TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS REPORT OF AUDIT 2019

NISIVOCCIA LLP CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS

REPORT OF AUDIT

<u>2019</u>

DADTI EINANCIAI CTATEMENTO AND CUDDI EMENTAL DATA	<u>Page</u>
PART I – FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA Independent Auditors' Report	1-3
·	
<u>Financial Statements</u>	<u>Exhibit</u>
Current Fund	
Comparative Balance Sheet – Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	A-1
Statement of Revenue – Regulatory Basis	A-2
Statement of Expenditures – Regulatory Basis	A-3
Trust Funds	
Comparative Balance Sheet – Regulatory Basis	В
Statement of Fund Balance – Regulatory Basis - Assessment Trust Fund (Not Applicable)	B-1
Statement of Revenue – Regulatory Basis - Assessment Trust Fund (Not Applicable)	B-2
Statement of Expenditures – Regulatory Basis - Assessment Trust Fund (Not Applicable)	B-3
General Capital Fund	0
Comparative Balance Sheet – Regulatory Basis	C
Statement of Fund Balance – Regulatory Basis	C-1
Water Utility Fund Comparative Polarica Short - Populatory Posis	D
Comparative Balance Sheet – Regulatory Basis	D
Comparative Statement of Operations and Change in Utility Fund Balance -	D 1
Regulatory Basis - Water Utility Operating Fund	D-1
Statement of Fund Balance – Regulatory Basis – Water Utility Operating Fund	D-1A
Statement of Revenue – Regulatory Basis - Water Utility Operating Fund	D-2 D-3
Statement of Expenditures – Regulatory Basis - Water Utility Operating Fund Sewer Utility Fund	D-3
Comparative Balance Sheet – Regulatory Basis	Е
Comparative Statement of Operations and Change in Utility Fund Balance -	Ľ
Regulatory Basis –Sewer Utility Operating Fund	E-1
Statement of Fund Balance – Regulatory Basis – Sewer Assessment Trust Fund	E-1A
Statement of Fund Balance – Regulatory Basis – Sewer Assessment Trust Fund Statement of Fund Balance – Regulatory Basis – Sewer Utility Capital Fund	E-1A E-1B
Statement of Revenue – Regulatory Basis – Sewer Utility Operating Fund	E-1B
Statement of Revenue – Regulatory Basis - Sewer Assessment Trust Fund (Not Applicable)	L-2
Statement of Expenditures – Regulatory Basis – Sewer Vissessinent Trust I and (Not Applicable) Statement of Expenditures – Regulatory Basis – Sewer Utility Operating Fund	E-3
Statement of Expenditures – Regulatory Basis – Sewer Assessment Trust Fund (Not Applicable)	L-3
Solid Waste Utility Fund	
Comparative Balance Sheet – Regulatory Basis	F
Comparative Statement of Operations and Change in Utility Fund Balance -	•
Regulatory Basis - Solid Waste Utility Operating Fund	F-1
Statement of Revenue – Regulatory Basis - Solid Waste Utility Operating Fund	F-2
Statement of Expenditures – Regulatory Basis - Solid Waste Utility Operating Fund	F-3
Recreation Utility Fund	
Comparative Balance Sheet – Regulatory Basis	G
Comparative Statement of Operations and Change in Utility Fund Balance -	
Regulatory Basis – Recreation Utility Operating Fund	G-1
Statement of Fund Balance – Regulatory Basis - Recreation Utility Capital Fund	G-1A
Statement of Revenue – Regulatory Basis – Recreation Utility Operating Fund	G-2
Statement of Expenditures – Regulatory Basis – Recreation Utility Operating Fund	G-3
Public Assistance Fund (Not Applicable)	
General Fixed Assets Account Group (Unaudited)	
Comparative Balance Sheet – Regulatory Basis	I

