27,435.20			
Cat License Fees		6,003.00			
Late and Replacement Fees		2,909.00			
State Registration Fees		1,897.80			
Prepaid License Fees:					
Dog License Fees		10,296.00			
Cat License Fees		1,914.00			
State Registration Fees		684.00			
Donations/Other		12,600.00			
Budget Appropriation		15,000.00			
Grants Receivable - FEMA Elevation				$ 2,127,636.04	
Developers Deposits - Escrow				815,155.39	
Developers Deposits - Affordable Housing				275.12	
Fire Safety				28.14	
Payroll Section 125 Trust				12,250.08	
Unemployment Compensation Insurance				50,205.52	
Due to Interlocal Towns				72,450.00	
Due to Current Fund		38.14		796.26	
Reserve for Youth Development				6,060.93	
Reserve for Refundable Permits				5,978.03	
Reserve for Group Health Insurance				116,830.06	
Reserve for Parking Offenses Adjudication Act				1.82	
Reserve for Premium on Tax Sale				346,876.79	
Reserve for Public Defender				9,199.84	
Reserve for Sewer Line				27.41	
Reserve for Storm Recovery				67,341.48	
Reserve for Insurance Refunds				440,914.93	
Reserve for Dial a Ride (D.A.R. Bequests)				57.87	
Reserve for Recreation				125,369.65	
Reserve for FEMA Elevation Escrow				226,839.43	
			78,777.14		4,424,294.79
			97,897.16		6,341,016.21

TOWNSHIP OF PEQUANNOCK
TRUST FUNDS
SCHEDULE OF CASH - TREASURER
(Continued)

	Ref.	Animal Control Fund		Other Trust Funds	
Decreased by Disbursements:					
Animal Control Expenditures		$ 72,995.38			
Due State of New Jersey		2,593.80			
Due to Current Fund		40.27		$ 819.74	
Due to General Capital Fund				1,742,636.04	
Due to Sewer Utility Capital Fund				385,000.00	
Developers Deposits - Escrow				81,013.38	
Payroll Section 125 Trust				12,345.52	
Unemployment Compensation Insurance				33,460.69	
Due to Interlocal Towns				71,380.00	
Reserve for Refundable Permits				5,950.00	
Reserve for Group Health Insurance				913,858.88	
Reserve for Premium on Tax Sale				272,026.69	
Reserve for Public Defender				10,695.00	
Reserve for Storm Recovery				43,049.35	
Reserve for Sewer Line				107,613.20	
Reserve for Insurance Refunds				35,845.40	
Reserve for Recreation				71,990.48	
Reserve for FEMA Elevation Escrow				227,735.69	
			$ 75,629.45		$ 4,015,420.06
Balance December 31, 2021	B		$ 22,267.71		$ 2,325,596.15

TOWNSHIP OF PEQUANNOCK
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	Ref.	Open Space Trust Fund	
Balance December 31, 2020	B		$ 545,983.20
Increased by Receipts:			
Interest Earned		$ 1,153.18	
Open Space Levy		142,013.58	
Due Current Fund		27.10	
			143,193.86
			689,177.06
Decreased by Disbursements:			
Due Federal and State Grant Fund		149,261.00	
Open Space Trust Reserve Expenditures		72,196.00	
			221,457.00
Balance December 31, 2021	B		$ 467,720.06

TOWNSHIP OF PEQUANNOCK
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	Ref.		
Balance December 31, 2020	B		$ 7,115.18
Increased by:			
Dog License Fees Collected		$ 27,435.20	
Cat License Fees Collected		6,003.00	
Prior Year Prepaid Licenses:			
Dog License Fees Collected		9,484.80	
Cat License Fees Collected		1,810.00	
Late and Replacement Fees		2,909.00	
Donations/Other		12,600.00	
Budget Appropriation		15,000.00	
			75,242.00
			82,357.18
Decreased by:			
Expenditures Under R.S. 4:19-15.11			72,995.38
Balance December 31, 2021	B		$ 9,361.80

License Fees Collected

Year	Amount
2019	$ 40,204.20
2020	34,985.40
Maximum Allowable Reserve	$ 75,189.60

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
GENERAL CAPITAL FUND

TOWNSHIP OF PEQUANNOCK
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	Ref.		
Balance December 31, 2020	C		$ 4,526,002.36
Increased by Receipts:			
Current Fund Appropriations:			
Capital Improvement Fund		$ 795,000.00	
Bond Anticipation Note Paydown		190,000.00	
Deferred Charges to Future Taxation - Unfunded:			
Budget Appropriation		186,000.00	
Reserve for:			
Road Resurfacing		430,000.00	
Fire Apparatus		150,000.00	
FEMA Administrative Cost		83,041.68	
Bond Anticipation Note Proceeds		5,200,000.00	
Fund Balance:			
Premium on Bond Anticipation Notes Issued		37,808.78	
Due to Current Fund:			
Interest on Investments and Deposits		12,339.69	
Due Other Trust Funds		1,742,636.04	
Due to Recreation Utility Capital Fund		5,000.08	
Improvement Authorization Refunds		1,176,870.89	
			10,008,697.16
			14,534,699.52
Decreased by Disbursements:			
Bond Anticipation Notes Matured		5,390,000.00	
Improvement Authorization Expenditures		1,461,695.03	
Due to Current Fund:			
Interest on Investments and Deposits		12,837.32	
Reserve to Pay Debt Service Anticipated		190,000.00	
			7,054,532.35
Balance December 31, 2021	C		$ 7,480,167.17

TOWNSHIP OF PEQUANNOCK
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ord. Number	Improvement Description	Balance (Deficit) Dec. 31, 2020	Receipts: Budget Appropriation	Receipts: Bond Anticipation Notes	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Bond Anticipation Notes	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance (Deficit) Dec. 31, 2021
	Fund Balance	$ 165,870.57			$ 37,808.78					$ 10,951.54	$ 214,630.89
	Capital Improvement Fund	260,436.88	$ 795,000.00						$ 847,883.00	153,441.42	360,995.30
	Due Current Fund	1,135.63			12,339.69			$ 12,837.32			638.00
	Due Other Trust Funds	(1,759,202.92)			1,742,636.04						(16,566.88)
	Due Recreation Utility Capital Fund	(58,947.08)			5,000.08						(53,947.00)
	FEMA Receivable -Flood Mitigation	(8,891,225.00)							3,362,771.00	4,568,863.00	(7,685,133.00)
	Reserve for:										
	DPW Equipment	70,500.00							58,500.00		12,000.00
	Data Processing /Office Equipment	35,000.00							35,000.00		
	Road Resurfacing	20,000.00	430,000.00						450,000.00		
	Vehicle Replacement	188,824.00							188,824.00		
	Fire Apparatus	625,000.00	150,000.00								775,000.00
	Flood Control Improvements	168,000.00							25,000.00		143,000.00
	FEMA Grant Receivables	8,891,225.00							4,568,863.00	3,362,771.00	7,685,133.00
	FEMA Administrative Cost				83,041.68						83,041.68
	Payment of Debt Service	324,041.00						190,000.00		5,066,779.00	5,200,820.00
2006-11	Various Capital/Streetscape & Sidewalks	(371,021.60)	95,000.00								(276,021.60)
2008-25	Greenview Park Plan	(151,500.00)	91,000.00								(60,500.00)
2008-35	Sanitary Sewer Extension	(156,500.00)									(156,500.00)
2012-12	Various Capital Projects	49,903.63				$ 49,903.63					
2014-16	Equipment & Vehicles	60,000.00				60,000.00					
2016-08	Various Capital Projects	19,000.00				11,443.00			7,557.00		
2016-09	Various Capital Projects	2,000.00				2,000.00					
2017-05	FEMA FMA Grant-Flood Elevations	5,129,597.95	190,000.00	$ 5,200,000.00		62,818.95	$ 5,390,000.00		5,066,779.00		
2017-08	Various Capital Projects/CIF Parks	35,504.00							35,504.00		
2018-08	Elevation of Flood Prone Homes	(1,038,619.04)			1,176,870.89	138,251.85					
2018-10	Various Capital Improvements	101,484.44				21,942.64			3,075.42		76,466.38
2018-11	Various Capital Improvements	22,587.92				11,636.38			10,951.54		
2018-22	Town Hall Building Improvements	168,950.00				3,100.00			107,305.00		58,545.00
2018-24	Rehabilitation of the Martin Berry House	(177,247.50)				84,545.50					(261,793.00)
2019-07	Various Capital Improvements	196,399.04				55,380.05					141,018.99
2020-06	Various Capital Improvements	256,965.44				96,683.00					160,282.44
2020-10	Various Capital Improvements	337,840.00				252,266.00					85,574.00
2021-07	FEMA Home Elevations 2018					38,607.50					(38,607.50)
2021-08	Various Capital Improvements					573,116.53				1,605,207.00	1,032,090.47
		$ 4,526,002.36	$ 1,751,000.00	$ 5,200,000.00	$ 3,057,697.16	$ 1,461,695.03	$ 5,390,000.00	$ 202,837.32	$ 14,768,012.96	$ 14,768,012.96	$ 7,480,167.17

C-3

TOWNSHIP OF PEQUANNOCK
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

						Analysis of Balance Dec. 31, 2021		
Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2021	Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2006-11	Various Capital/Streetscape & Sidewalks	$ 371,021.60		$ 95,000.00	$ 276,021.60		$ 276,021.60	
2008-25	Greenview Park Plan	151,500.00		91,000.00	60,500.00		60,500.00	
2008-35	Sanitary Sewer Extension	156,500.00			156,500.00		156,500.00	
2017-05	FEMA -Flood Elevations and Generators	5,390,000.00		190,000.00	5,200,000.00	$ 5,200,000.00		
2018-08	FEMA -Flood Elevations	5,001,492.00			5,001,492.00			$ 5,001,492.00
2018-24	Rehabilitation of the Martin Berry House	289,568.00			289,568.00		261,793.00	27,775.00
2021-07	FEMA Home Elevations 2018		$ 3,752,000.00		3,752,000.00		38,607.50	3,713,392.50
		$ 11,360,081.60	$ 3,752,000.00	$ 376,000.00	$ 14,736,081.60	$ 5,200,000.00	$ 793,422.10	$ 8,742,659.50
	Ref.	C			C			

TOWNSHIP OF PEQUANNOCK
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord No.	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2020 Funded	Balance Dec. 31, 2020 Unfunded	2021 Authorizations Funded by Various Sources	2021 Authorizations Deferred Charges to Future Taxation-Unfunded	Paid or Charged	Canceled	Balance Dec. 31, 2021 Funded	Balance Dec. 31, 2021 Unfunded
2012-12	Various Capital Projects	06/12/12	$ 589,000.00	$ 49,903.63				$ 49,903.63			
2014-16	Equipment & Vehicles	07/22/14	1,137,000.00	60,000.00				60,000.00			
2016-08	Various Capital Projects	05/24/16	575,000.00	19,000.00				11,443.00	$ 7,557.00		
2016-09	Various Capital Projects	05/24/16	613,000.00	2,000.00				2,000.00			
2017-05	FEMA -Flood Elevations and Generators	05/23/17	5,500,000.00		$ 5,129,597.95			62,818.95	5,066,779.00		
2017-08	Various Capital Projects/CIF Parks	05/23/17	667,000.00	35,504.00					35,504.00		
2018-08	FEMA -Flood Elevations	05/08/18	5,001,492.00		3,962,872.96			(1,038,619.04)			$ 5,001,492.00
2018-10	Various Capital Improvements	06/26/18	1,042,000.00	101,484.44				21,942.64	3,075.42	$ 76,466.38	
2018-11	Various Capital Improvements	06/26/18	868,000.00	22,587.92				11,636.38	10,951.54		
2018-22	Town Hall Building Improvements	09/25/18	351,000.00	168,950.00				3,100.00	107,305.00	58,545.00	
2018-24	Rehabilitation of the Martin Berry House	11/27/18	360,000.00		112,320.50			84,545.50			27,775.00
2019-07	Various Capital Improvements	05/28/19	1,203,000.00	196,399.04				55,380.05		141,018.99	
2020-06	Various Capital Improvements	06/09/20	559,800.00	256,965.44				96,683.00		160,282.44	
2020-10	Various Capital Improvements	10/13/20	398,200.00	337,840.00				252,266.00		85,574.00	
2021-07	FEMA Home Elevations 2018	04/27/21	3,752,000.00				$ 3,752,000.00	38,607.50			3,713,392.50
2021-08	Various Capital Improvements	05/11/21	1,605,207.00			$ 1,605,207.00		573,116.53		1,032,090.47	
				$ 1,250,634.47	$ 9,204,791.41	$ 1,605,207.00	$ 3,752,000.00	$ 284,824.14	$ 5,231,171.96	$ 1,553,977.28	$ 8,742,659.50
			Ref.	C	C					C	C

Capital Improvement Fund	$ 847,883.00
Reserve for DPW Equipment	58,500.00
Reserve for Data Processing/Office Equipment	35,000.00
Reserve for Road Resurfacing	450,000.00
Reserve for Vehicle Replacement	188,824.00
Reserve for Flood Control Improvements	25,000.00
	$ 1,605,207.00

Cash Disbursed	$ 1,461,695.03
Less: Refunds	1,176,870.89
	$ 284,824.14

Capital Improvement Fund	$ 153,441.42
Capital Fund Balance	10,951.54
Reseve for Payment of Debt Service	5,066,779.00
	$ 5,231,171.96

TOWNSHIP OF PEQUANNOCK
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2020	C		$ 260,436.88
Increased By:			
Current Fund Budget Appropriation		$ 795,000.00	
Improvement Authorizations Canceled		153,441.42	
			948,441.42
			1,208,878.30
Decreased By:			
Appropriated to Finance Improvement Authorizations			847,883.00
Balance December 31, 2021	C		$ 360,995.30