	Page
Notes to Financial Statements	1-33
Supplementary Data	Schedule
Officials in Office and Surety Bonds	1
<u>Current Fund</u>	<u>Exhibit</u>
Schedule of Cash - Treasurer	A-4
Schedule of Cash – Collector	A-5
Schedule of Cash – Grant Funds	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7
Schedule of Tax Title Liens	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of Federal and State Grants Receivable - Federal and State Grant Fund	A-10
Schedule of 2018 Appropriation Reserves	A-11
Schedule of Local School District Taxes Payable	A-12
Schedule of Appropriated Reserves - Federal and State Grant Fund	A-13
Schedule of Unappropriated Reserves - Federal and State Grant Fund	A-14
Trust Funds	
Schedule of Cash - Treasurer	B-4; B-4A
Schedule of Cash - Assessment Trust Fund (Not Applicable)	B-5
Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Fund	B-6
General Capital Fund	
Schedule of Cash	C-2
Analysis of Cash	C-3
Schedule of Deferred Charges to Future Taxation – Unfunded	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable	C-7
Schedule of Serial Bonds Payable (Not Applicable)	C-8
Schedule of Bonds and Notes Authorized but not Issued	C-9
Water Utility Fund	
Schedule of Cash - Treasurer - Water Utility Fund	D-4
Analysis of Cash - Water Utility Capital Fund	D-5
Schedule of Consumer Accounts Receivable - Water Utility Operating Fund	D-6
Schedule of Fixed Capital - Water Utility Capital Fund	D-7
Schedule of Fixed Capital Authorized and Uncompleted - Water Utility Capital Fund	D-8
Schedule of 2018 Appropriation Reserves - Water Utility Operating Fund	D-9
Schedule of Improvement Authorizations - Water Utility Capital Fund	D-10
Schedule of Capital Improvement Fund - Water Utility Capital Fund	D-11
Schedule of Reserve for Amortization - Water Utility Capital Fund	D-12
Schedule of Deferred Reserve for Amortization - Water Utility Capital Fund	D-13
Schedule of Bond Anticipation Notes Payable - Water Utility Capital Fund	D-14
Schedule of Water Serial Bonds Payable - Water Utility Capital Fund (Not Applicable)	D-15
Schedule of Bonds and Notes Authorized but not Issued - Water Utility Capital Fund	D-16

A DITTAL (Co., 141)	Page
ART I (Cont'd)	
Supplementary Data (Cont'd)	
Sewer Utility Fund Schoolyle of Cook Traceyran Server Utility Fund	E-4
Schedule of Cash - Treasurer - Sewer Utility Fund Schedule of Cash - Collector - Sewer Utility Operating Fund (Not Applicable)	E-4
Schedule of Cash - Collector – Sewer Utility Operating Fund (Not Applicable)	E-5
Analysis of Sewer Assessment Trust Cash Sewer Utility Assessment Trust Fund	
Analysis of Sewer Capital Cash Fund – Sewer Utility Capital Cash	E-5A
Schedule of Consumer Accounts Receivable – Sewer Utility Operating Fund	E-6
Schedule of Sewer Liens Receivable – Sewer Utility Operating Fund (Not Applicable)	E-6A
Schedule of Prospective Assessment Raised by Utility Revenue—	Б.7
Sewer Assessment Utility Trust Fund – (Not Applicable)	E-7
Schedule of Utility Share of Sewer Assessment Bonds Issued–	ЕО
Sewer Utility Assessment Trust Fund (Not Applicable)	E-8
Schedule of Amount to be Raised by Future Revenue for Cancelled Assessments –	E 0.4
Sewer Utility Assessment Trust Fund (Not Applicable)	E-8A
Schedule of Assessment Receivable -Sewer Assessment Trust Fund	E-9
Schedule of Sewer Assessment Liens Receivable -Sewer Utility Assessment Trust Fund	E-9A
Schedule of Fixed Capital - Sewer Utility Capital Fund	E-10
Schedule of Fixed Capital Authorized and Uncompleted – Sewer Utility Capital Fund	E-11
Schedule of 2018 Appropriation Reserves - Sewer Utility Operating Fund	E-12
Schedule of Reserve for Assessment and Liens -Sewer Utility Assessment Trust Fund	E-13
Schedule of Improvement Authorizations – Sewer Utility Capital Fund	E-14
Schedule of Capital Improvement Fund – Sewer Utility Capital Fund	E-15
Schedule of Reserve for Amortization Fund – Sewer Utility Capital Fund	E-16
Schedule of Deferred Reserve for Amortization – Sewer Utility Capital Fund	E-17
Schedule of Bond Anticipation Notes– Sewer Utility Capital Fund (Not Applicable)	E-18
Schedule of Serial Bonds– Sewer Utility Capital Fund	E-19
Schedule of Bonds and Notes Authorized but Not Issued- Sewer Utility Capital Fund	E-20
Solid Waste Utility Fund	
Schedule of Cash - Solid Waste Utility Fund - Treasurer	F-4
Schedule of Consumer Accounts Receivable - Solid Waste Utility Fund	F-5
Schedule of 2018 Appropriation Reserves - Solid Waste Utility Operating Fund	F-6
Recreation Utility Fund	
Schedule of Cash and Investments - Treasurer - Recreation Utility Operating Fund	G-4
Analysis of Cash and Investments – Collector -	
Recreation Utility Operating Fund (Not Applicable)	G-5
Analysis of Cash – Recreation Utility Capital Fund	G-6
Schedule of Consumer Accounts Receivable - Recreation Utility Operating Fund (Not Applicable)	G-7
Schedule of Fixed Capital - Recreation Utility Capital Fund	G-8
Schedule of Fixed Capital Authorized and Uncompleted - Recreation Utility Capital Fund	G-9
Schedule of 2018 Appropriation Reserves - Recreation Utility Operating Fund	G-10
Schedule of Improvement Authorizations - Recreation Utility Capital Fund	G-11
Schedule of Capital Improvement Fund - Recreation Utility Capital Fund	G-12
Schedule of Reserve for Amortization - Recreation Utility Capital Fund	G-13
Schedule of Deferred Reserve for Amortization - Recreation Utility Capital Fund (Not Applicable)	G-14
Schedule of Bond Anticipation Notes Payable - Recreation Utility Capital Fund	G-15
Schedule of Recreation Serial Bonds Payable - Recreation Utility Capital Fund (Not Applicable)	G-16
Schedule of Bonds and Notes Authorized but not Issued - Recreation Utility Capital Fund	G-17