TOWNSHIP OF PEQUANNOCK
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Issued	Matured	Balance Dec. 31, 2021
2017-05	FEMA -Flood Elevations and Generators	07/20/17	07/17/20	07/15/21	2.00%	$ 1,890,000.00		$ 1,890,000.00	
			07/13/21	07/13/22	1.00%		$ 1,700,000.00		$ 1,700,000.00
2017-05	FEMA -Flood Elevations and Generators	07/19/18	07/17/20	07/15/21	2.00%	1,500,000.00		1,500,000.00	
			07/13/21	07/13/22	1.00%		1,500,000.00		1,500,000.00
2017-05	FEMA -Flood Elevations and Generators	07/18/19	07/17/20	07/15/21	2.00%	2,000,000.00		2,000,000.00	
			07/13/21	07/13/22	1.00%		2,000,000.00		2,000,000.00
						$ 5,390,000.00	$ 5,200,000.00	$ 5,390,000.00	$ 5,200,000.00
					Ref.	C			C

	Issued	Matured
Renewals	$ 5,200,000.00	$ 5,200,000.00
Paid by Budget Appropriation		190,000.00
	$ 5,200,000.00	$ 5,390,000.00

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TOWNSHIP OF PEQUANNOCK
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Funded by Budget Appropriation	Bond Anticipation Notes Redeemed	Bond Anticipation Notes Issued	Balance Dec. 31, 2021
2006-11	Various Capital/Streetscape & Sidewalks	$ 371,021.60		$ 95,000.00			$ 276,021.60
2008-25	Greenview Park Plan	151,500.00		91,000.00			60,500.00
2008-35	Sanitary Sewer Extension	156,500.00					156,500.00
2017-05	FEMA -Flood Elevations and Generators			190,000.00	$ 5,390,000.00	$ 5,200,000.00	
2018-08	FEMA -Flood Elevations	5,001,492.00					5,001,492.00
2018-24	Rehabilitation of the Martin Berry House	289,568.00					289,568.00
2021-07	FEMA Home Elevations 2018		$ 3,752,000.00				3,752,000.00
		$ 5,970,081.60	$ 3,752,000.00	$ 376,000.00	$ 5,390,000.00	$ 5,200,000.00	$ 9,536,081.60

C-9

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
WATER UTILITY FUND

TOWNSHIP OF PEQUANNOCK
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2020	D		$ 1,350,818.34		$ 24,564.26
Increased by Receipts:					
Consumer Accounts Receivable		$ 3,185,494.09			
Miscellaneous Revenue		19,338.38			
Interest on Investments		3,664.48			
Water Rent Overpayments		638.30			
Appropriation Refunds		2,463.48			
Due Solid Waste Utility Operating Fund		459.91			
Due Water Utility Operating Fund:					
Interfund Returned				$ 282.94	
Capital Improvement Fund				205,000.00	
Deferred Charges to Future Revenue				40,000.00	
Due Water Utility Capital Fund		271.97			
Due Current Fund		18.44		17,000.00	
			3,212,349.05		262,282.94
			4,563,167.39		286,847.20
Decreased by Disbursements:					
2021 Appropriation Expenditures		2,662,648.29			
2020 Appropriation Reserves		96,831.71			
Accounts Payable		1,710.00			
Accrued Interest on Notes		173,768.78			
Water Rent Overpayments Refunded		638.30			
Due Water Utility Operating Fund				271.97	
Due Sewer Utility Operating Fund		20,440.79			
Due Solid Waste Utility Operating Fund		623.88			
Due Water Utility Capital Fund		282.94			
Improvement Authorization Expenditures				34,975.85	
			2,956,944.69		35,247.82
Balance December 31, 2021	D		$ 1,606,222.70		$ 251,599.38

TOWNSHIP OF PEQUANNOCK
WATER UTILITY CAPITAL FUND
ANALYSIS OF WATER CAPITAL CASH

Ord. No.	General Improvements	Balance/ (Deficit) Dec. 31, 2020	Receipts: 2021 Budget Appropriation	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance/ (Deficit) Dec. 31, 2021
	Fund Balance	$ 80,677.22							$ 80,677.22
	Capital Improvement Fund	127,978.34	$ 205,000.00				$ 215,000.00	$ 770.75	118,749.09
	Due to/(from) Current Fund	(17,000.00)		$ 17,000.00					
	Due to/(from) Water Utility Operating Fund	10.43		282.94		$ 271.97			21.40
	Reserve for the Payment of Debt Service	4,125.61						227,825.05	231,950.66
2003-18	AMR Phase 3	(300,000.00)							(300,000.00)
2007-14	Water Blending Facility	(87,030.13)	40,000.00						(47,030.13)
2014-29	West Sunset Water Main	(34,464.33)							(34,464.33)
2016-14	Water System Improvement / SCADA	770.75					770.75		
2017-14	Water Tank & Mains	227,825.05					227,825.05		
2018-19	Various Water Improvements	18,722.97			$ 14,267.89				4,455.08
2019-06	Capital Improvements	612.67			612.67				
2020-08	Capital Improvements	2,335.68							2,335.68
2021-09	Various Capital Improvements				20,095.29			215,000.00	194,904.71
		$ 24,564.26	$ 245,000.00	$ 17,282.94	$ 34,975.85	$ 271.97	$ 443,595.80	$ 443,595.80	$ 251,599.38

TOWNSHIP OF PEQUANNOCK
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.	
Balance December 31, 2020	D	$ 769,615.88
Increased by:		
Water Rents Levied		3,221,930.62
		3,991,546.50
Decreased by:		
Water Collections		3,185,494.09
Balance December 31, 2021	D	$ 806,052.41

TOWNSHIP OF PEQUANNOCK
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2020	Additions By Budget Capital Outlay	Additions By Capital Ordinance	Balance Dec. 31, 2021
Reserve for Amortization	$ 57,442.00			$ 57,442.00
Distribution Mains and Accessories	2,310,530.00		$ 2,806,174.95	5,116,704.95
House Service	286,997.00			286,997.00
Meters	1,135,434.61	$ 24,472.41		1,159,907.02
Hydrants	144,950.27	5,236.86		150,187.13
General Equipment- Trucks	1,009,755.90			1,009,755.90
Office Furniture and Equipment	87,282.33			87,282.33
Structures and Improvements	295,208.00			295,208.00
Various Water Improvements	1,251,068.01		235,229.25	1,486,297.26
Wells and Pumping Station	3,370,103.66			3,370,103.66
Well # 2 Chlorinator	9,936.00			9,936.00
Water Blending Facility	2,172,000.00			2,172,000.00
West Sunset Water Main	28,464.33			28,464.33
Elevated Water Tank	2,170,000.00			2,170,000.00
New Water Tank Construction	1,086,959.85			1,086,959.85
	$ 15,416,131.96	$ 29,709.27	$ 3,041,404.20	$ 18,487,245.43
	D			D

Appropriation Reserves	$ 29,709.27
	$ 29,709.27

TOWNSHIP OF PEQUANNOCK
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ord. No.	Balance Dec. 31, 2020	2021 Authorizations	Transferred to Fixed Capital	Authorizations Cancelled	Balance Dec. 31, 2021
West Sunset Water Main	2014-29	$ 281,535.67				$ 281,535.67
Water System Improvement / SCADA	2016-14	171,000.00		$ 170,229.25	$ 770.75	
Water Tank & Mains	2017-14	5,558,000.00		2,806,174.95	2,751,825.05	
Various Water Improvements	2018-19	48,000.00				48,000.00
Capital Improvements	2019-06	65,000.00		65,000.00		
Capital Improvements	2020-08	55,000.00				55,000.00
Various Capital Improvements	2021-09		$ 215,000.00			215,000.00
		$ 6,178,535.67	$ 215,000.00	$ 3,041,404.20	$ 2,752,595.80	$ 599,535.67
	Ref.	D				D

TOWNSHIP OF PEQUANNOCK
WATER UTILITY OPERATING FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 64,320.52	$ 64,320.52		$ 64,320.52
Other Expenses	117,086.02	117,086.02	$ 67,122.44	49,963.58
Capital Improvements:				
Capital Outlay	34,902.52	34,902.52	30,056.86	4,845.66
	$ 216,309.06	$ 216,309.06	$ 97,179.30	$ 119,129.76

Analysis of Balance December 31, 2020

	Ref.	
Encumbered	D	$ 121,560.91
Unencumbered	D	94,748.15
		$ 216,309.06

Cash Disbursed	$ 96,831.71
Accounts Payable	347.59
	$ 97,179.30

TOWNSHIP OF PEQUANNOCK
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Amount	Balance Dec. 31, 2020 Funded	Balance Dec. 31, 2020 Unfunded	2021 Authorizations Capital Improvement Fund	Paid or Charged	Improvement Authorization Cancelled	Balance Dec. 31, 2021 Funded	Balance Dec. 31, 2021 Unfunded
2014-29	West Sunset Water Main	$ 310,000.00		$ 275,535.67					$ 275,535.67
2016-14	Water System Improvement/ SCADA	171,000.00	$ 770.75				$ 770.75		
2017-14	Water Tank & Mains	5,560,000.00	2,751,825.05				2,751,825.05		
2018-19	Various Capital Improvements and Acquisitions	83,000.00	18,722.97			$ 14,267.89		$ 4,455.08	
2019-06	Capital Improvements	65,000.00	612.67			612.67			
2020-08	Capital Improvements	55,000.00	2,335.68					2,335.68	
2021-09	Various Capital Improvements	215,000.00			$ 215,000.00	20,095.29		194,904.71	
			$ 2,774,267.12	$ 275,535.67	$ 215,000.00	$ 34,975.85	$ 2,752,595.80	$ 201,695.47	$ 275,535.67
		Ref.	D	D				D	D

Capital Improvement Fund	$ 770.75
Reserve to Pay Debt Service	227,825.05
Deferred Charges to Future Revenue	2,524,000.00
	$ 2,752,595.80

TOWNSHIP OF PEQUANNOCK
WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2020	D		$ 127,978.34
Increased by:			
Improvement Authorizations Cancelled		$ 770.75	
2021 Budget Appropriation		205,000.00	
			205,770.75
			333,749.09
Decreased by:			
Appropriated to Finance Improvement Authorizations			215,000.00
Balance December 31, 2021	D		$ 118,749.09

TOWNSHIP OF PEQUANNOCK
WATER UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.		
Balance December 31, 2020	D		$ 11,394,637.50
Increased by:			
Serial Bond Principal		$ 200,000.00	
Budget Appropriation - Ordinance 2007-14		40,000.00	
Transfer from Deferred Reserve for Amortization		235,229.25	
Capital Outlay Expenditures		29,709.27	
			504,938.52
			11,899,576.02
Decreased by:			
Authorization Cancelled			227,825.05
Balance December 31, 2021	D		$ 11,671,750.97

TOWNSHIP OF PEQUANNOCK
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Transferred to Reserve for Amortization	Cancelled	Balance Dec. 31, 2021
2016-14	Water System Improvements	$ 171,000.00		$ 170,229.25	$ 770.75	
2018-19	Various Capital Improvements and Acquisitions	48,000.00				$ 48,000.00
2019-06	Capital Improvements	65,000.00		65,000.00		
2020-08	Capital Improvements	55,000.00				55,000.00
2021-09	Various Capital Improvements		$ 215,000.00			215,000.00
		$ 339,000.00	$ 215,000.00	$ 235,229.25	$ 770.75	$ 318,000.00
	Ref.	D				D

TOWNSHIP OF PEQUANNOCK
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2021 Date	Amount	Interest Rate	Balance Dec. 31, 2020	Matured	Balance Dec. 31, 2021
Water Bonds	06/25/20	$ 6,640,000.00	07/15/22	$ 200,000.00	4.000%			
			07/15/23	200,000.00	4.000%			
			07/15/24	200,000.00	4.000%			
			07/15/25	200,000.00	4.000%			
			07/15/26	200,000.00	4.000%			
			07/15/27	200,000.00	4.000%			
			07/15/28	210,000.00	4.000%			
			07/15/29	215,000.00	2.000%			
			07/15/30	225,000.00	2.000%			
			07/15/31	230,000.00	2.000%			
			07/15/32	240,000.00	2.000%			
			07/15/33	250,000.00	2.000%			
			07/15/34	260,000.00	2.000%			
			07/15/35	270,000.00	2.000%			
			07/15/36	280,000.00	2.000%			
			07/15/37	290,000.00	2.125%			
			07/15/38	305,000.00	2.125%			
			07/15/39	315,000.00	2.250%			
			07/15/40	325,000.00	2.250%			
			07/15/41	335,000.00	2.250%			
			07/15/42	350,000.00	2.375%			
			07/15/43	365,000.00	2.375%			
			07/15/44	380,000.00	2.375%			
			07/15/45	395,000.00	2.375%	$ 6,640,000.00	$ 200,000.00	$ 6,440,000.00
						$ 6,640,000.00	$ 200,000.00	$ 6,440,000.00

TOWNSHIP OF PEQUANNOCK
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2020	Funded by Budget Appropriation	Improvement Authorization Cancelled	Balance Dec. 31, 2021
2003-18	AMR Phase 3	$ 300,000.00			$ 300,000.00
2007-14	Water Blending Facility	87,030.13	$ 40,000.00		47,030.13
2014-29	West Sunset Water Main	310,000.00			310,000.00
2017-14	Water Tank & Mains	2,524,000.00		$ 2,524,000.00	
		$ 3,221,030.13	$ 40,000.00	$ 2,524,000.00	$ 657,030.13

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
SEWER UTILITY FUND

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY FUNDS
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Assessment Trust		Capital	
Balance December 31, 2020	E		$ 993,387.25		$ 834,367.27		$ 2,498,274.86
Increased by Receipts:							
Sewer Utility Collector		$ 4,188,999.34					
Miscellaneous Sewer Fees		273,462.39					
Interest on Investments		11,160.49					
2021 Budget Appropriation:							
Capital Improvement Fund						$ 52,000.00	
Deferred Charges to Future Revenue						246,885.00	
Sewer Assessment Collections				$ 575,410.96			
Due Current Fund		1,691.47		88,453.00			
Due Water Utility Operating Fund		20,440.79					
Due Other Trust Funds						385,000.00	
Due Sewer Utility Operating Fund:							
Interest on Investments				2,307.62		6,376.16	
Due Sewer Utility Assessment Trust Fund:							
Interfund Returned		105.54					
Fund Balance Anticipated		250,000.00					
Due Sewer Utility Capital Fund:							
Interfund Returned		376.37					
Due Solid Waste Utility Operating Fund		60,432.01					
			4,806,668.40		666,171.58		690,261.16
			5,800,055.65		1,500,538.85		3,188,536.02