PART II – SINGLE AUDIT	Page
Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of State Awards	2
Notes to Schedules of Expenditures of Federal and State Awards	3
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	4-5
Report on Compliance for Each Major Federal Programs	6-7
Schedule of Findings and Questioned Costs	8-9
Summary Schedule of Prior Audit Findings	10
PART III – COMMENTS AND RECOMMENDATIONS	Page
Comments and Recommendations	1-4
Summary of Recommendations	5

PART I

REPORT ON AUDIT OF

FINANCIAL STATEMENTS AND

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2019



200 Valley Road, Suite 300 Mt. Arlington, NJ 07856 973.298.8500

11 Lawrence Road Newton, NJ 07860 973.383.6699

nisivoccia.com

Independent Member BKR International

Independent Auditors' Report

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

Report on the Financial Statements

We have audited 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 year ended December 31, 2019 and 2018 and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

As described in Note 1, the financial statements are prepared by the Township on the basis of 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. 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund and account group of the Township as of December 31, 2019 and 2018, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Basis for Qualified Opinion

The Township's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. Therefore, based upon the underlying accounting records, we have not audited the general fixed assets account group.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects on the December 31, 2019 and 2018 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Township of Pequannock as of December 31, 2019 and 2018 and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the 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, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds 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.

The Honorable Mayor and Members of the Township Council Township of Pequannock Page 3

The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund 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 financial statements or to the various fund 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 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 June 26, 2020 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.