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TOWNSHIP OF PEQUANNOCK
SEWER UTILITY FUNDS
SCHEDULE OF CASH - TREASURER
(Continued)

	Ref.	Operating		Assessment Trust		Capital	
Decreased by Disbursements:							
2021 Budget Appropriations		$ 4,050,520.54					
2020 Appropriation Reserves		123.17					
Accrued Interest on Bonds		730,712.52					
Improvement Authorizations						$ 132,022.91	
Refund of Miscellaneous Sewer Fees		4,653.81					
Due Sewer Utility Operating Fund:							
Interest on Investments				$ 2,413.16		6,752.53	
Due Sewer Utility Operating Fund:							
Fund Balance Anticipated				250,000.00			
			$ 4,786,010.04		$ 252,413.16		$ 138,775.44
Balance December 31, 2021	E		$ 1,014,045.61		$ 1,248,125.69		$ 3,049,760.58

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TOWNSHIP OF PEQUANNOCK
SEWER UTILITY ASSESSMENT TRUST FUND
ANALYSIS OF SEWER ASSESSMENT TRUST CASH

	Balance/ (Deficit) Dec. 31, 2020	Receipts		Disbursements	Transfers		Balance/ (Deficit) Dec. 31, 2021
		Assessments Receivable	Assessment Interest	Miscellaneous	From	To	
Fund Balance	$ 922,608.92	$ 575,410.96		$ 250,000.00		$ 163,626.66	$ 1,411,646.54
Due to/(From) Sewer Utility Operating Fund	211.35		$ 2,307.62	2,413.16			105.81
Due to/(From) Current Fund	(88,453.00)	88,453.00			$ 163,626.66		(163,626.66)
	$ 834,367.27	$ 663,863.96	$ 2,307.62	$ 252,413.16	$ 163,626.66	$ 163,626.66	$ 1,248,125.69

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TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER CAPITAL CASH

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2020	Receipts: Budget Appropriation	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Balance/ (Deficit) Dec. 31, 2021
	Fund Balance	$ 2,642.14					$ 2,642.14
	Capital Improvement Fund	53,685.20	$ 52,000.00				105,685.20
	Due Other Trust Funds	(385,000.00)		$ 385,000.00			
	Due Sewer Utility Operating Fund	635.55		6,376.16		$ 6,752.53	259.18
2006-14	Purchase TBSA Capacity	(438,508.90)	246,885.00				(191,623.90)
2014-02	Village Area Sewers, Amended	(377,170.92)					(377,170.92)
2017-01	Route 23 Sewer Extension	3,618,492.17			$ 122,723.28		3,495,768.89
2020-07	Capital Improvements	23,499.62			9,299.63		14,199.99
		$ 2,498,274.86	$ 298,885.00	$ 391,376.16	$ 132,022.91	$ 6,752.53	$ 3,049,760.58

E-5A

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2020	Sewer Billings Levied	Collections	Balance Dec. 31, 2021
Rents	$ 884,121.81	$ 4,284,969.65	$ 4,188,999.34	$ 980,092.12
Miscellaneous		273,462.39	273,462.39	
	$ 884,121.81	$ 4,558,432.04	$ 4,462,461.73	$ 980,092.12
Ref.	E			E

Miscellaneous Revenue Anticipated:

Interest on Sewer Rents	$ 134,943.38
Sewer Tap/Connection Fees	37,625.00
Other Sewer Fees	100,894.01
	$ 273,462.39

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY UTILITY REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF UTILITY SHARE OF SEWER ASSESSMENT BONDS ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

E-8A

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF AMOUNT TO BE RAISED BY FUTURE REVENUE FOR CANCELLED ASSESSMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE

Ord. No.	Improvement Description	Date of Confirmation	Due Dates	Balance Dec. 31, 2020	Collected	Adjustments	Balance Dec. 31, 2021	Balance Pledged to Reserve
2004-35	Munson/Farm Roads	8/27/12	Quarterly	$ 37,374.10	$ 12,981.18		$ 24,392.92	$ 24,392.92
2005-13	Pequannock Avenue	9/24/12	Quarterly	253,095.51	186,168.48		66,927.03	66,927.03
2018-179	Village Area	10/8/18	Quarterly	3,310,517.10	539,887.96	$ 2,465.00	2,773,094.14	2,773,094.14
				$ 3,600,986.71	$ 739,037.62	$ 2,465.00	$ 2,864,414.09	$ 2,864,414.09
				E			E	

Cash Collected	$ 575,410.96
Due from Current Fund	163,626.66
	$ 739,037.62

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TOWNSHIP OF PEQUANNOCK
SEWER ASSESSMENT TRUST FUND
SCHEDULE OF SEWER ASSESSMENT LIENS RECEIVABLE

	Ref.		
Balance December 31, 2020	E	$	112,608.85
Decreased by:			
Sewer Lien Transferred			2,465.00
Balance December 31, 2021	E	$	110,143.85

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2020	Balance Dec. 31, 2021
Capacity	$ 4,067,008.90	$ 4,067,008.90
Treatment Plant	298,300.00	298,300.00
Trunk Lines	241,971.00	241,971.00
Transportation Equipment	3,300.00	3,300.00
Sewer Jet	129,443.52	129,443.52
Equipment	335,334.86	335,334.86
Sewer Improvements	25,974,310.37	25,974,310.37
	$ 31,049,668.65	$ 31,049,668.65
Ref.	E	E

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Balance Dec. 31, 2020	Balance Dec. 31, 2021
2017-01	Route 23 Sewer Project	$ 6,100,000.00	$ 6,100,000.00
2020-07	Capital Improvements	55,000.00	55,000.00
		$ 6,155,000.00	$ 6,155,000.00
	Ref.	E	E

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 31,848.06	$ 31,848.06		$ 31,848.06
Other Expenses	1,640.08	1,640.08	$ 123.17	1,516.91
Two Bridges Sewerage Authority	1,272.00	1,272.00		1,272.00
Statutory Expenditures:				
Contribution to:				
Public Employee Retirement System	310.00	310.00		310.00
	$ 35,070.14	$ 35,070.14	$ 123.17	$ 34,946.97

	Ref.	
Balance December 31, 2020		
Unencumbered	E	$ 34,722.54
Encumbered	E	347.60
		$ 35,070.14

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

Ordinance Number/Cert	Improvement Description	Balance Dec. 31, 2020	Collections to Fund Balance	Adjustments	Balance Dec. 31, 2021
	Assessments Receivable:				
2004-35	Munson/Farm Roads	$ 37,374.10	$ 12,981.18		$ 24,392.92
2005-13	Pequannock Avenue	253,095.51	186,168.48		66,927.03
2018-179	Village Area	3,310,517.10	539,887.96	$ 2,465.00	2,773,094.14
	Assessments Liens:				
2005-13	Pequannock Avenue	10,902.78			10,902.78
2019-12	ARC Group Properties LLC	101,706.07		(2,465.00)	99,241.07
		$ 3,713,595.56	$ 739,037.62	$ -0-	$ 2,974,557.94
	Ref.	E			E