June 26, 2020 Mount Arlington, New Jersey Nisivoccia LLP NISIVOCCIA LLP

Valerie A. Dolan

Certified Public Accountant

Valerie A Dolan

Registered Municipal Accountant No. 548

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 CURRENT FUND

TOWNSHIP OF PEQUANNOCK <u>CURRENT FUND</u> <u>COMPARATIVE BALANCE SHEET-REGULATORY BASIS</u>

		Decem	ber 31,
	Ref.	2019	2018
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 8,482,473.63	\$ 7,345,503.79
Change Funds		360.00	360.00
		8,482,833.63	7,345,863.79
Due From State of New Jersey			
Senior Citizen and Veterans Deductions		52,799.76	53,190.17
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	257,054.94	274,687.39
Tax Title Liens Receivable	A-8	14,517.13	6,217.75
Property Acquired for Taxes - Assessed Valuation		941,050.00	941,050.00
Revenue Accounts Receivable	A-9	26,723.97	36,227.76
Due From Federal and State Grant Fund	A	126.62	
Due from Animal Control Fund	В	7.74	12.28
Due from Other Trust Funds	В	97.79	75,776.14
Due from General Capital Fund	C	1,848.99	9,294.97
Due from Water Utility Capital Fund	D		326,574.48
Due from Payroll and Payroll Agency		131.12	
Due from Pequannock Public Library		118,515.35	132,890.61
Total Receivables and Other Assets		1,360,073.65	1,802,731.38
Deferred Charges:			
Emergency Authorizations		320,000.00	400,000.00
Total Regular Fund		10,215,707.04	9,601,785.34
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	157,079.90	78,817.93
Grants Receivable	A-10 A-10	763,840.67	421,716.62
Due from Current Fund	A-10 A	705,640.07	8,369.74
Due from Open Space Trust Fund	A B	90,848.00	8,309.74
	Б		
Total Federal and State Grant Fund		1,011,768.57	508,904.29
TOTAL ASSETS		\$ 11,227,475.61	\$ 10,110,689.63

TOWNSHIP OF PEQUANNOCK <u>CURRENT FUND</u> COMPARATIVE BALANCE SHEET-REGULATORY BASIS

		Decen	nber 31,
	Ref.	2019	2018
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 868,303.79	\$ 626,954.78
Encumbered	A-3;A-11	235,308.61	171,896.50
Total Appropriation Reserves		1,103,612.40	798,851.28
Accounts Payable - Vendors		38,315.50	119,055.05
Tax Overpayments		40,521.20	23,533.29
School Taxes Payable	A-12	138,894.00	136,605.00
County Taxes Payable		11,067.54	41,547.14
Prepaid Taxes		251,752.27	242,174.06
Third Party Tax Title Lien Redemptions			19,634.55
Due to State of New Jersey - Building Surcharge Fees		4,658.00	13,792.00
Due to State of New Jersey - Marriage Licenses		465.00	1,080.00
Due to Federal and State Grant Fund	A		8,369.74
Due to Open Space Trust Fund	В		878.53
Due to Water Utility Operating Fund	D		58.50
Due to Sewer Utility Operating Fund	E	24,874.34	58,212.57
Due to Sewer Utility Assessment Trust Fund	E	87,167.58	
Due to Solid Waste Utility Operating Fund	F		1,200.79
Due to Recreation Utility Operating Fund	G		50.00
Reserve for County Pilot Taxes		10,172.15	5,000.00
Reserve for Codification of Ordinances		13,000.00	
Reserve for Pending Tax Appeals		2,617,268.05	2,834,581.16
Reserve for Tax Map		34,995.13	34,995.13
Reserve for Flood Expenses		81,455.99	94,455.99
Reserve for Revalaution		400,000.00	400,000.00
Reserve for Master Plan		50,916.00	179,740.00
Reserve for Police Programs		540.00	540.00
		4,909,675.15	5,014,354.78
Reserve for Receivables and Other Assets	Α	1,360,073.65	1,802,731.38
Fund Balance	A-1	3,945,958.24	2,784,699.18
Total Regular Fund		10,215,707.04	9,601,785.34
Federal and State Grant Fund:			
Due to Current Fund	A	126.62	
Due to Solid Waste Utility Operating Fund	F		24,605.66
Encumbrances Payable	A-13	24,858.28	
Appropriated Reserves	A-13	925,327.36	434,805.58
Unappropriated Reserves	A-14	61,456.31	49,493.05
Total Federal and State Grant Fund		1,011,768.57	508,904.29
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 11,227,475.61	\$ 10,110,689.63