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord.		Ordinance		Balance December 31, 2020		Paid or	Balance December 31, 2021	
No.	Improvement Description	Date	Amount	Funded	Unfunded	Charged	Funded	Unfunded
	General Improvements:							
2017-01	Route 23 Sewer Extension	02/14/17	$ 6,100,000.00	$ 3,618,492.17	$ 2,100,000.00	$ 122,723.28	$ 3,495,768.89	$ 2,100,000.00
2020-07	Capital Improvements	06/09/20	55,000.00	23,499.62		9,299.63	14,199.99	
				$ 3,641,991.79	$ 2,100,000.00	$ 132,022.91	$ 3,509,968.88	$ 2,100,000.00
			Ref.	E	E		E	E

E-14

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2020	E	$ 53,685.20
Increased by:		
2021 Budget Appropriation		52,000.00
Balance December 31, 2021	E	$ 105,685.20

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.		
Balance December 31, 2020	E		$ 14,103,988.83
Increased by:			
Serial Bonds Paid by Operating Budget		$ 1,335,000.00	
Deferred Charges to Future Revenue Funded by Budget Appropriation		246,885.00	
			1,581,885.00
Balance December 31, 2021	E		$ 15,685,873.83

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Balance Dec. 31, 2020	Balance Dec. 31, 2021
2020-07	Capital Improvements	$ 55,000.00	$ 55,000.00
		$ 55,000.00	$ 55,000.00
			E

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2021 Date	Maturities of Bonds Outstanding Dec. 31, 2021 Amount	Interest Rate	Balance Dec. 31, 2020	Matured	Balance Dec. 31, 2021
Sewer Bonds	8/11/16	$ 3,795,000.00	10/15/22	$ 630,000.00	3.00%			
			10/15/23	585,000.00	3.00%	$ 1,850,000.00	$ 635,000.00	$ 1,215,000.00
Sewer Bonds	2/14/17	2,080,000.00	04/01/22	750,000.00	1.70%			
			04/01/23	850,000.00	1.90%			
			04/01/24	1,100,000.00	2.10%			
			04/01/25	1,100,000.00	2.30%			
			04/01/26	1,100,000.00	2.40%			
			04/01/27	1,100,000.00	2.50%			
			04/01/28	1,100,000.00	2.70%			
			04/01/29	1,100,000.00	2.80%			
			04/01/30	1,100,000.00	2.90%			
			04/01/31	1,100,000.00	3.00%			
			04/01/32	1,100,000.00	3.10%			
			04/01/33	650,000.00	3.16%			
			04/01/34	700,000.00	3.22%			
			04/01/35	725,000.00	3.27%			
			04/01/36	750,000.00	3.32%			
			04/01/37	775,000.00	3.37%			
			04/01/38	800,000.00	3.42%			
			04/01/39	825,000.00	3.47%			
			04/01/40	855,000.00	3.50%	18,280,000.00	700,000.00	17,580,000.00
						$ 20,130,000.00	$ 1,335,000.00	$ 18,795,000.00

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2020	Funded by Budget Appropriation	Balance Dec. 31, 2021
2006-14	Purchase of TBSA Capacity	$ 438,508.90	$ 246,885.00	$ 191,623.90
2014-02	Village Area Sewers-Amended	377,170.92		377,170.92
2017-01	Route 23 Sewer Extension	2,100,000.00		2,100,000.00
		$ 2,915,679.82	$ 246,885.00	$ 2,668,794.82

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
SOLID WASTE UTILITY FUND

TOWNSHIP OF PEQUANNOCK
SOLID WASTE UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating	
Balance December 31, 2020	F		$ 248,062.56
Increased by Receipts:			
Solid Waste Utility Charges Receivable		$ 1,989,540.83	
Board of Education - Interlocal Agreement		47,933.00	
Miscellaneous Revenue Not Anticipated		9,689.60	
Interest on Deposits		987.63	
Recycling Tonnage Grant		24,289.40	
Due Water Utility Operating Fund		623.88	
			2,073,064.34
			2,321,126.90
Decreased by Disbursements:			
2021 Appropriation Expenditures		1,882,639.99	
2020 Appropriation Reserves		124,125.25	
Due Water Utility Operating Fund		459.91	
Due Sewer Utility Operating Fund		60,432.01	
			2,067,657.16
Balance December 31, 2021	F		$ 253,469.74

TOWNSHIP OF PEQUANNOCK
SOLID WASTE UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2020	F	$	124,626.14
Increased by:			
2021 Charges			2,009,693.02
			2,134,319.16
Decreased by:			
Cash Received			1,989,540.83
Balance December 31, 2021	F	$	144,778.33

TOWNSHIP OF PEQUANNOCK
SOLID WASTE UTILITY OPERATING FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 17,269.93	$ 17,269.93		$ 17,269.93
Other Expenses	127,951.18	127,951.18	$ 124,125.25	3,825.93
	$ 145,221.11	$ 145,221.11	$ 124,125.25	$ 21,095.86

Analysis of Balance December 31, 2020

	Ref.	
Encumbered	F	$ 86,645.15
Unencumbered	F	58,575.96
		$ 145,221.11

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2021
RECREATION UTILITY FUND

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2020	G		$ 121,388.53		$ 2,185.80
Increased by Receipts:					
Recreation User Fees		$ 242,084.00			
Recreation Activity Fees		97,121.00			
Bond Anticipation Notes				$ 74,500.00	
Bond Anticipation Notes Paydown				6,500.00	
Premium on Note Sale				536.83	
Deferred Charges to Future Revenue				5,000.00	
Interest on Investments		420.08			
Miscellaneous Revenue		1,793.75			
Appropriation Refunds		400.00			
Due to/from Recreation Utility Capital Fund:					
Interfund Returned		8.84			
Interest on Investments				8.09	
Budget Appropriation		2,185.00			
Due Recreation Trust		10,106.00			
			354,118.67		86,544.92
			475,507.20		88,730.72
Decreased by Disbursements:					
2021 Appropriation Expenditures		248,257.54			
2020 Appropriation Reserves		917.75			
Recreation User Fees Refunded		4,164.00			
Recreation Activity Fees Refunded		5,322.50			
Bond Anticipation Notes				81,000.00	
Due General Capital Fund				5,000.00	
Accrued Interest on Notes		1,619.99			
Due Recreation Utility Operating Fund:					
Interfund Returned				8.84	
Budget Appropriation				2,185.00	
			260,281.78		88,193.84
Balance December 31, 2021	G		$ 215,225.42		$ 536.88

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TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY CAPITAL FUND
ANALYSIS OF RECREATION CAPITAL CASH

Ord. No.		Balance/ (Deficit) Dec. 31, 2020	Receipts: Budget Appropriation	Receipts: Bond Anticipation Notes	Receipts: Miscellaneous	Disbursements: Bond Anticipation Notes	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance (Deficit) Dec. 31, 2021
	Fund Balance	$ 1,285.24			$ 536.83		$ 1,285.00	$ 0.24		$ 536.83
	Due to General Capital Fund	58,947.08					5,000.00	0.08		53,947.00
	Due to Recreation Utility Operating Fund	0.56			8.09		8.84		$ 0.24	0.05
	Reserve for Payment of Debt Service	900.00					900.00			
	Improvement Authorizations:									
Ord. No.	General Improvements									
2003-19	PV Park Pavilion	(58,947.08)	$ 5,000.00						0.08	(53,947.00)
2017-11	PV Park Dock and Swim Lanes		6,500.00	$ 74,500.00		$ 81,000.00				
		$ 2,185.80	$ 11,500.00	$ 74,500.00	$ 544.92	$ 81,000.00	$ 7,193.84	$ 0.32	$ 0.32	$ 536.88