TOWNSHIP OF PEQUANNOCK CURRENT FUND

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

	Ref.	Year Ended 1	December 31,
		2019	2018
Revenue and Other Income Realized			
Fund Balance Utilized		\$ 1,500,000.00	\$ 2,208,728.00
Miscellaneous Revenue Anticipated		4,676,650.18	4,027,435.32
Receipts from Delinquent Taxes		276,656.06	265,962.15
Receipts from Current Taxes		56,724,486.43	55,259,483.51
Nonbudget Revenue		433,968.36	218,750.03
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		512,735.70	628,189.68
Interfunds Returned		544,548.48	56,960.11
Cancellation of Prior Year Accounts Payable		81,520.05	
Cancellation of Appropriated Grant Reserves		44,836.79	
Cancellation of Unppropriated Grant Reserves		8.81	
Cancellation of Reserve for Third Party Tax Title Liens		19,634.55	
Cancellation of Tax Overpayments			340.97
Total Income		64,815,045.41	62,665,849.77
Expenditures			
Budget and Emergency Appropriations:			
Municipal Purposes		18,222,922.00	18,583,359.75
County Taxes		7,235,832.47	6,853,589.05
Local District School Tax		36,288,143.00	35,282,014.00
Municipal Open Space Tax		238,974.03	145,265.74
Prior Year Veterans and Senior Citizens Disallowed		3,733.56	4,810.27
Cancellation of Grants Receivable		43,453.68	
Reserve for County Pilot Taxes			5,000.00
Refund of Prior Year Revenue			88.03
Interfunds Advanced		120,727.61	544,548.48
Total Expenditures		62,153,786.35	61,418,675.32
Excess in Revenue		2,661,259.06	1,247,174.45
Adjustments to Excess Before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year			400,000.00
Statutory Excess to Fund Balance		2,661,259.06	1,647,174.45
•		2,001,237.00	1,047,174.43
Fund Balance		2 70 4 600 10	2 24 6 252 52
Balance January 1		2,784,699.18	3,346,252.73
Decreased by:		5,445,958.24	4,993,427.18
Utilization as Anticipated Revenue		1,500,000.00	2,208,728.00
Balance December 31	A	\$ 3,945,958.24	\$ 2,784,699.18

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

STATEMENT OF REVENUE-REGULATORY BASIS

2019	
31,	
IBER	
DECEN	
DED D	
RENE	
YEAF	

\$ 1,500,000.00 \$ 23,050.00 \$ 41,686.50 98,756.60 245,593.56 63,944.28 150,368.23 74,135.00 105,271.85 1,214,373.00 367,137.25 66,480.00 90,368.00 92,776.00 31,384.00 33,590.25 147,183.00 58,140.00 58,140.00 53,125.00		Anticipated	Added by		Ц	TV coocs	
s 1,500,000.00 s 1,500,000.00 22,800.00 32,500.00 41,686.50 wes 92,500.00 98,756.60 wes 67,000.00 245,593.56 ntd Costs 67,000.00 150,368.23 f. L. 1999, Chapters 162 & 167) 1,214,373.00 165,271.85 L. L. 1999, Chapters 162 & 167) 1,214,373.00 1,214,373.00 de: 66,480.00 90,368.00 with 92,776.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,368.00 90,377.00 90,377.00 128,961.00 96,343.00 96,343.00 96,343.00 100,000.00 147,183.00 100,000.00 23,125.00 <			3.A 40A:4-87	Realized		Deficit *	
22,800.00 32,500.00 41,086.50 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,500.00 92,710.00	Fund Balance Anticipated						
lic Beverage 22,800.00 23,050.00 Permits 32,500.00 41,686.50 Permits 92,500.00 98,756.60 I Court Fines and Costs 208,000.00 245,593.56 I Court Fines and Costs on Taxes 53,000.00 245,593.56 and Costs on Taxes 53,000.00 150,368.23 and Fix Fax (PL.J.) 1992, Chapters 162 & 167 100,000.00 74,133.50 tixen House (PL.OT) 10,000.00 165,271.85 cecipts Tax (P.L.J.) 1992, Chapters 162 & 167 1,214,373.00 350,000.00 for Dial-A-Ride: 66,480.00 90,368.00 90,368.00 h of Butler 66,480.00 90,368.00 90,368.00 h of Butler 90,368.00 90,368.00 90,368.00 h of Rinnelon 90,368.00 90,368.00 90,368.00 h of Rinnelon 90,368.00 90,343.00 90,368.00 h of Rinnelon 90,343.00 96,343.00 96,343.00 h of Boomingdale 44,787.00 96,343.00 96,343.00 h of Rinnelon 90,000.00 90,000.00<	Miscellaneous Revenue:						
range 22,800,00 23,050,00 range 32,500,00 92,500,00 Fines and Costs 208,000,00 94,756,00 son Taxes 67,000,00 245,593,56 nears and Deposits 67,500,00 245,593,56 ee 1,200,000,00 1,20,43,73,00 ray (P.L.1999,Chapters 162 & 167) 1,214,373,00 1,214,373,00 ray (P.L.1999,Chapters 162 & 167) 1,214,373,00 1,214,373,00 rancion Code Official 66,480,00 1,214,373,25 tler 66,480,00 90,368,00 nelon 90,368,00 90,368,00 rerdale 128,961.00 96,720,75 nuclon 96,343,00 96,343,00 owning date 44,787,00 96,343,00 e-cadale 44,787,00 98,140,00 wing and Salting - Morris County 20,000,00 23,125,00 20,000,00 23,125,00	Licenses:						
Fines and Costs To n Taxes To n	Alcoholic Beverage	22,800.00		23,050.00	8	250.00	
Fines and Costs 208,000.00 Fines and Costs 208,000.00 an Taxes 53,000.00 Fine the following and Deposits 53,000.00 Fine (FL.1999,Chapters 162 & 167) 1.214,373.00 Fine (FL.1999,Chapters 162 & 167) 1.28,961.00 Fine (FL.1990,Chapters 162 & 167) 1.28,96	Other	32,500.00		41,686.50		9,186.50	
Fines and Costs 208,000.00 s on Taxes 67,000.00 tree 53,000.00 Fee 100,000.00 ouse (PLLOT) 1,214,373.00 Inction Code Official 1,214,373.00 In-A-Ride: 66,480.00 Inclon Code Official 90,368.00 Inclon Park 90,368.00 werdale 31,384.00 Inter 128,961.00 oomingdale 44,787.00 verdale 44,787.00 ord bark 147,183.00 ce Contract 58,000.00 wwing and Salting - Morris County 20,000.00	Fees and Permits	92,500.00		98,756.60		6,256.60	
s on Taxes tments and Deposits	Municipal Court Fines and Costs	208,000.00		245,593.56		37,593.56	
truents and Deposits 53,000.00 Fee 67,500.00 ouse (PILOT) 100,000.00 Tax (P.L.1999,Chapters 162 & 167) 1,214,373.00 rection Code Official 350,000.00 al-A-Ride: 66,480.00 nuclon Park 90,368.00 nuclon Park 92,776.00 verdale 31,384.00 nuclon comingdale 44,787.00 verdale 44,787.00 recontract 58,000.00 wwing and Salting - Morris County 20,000.00	Interest and Costs on Taxes	67,000.00		63,944.28		3,055.72 *	.v.
Fee 67,500.00 ouse (PILOT) 100,000.00 Tax (P.L.1999,Chapters 162 & 167) 1,214,373.00 action Code Official 350,000.00 11-A-Ride: 66,480.00 and on Park 90,368.00 nocoln Park 92,776.00 verdale 31,384.00 nuclon 96,343.00 oomingdale 44,787.00 verdale 147,183.00 ce Contract 58,000.00 wwing and Salting - Morris County 20,000.00	Interest on Investments and Deposits	53,000.00		150,368.23		97,368.23	
ouse (PILOT) Tax (P.L.1999,Chapters 162 & 167) Tax (P.L.1999,Chapters 162 & 167) 1,214,373.00 1,214,373.00 1,214,373.00 1,214,373.00 1,214,373.00 1,224,80.00 1,236,480.00 1,2	Cable Franchise Fee	67,500.00		74,135.00		6,635.00	
Tax (P.L.1999, Chapters 162 & 167) 1,214,373.00 1,2 sction Code Official 350,000.00 3 nl-A-Ride: 66,480.00 3 nnelon 92,776.00 92,776.00 verdale 31,384.00 95,343.00 verdale 128,961.00 96,343.00 ooming dale 44,787.00 147,183.00 verdale 147,183.00 1 se Contract 58,000.00 1 wing and Salting - Morris County 20,000.00 1	Senior Citizen House (PILOT)	100,000.00		105,271.85		5,271.85	
rction Code Official 1-A-Ride: ttler ttler nnelon ncoln Park verdale verdale nnelon oomingdale verdale nnelon oomingdale verdale se Contract se Contract 20,000.00 350,000.00 96,343.00 44,787.00 147,183.00 58,000.00 20,000.00	Energy Receipts Tax (P.L.1999, Chapters 162 & 167)	1,214,373.00		1,214,373.00			
ul-A-Ride: 66,480.00 nuclon 90,368.00 ncoln Park 92,776.00 verdale 31,384.00 nuclon 128,961.00 oomingdale 96,343.00 verdale 44,787.00 orham Park 58,000.00 wing and Salting - Morris County 20,000.00	Uniform Construction Code Official	350,000.00		367,137.25		17,137.25	
ttler 66,480.00 nnelon 90,368.00 ncoln Park 92,776.00 verdale 31,384.00 ntler 128,961.00 nonelon 96,343.00 verdale 44,787.00 re Contract 147,183.00 wwing and Salting - Morris County 20,000.00	Contracts for Dial-A-Ride:						
nnelon ncoln Park ncoln Park ncoln Park verdale titler nnelon oomingdale verdale verdale orham Park se Contract wing and Salting - Morris County seduce verdale 147,183.00 20,000.00	Borough of Butler	66,480.00		66,480.00			
ncoln Park verdale verdale 128,961.00 verdale 147,183.00 58,000.00 20,000.00	Borough of Kinnelon	90,368.00		90,368.00			
rtler nnelon comingdale verdale orham Park ce Contract wing and Salting - Morris County verdale 31,384.00 96,342.00 96,343.00 44,787.00 147,183.00 58,000.00	Borough of Lincoln Park	92,776.00		92,776.00			
nnelon oomingdale verdale rtham Park se Contract wing and Salting - Morris County 128,961.00 96,343.00 44,787.00 147,183.00 58,000.00	Borough of Riverdale	31,384.00		31,384.00			
128,961.00 96,343.00 44,787.00 147,183.00 58,000.00 20,000.00	Health Services:						
128,961.00 96,343.00 44,787.00 147,183.00 58,000.00 20,000.00	Borough of Butler			32,240.25			
96,343.00 44,787.00 147,183.00 58,000.00 20,000.00	Borough of Kinnelon	128,961.00		96,720.75		32,240.25 *	м.
44,787.00 147,183.00 58,000.00 20,000.00	Borough of Bloomingdale	96,343.00		96,343.00			
147,183.00 58,000.00 20,000.00	Borough of Riverdale	44,787.00		33,590.25		11,196.75 *	.v.
58,000.00 20,000.00	Borough of Florham Park	147,183.00		147,183.00			
20,000.00	Field Maintenance Contract	58,000.00		58,140.00		140.00	
	County Road Plowing and Salting - Morris County	20,000.00		23,125.00		3,125.00	