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2020	Balance Dec. 31, 2021
Park Improvements	$ 254,947.08	$ 254,947.08
	$ 254,947.08	$ 254,947.08
Ref.	G	G

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY OPERATING FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 93,178.71	$ 93,178.71		$ 93,178.71
Other Expenses	108,213.21	108,213.21	$ 917.75	107,295.46
Contribution to:				
Public Employees Retirement System	5,050.00	5,050.00		5,050.00
Unemployment Compensation Insurance	1,265.00	1,265.00		1,265.00
	$ 207,706.92	$ 207,706.92	$ 917.75	$ 206,789.17

Analysis of Balance December 31, 2020

	Ref.	
Encumbered	G	$ 3,942.18
Unencumbered	G	203,764.74
		$ 207,706.92

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.		
Balance December 31, 2020	G		$ 115,000.00
Increased by:			
Notes Paid by Budget Appropriation		$ 6,500.00	
Deferred Charges to Future Revenue:			
Paid by Operating Budget - Ord 2003-19		5,000.00	
Cancellation of Bonds and Notes Authorized but Not Issued		0.08	
			11,500.08
Balance December 31, 2021	G		$ 126,500.08

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Authorization	Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Issued	Matured	Balance Dec. 31, 2021
2017-11	PV Park Dock and Swim Lanes	12/19/17	07/15/20	07/15/21	2.00%	$ 81,000.00		$ 81,000.00	
			07/13/21	07/13/22	1.00%		$ 74,500.00		$ 74,500.00
						$ 81,000.00	$ 74,500.00	$ 81,000.00	$ 74,500.00
					Ref.	G			G
			Renewed				$ 74,500.00	$ 74,500.00	
			Paid by Budget Appropriation					6,500.00	
							$ 74,500.00	$ 81,000.00	

G-15

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK
RECREATION UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2020	Funded by Budget Appropriation	Cancelled	Balance Dec. 31, 2021
2003-19	PV Park Pavilion	$ 58,947.08	$ 5,000.00	$ 0.08	$ 53,947.00
		$ 58,947.08	$ 5,000.00	$ 0.08	$ 53,947.00

TOWNSHIP OF PEQUANNOCK

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF PEQUANNOCK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

Name of Federal Agency or Department/Cluster Title	Name of Program	Assistance Listing #	Pass Through Entity ID	Grant Period From	Grant Period To	Grant Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures	Amounts Provided to Subrecipients
U.S. Department of Homeland Security:										
(Passed through New Jersey Department										
of Law and Public Safety)	Flood Mitigation Assistance - Elevation - 2015	97.029	FMA-PJ-02-NJ-2015-009	05/29/15	10/30/21	$ 4,568,863.00	$ 511,093.23	$ 62,818.95	$ 3,491,114.25	
	Flood Mitigation Assistance - Elevation - 2016	97.029	FMA-PJ-02-NJ-2016-009	03/15/16	08/31/21	4,322,362.00	3,092,368.72	159,325.66	2,657,882.41	
	Flood Mitigation Assistance - Elevation - 2018	97.029	FMA-PJ-02-NJ-2018-009	10/23/18	12/31/23	3,362,771.00		38,607.50	38,607.50	
							3,603,461.95	260,752.11	6,187,604.16	
	COVID-19 - Public Assistance Grant F.E.M.A.	97.036	100-066-1200-C50-063710	01/01/21	12/31/21	18,073.70	18,073.70	18,073.70	18,073.70	
	Public Assistance Grant - Tropical Storm Isaias	97.036	100-066-1200-C73-069820	08/04/20	12/31/21	81,475.00	81,475.00	81,475.00 *	81,475.00	
	Public Assistance Grant - Winter Storm Orlena	97.036	100-066-1200-C80-066290	02/01/21	12/31/21	72,603.40	72,603.40	72,603.40	72,603.40	
							172,152.10	172,152.10	172,152.10	
Total U.S. Department of Homeland Security							3,775,614.05	432,904.21	6,359,756.26	
U.S. Department of Treasury:										
(Pass through New Jersey Department of Treasury)	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	100-022-8030-687-046010	03/03/21	12/31/24	1,566,364.92	783,182.46			
Total U.S. Department of Community Affairs							783,182.46			
U.S. Department of Housing and Urban Development:										
(Pass through County of Morris)	Community Development Block Grant	14.228	100-022-8020-078-022920	01/01/21	12/31/22	36,000.00		20,711.00	20,711.00	
Total U.S. Department of Housing and Urban Development:								20,711.00	20,711.00	
U.S Department of Justice:										
National Institute of Justice	Bulletproof Vest Partnership	16.607	N/A	01/01/20	12/31/21	422.00	422.00	422.00	422.00	
				01/01/21	12/31/22	2,520.00	2,338.72	2,520.00	2,520.00	
Total U.S. Department of Justice							2,760.72	2,942.00	2,942.00	
TOTAL FEDERAL AWARDS							$ 4,561,557.23	$ 456,557.21	$ 6,383,409.26	$ -0-

N/A - Not Available/Applicable

* - Expended in a prior year.

SEE ACCOMPANYING NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF PEQUANNOCK
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2021

New Jersey Agency or Department	Name of Program	State Grant Award Number	Grant Period From	Grant Period To	Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
Department of the Treasury	Municipal Alliance Grant	N/A	7/1/20	6/30/21	$ 11,072.00	$ 5,199.96	$ 625.00	$ 1,146.75
(Passed Through the County of Morris -			7/1/20	6/30/21	4,856.00	1,597.40	500.00	500.00
Governor's Council on Alcoholism and Drug Abuse)			7/1/21	6/30/22	6,329.00		1,193.32	1,193.32
Total - Department of the Treasury						6,797.36	2,318.32	2,840.07
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-078-6400-YYYY	1/1/20	12/31/21	7,423.00	7,423.00	5,631.00	7,423.00
			1/1/21	12/31/22	4,759.93	4,759.93	4,759.00	4,759.00
						12,182.93	10,390.00	12,182.00
	Body Armor Replacement Fund	066-1020-718-001	1/1/20	12/31/21	3,185.90		3,185.00	3,185.00
			1/1/21	12/31/22	2,464.25	2,464.25	2,464.00	2,464.00
			1/1/22	12/31/22	1,662.02	1,662.02		
						4,126.27	5,649.00	5,649.00
	NJ Statewide Body Worn Camera Program	100-066-1020-495-092120	1/1/21	12/31/22	65,216.00		41,000.00	41,000.00
							41,000.00	41,000.00
Total - Department of Law and Public Safety						16,309.20	57,039.00	58,831.00
Department of Health and Senior Services	Alcohol Education & Rehabilitation Fund	098-9735-760-001	1/1/20	12/31/22	2,256.83			496.00
Total Department of Health and Senior Services								496.00
New Jersey Transit Corporation								
(Passed Through the County of Morris - MAPS)	Senior Citizen and Disabled Residents	N/A	1/1/19	12/31/22	148,158.00			104,794.24
	Transportation Assistance Act		1/1/20	12/31/22	142,658.00	49,414.50		88,603.45
			1/1/21	12/31/22	127,658.00	73,243.50	51,355.65	51,355.65
Total - New Jersey Transit Corporation						122,658.00	51,355.65	244,753.34
Department of Environmental Protection	Clean Communities Act	4900-765-	1/1/19	12/31/21	38,576.38		13,917.15	38,576.38
		178900-60	1/1/20	12/31/22	35,597.00		1,007.36	1,007.36
		4900-765-178900-60	1/1/21	12/31/22	32,097.30		13,388.98	13,388.98
			1/1/21	12/31/22	34,163.71	34,163.71		
						34,163.71	28,313.49	52,972.72
	Recycling Tonnage Grant	042-4910-100-224	1/1/21	12/31/21	24,289.40	24,289.40	24,289.40	24,289.40
						24,289.40	24,289.40	24,289.40
Total - Department of Environmental Protection						58,453.11	52,602.89	77,262.12