CURRENT FUND

STATEMENT OF REVENUE-REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

									*																				ž	A-2 2 of 5
	Excess or	Delicit .					11,467.00	8,411.45	7,969.79																			148,379.93	26,656.06	
							\$																							
	Realized	Nealizeu		15,000.00	272,095.00	9,400.00	41,467.00	25,911.45	63,030.21	13,000.00	198,000.00	31,960.00	5,071.00	25,318.00	4,000.00	97,658.00	3,593.00	4,800.00	19,317.00	344,832.00	18,560.00	264,000.00	11,571.00	4,900.00		25,000.00	25,500.00	4,676,650.18	276,656.06	
	_			↔																										
	Added by N 1 S A 40 A :4.87	.A 40A.4-0/												12,659.00	2,000.00					344,832.00	18,560.00	264,000.00						642,051.00		
pated	7 1 N	7. C. K.												S																
Anticipated	Budget	Duuger		15,000.00	272,095.00	9,400.00	30,000.00	17,500.00	71,000.00	13,000.00	198,000.00	31,960.00	5,071.00	12,659.00	2,000.00	97,658.00	3,593.00	4,800.00	19,317.00				11,571.00	4,900.00		25,000.00	25,500.00	3,853,979.00	250,000.00	
				S																										
			Miscellaneous Revenue:	Vehicle Maintenance - Board of Education	Atlantic Health System - Community Service Contribution	Public Defender Fees	Uniform Fire Code Fees	Uniform Fire Safety Act	Hotel Occupancy Tax	Reserve for Flood Expenses	Reserve for Pending Tax Appeals	Clean Communities Program	Drunk Driving Enforcement Fund	Municipal Alliance on Alcoholism and Drug Abuse	Municipal Alliance on Alcoholism and Drug Abuse - Supplemental	New Jersey Senior Transportation Assistance Act	Body Armor Replacement Fund	National Institute of Justice Police Grant	Recycling Tonnage Grant	Morris County Historic Preservation (Construction)- 2019	Morris County Historic Preservation (Construction Docs)- 2019	New Jersey Transportation Trust Fund Authority Act - West Parkway	NJ DEP - Recreational Trails	Cablevision - Public Access Equipment Grant	New Jersey Senior Citizen and Disabled Residents Transportation	Assistance Act - Reserve	New Jersey Transit Grant	Total Miscellaneous Revenue	Receipts from Delinquent Taxes	