TOWNSHIP OF PEQUANNOCK
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2021
(Continued)

New Jersey Agency or Department	Name of Program	State Grant Award Number	Grant Period From	Grant Period To	Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
Department of Transportation								
	Alexander Ave	480-078-6320-AN8-606280	1/1/20	12/31/21	$ 300,000.00	$ 294,895.79	$ 294,895.79	$ 294,895.79
	West Parkway North	480-078-6320-AOP-606281	1/1/21	12/31/22	291,700.00	218,775.00	291,700.00	291,700.00
Total - Department of Transportation						513,670.79	586,595.79	586,595.79
TOTAL STATE AWARDS						$ 717,888.46	$ 749,911.65	$ 970,778.32

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF PEQUANNOCK
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2021

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Township of Pequannock under programs of the federal and state governments for the year ended December 31, 2021. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Township has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Relationship to Federal and State Financial Reports

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

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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 Auditors' Report

The Honorable Mayor and Members
of the Township Council
Township of Pequannock
Pompton Plains, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Township of Pequannock, in the County of Morris (the "Township") as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements and have issued our report thereon dated May 26, 2022. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 Township'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

The Honorable Mayor and Members
of the Township Council
Township of Pequannock
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

May 26, 2022
Mount Arlington, New Jersey

NISIVOCCIA LLP

Raymond A. Sarinelli

Raymond A. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 563

TOWNSHIP OF PEQUANNOCK
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.

- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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.*

- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standard*s, were disclosed during the audit.

- The Township was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for 2021 as both state and federal grant expenditures were less than the single audit thresholds of $750,000 identified in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported Under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the single audit threshold.

TOWNSHIP OF PEQUANNOCK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

Status of Prior Year Findings:

None

TOWNSHIP OF PEQUANNOCK

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF PEQUANNOCK
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

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

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to $25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are $17,500 for a contracting unit without a qualified purchasing agent and $44,000 for a contracting unit with a qualified purchasing agent.

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

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

TOWNSHIP OF PEQUANNOCK
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

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. None were noted.

Collection of Interest on Delinquent Taxes, Assessments and Utility Charges

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes on or before the date when they would become delinquent. On January 5, 2021, the governing body adopted a resolution authorizing interest to be charged at the rate of 8% per annum on the first $1,500 of delinquent taxes and 18% per annum for delinquent taxes in excess of $1,500, and allows an additional penalty of 6% be collected against a delinquency in excess of $10,000 on properties that fail to pay the delinquency prior to the end of the calendar year.

On January 5, 2021, the governing body adopted a resolution authorizing interest to be charged at the rate of 8% per annum of delinquent utility charges. It allows for a grace period of 30 days for payment of the utilities bills.

It appears from an examination of the Tax Collector's and Utility Collector's records that interest was generally collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on September 13, 2021, and included all eligible properties.

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

Year	Number of Liens
2021	4
2020	3
2019	3

Verification of Delinquent Taxes and Other Charges

A test of verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

Type	Number Mailed
Payments of 2021 Taxes	20
Payments of 2022 Taxes	20
Delinquent Taxes	15
Payments of Water Utility Charges	20
Delinquent Water Utility Charges	15
Payments of Sewer Utility Charges	15
Delinquent Sewer Utility Charges	15
Payments of Solid Waste Utility Charges	10
Delinquent Solid Waste Utility Charges	10

TOWNSHIP OF PEQUANNOCK
COMMENTS AND RECOMMENDATIONS
(Continued)

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed by the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting and record system.

The Township maintains an encumbrance accounting system, a fixed asset accounting and reporting system and a general ledger accounting system. During our review of fixed assets, it was noted that the updated fixed asset report did not have asset tag numbers.

It is recommended that the fixed asset report include asset tag numbers and that all fixed assets are physically tagged.

Management's Response:

Administration will consider tagging all fixed assets.

Municipal Court

The transactions for the year 2021 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Receipts	Disbursements	Balance Dec. 31, 2021
Municipal Treasurer:				
Fines and Fees	$ 5,459.91	$ 159,091.62	$ 154,897.18	$ 9,654.35
Restitution		350.00	350.00	
Public Defender	600.00	7,925.00	7,575.00	950.00
County Fines	2,310.50	59,522.83	57,573.83	4,259.50
State Fines and Costs	7,953.15	128,962.23	130,498.01	6,417.37
Conditional Discharge/Dismissal	300.00	803.00	1,103.00	
Weights and Measures	5,650.00	38,472.00	43,122.00	1,000.00
Fish and Game		4,449.00	100.00	4,349.00
	$ 22,273.56	$ 399,575.68	$ 395,219.02	$ 26,630.22

TOWNSHIP OF PEQUANNOCK
COMMENTS AND RECOMMENDATIONS
(Continued)

Outside Offices

During our review of the planning/zoning department and board of adjustment offices, it was noted that not all the receipts were being deposited within 48 hours.

It is recommended that the planning/zoning and board of adjustment offices deposit all monies collected within 48 hours.

Management's Response:

The Township will ensure that all monies collected will be deposited within 48 hours.

Management Suggestions:

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 87, *Leases*, is effective for the year ended December 31, 2022. Previously leases were either categorized as capital leases or operating leases. This statement will likely affect most leases formerly classified as operating leases. There will be required disclosures for leases for which the Township is either a lessee or a lessor although there will be no impact on the actual financial statements. It is likely that a lease software or similar spreadsheets will need to be utilized to perform the various calculations necessary to implement this standard.

COVID-19 Federal Funding

It is possible that the Township will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Township ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Township ensures that these funds are separately accounted for in the Township's accounting records and that any applicable Township policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

General, Water, Sewer and Recreation Capital Funds

Certain ordinances in excess of five years have deficit cash balances at December 31, 2021. This situation arises when expenditures are made from an ordinance without the respective debt being issued. It is suggested that the remaining deficit cash balances on ordinances in excess of five years are funded by the issuance of bonds or by budget appropriation.

Summary of Prior Year Recommendations

The Township's recommendations regarding the updated fixed asset report and timely deposits have not been fully resolved and are included in the 2021 audit.

TOWNSHIP OF PEQUANNOCK
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. The fixed asset report include asset tag numbers and that all fixed assets are physically tagged.

2. The planning/zoning and board of adjustment offices deposit all monies collected within 48 hours.

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