A-2	$3 ext{ of } 5$

CURRENT FUND

STATEMENT OF REVENUE-REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

	Antici	Anticipated			
		Adde	Added by		Excess or
	Budget	N.J.S.A 40A:4-87	10A:4-87	Realized	Deficit *
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes Minimum Library Tax	\$ 12,214,585.39 926,591.61			\$ 13,199,230.32 926,591.61	\$ 984,644.93
	13,141,177.00			14,125,821.93	984,644.93
Budget Totals	18,745,156.00	\$	642,051.00	20,579,128.17	1,159,680.92
Nonbudget Revenue				433,968.36	433,968.36
Totals	\$ 18,745,156.00	\$ 64	642,051.00	\$ 21,013,096.53	\$ 1,593,649.28

TOWNSHIP OF PEQUANNOCK <u>CURRENT FUND</u>

STATEMENT OF REVENUE-REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

Allocation of Current Tax Collections:		
Revenue from Collections	\$	56,724,486.43
Allocated to School, County and Municipal Open Space Taxes		43,762,949.50
Balance for Support of Municipal Budget Appropriations		12,961,536.93
Add: Appropriation "Reserve for Uncollected Taxes"		1,164,285.00
Realized for Support of Municipal Budget Appropriations	\$	14,125,821.93
Analysis of Licenses - Other		
Township Clerk \$ 8,020.00		
Board of Health 33,666.50		
	\$	41,686.50
Analysis of Fees and Permits - Other:		
Township Clerk \$ 3,083.50		
Board of Health 66,952.00		
Police 2,547.85		
Planning and Zoning 24,584.25		
Tax Assessor 480.00		
Tax Collector	¢	00.757.70
	\$	98,756.60
Interest on Investments & Deposits:		
Collections \$ 148,155.97		
Due from Federal and State Grant Funds 126.62		
Due from Animal Control Trust Fund 7.74		
Due from Other Trust Funds 97.79		
Due from General Capital Fund 1,848.99		
Due from Payroll 131.12		
	\$	150,368.23

TOWNSHIP OF PEQUANNOCK CURRENT FUND

STATEMENT OF REVENUE-REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

Analysis of Nonbudget Revenue:		
Sale of Municipal Assets	\$ 51,389.50	
Court Restitution	1,561.10	
State of New Jersey:		
2% Administration Fee for Senior and Veteran Deductions	2,200.84	
DMV Inspection Fees	8,493.00	
Facility Rental	1,546.00	
Finance	1,217.00	
Cancellation of Reserve for Accrued Leave	325,379.66	
Other	35,137.50	
	 	\$ 426,924.60
Revenue Accounts Receivable Collected:		
Borough of Riverdale Health Services	10,977.30	
Vehicle Maintenance - Board of Education	7,500.00	
	 	18,477.30
Tax Collector		5,757.55
		451,159.45
Less: Refunded		 17,191.09
		\$ 433,968.36

TOWNSHIP OF PEQUANNOCK

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2019

Unexpended	Balance Ved Cancelled		8.521.49	5,013.24		2,000.00	5,060.01		332.17	6,381.81		8,828.74	4,158.21		28,066.52	4,688.31		1.00	4,310.31		4,051.20	1,580.93		14,368.23		12,802.01	8,011.49			7,603.63	10,474.13
Expended By	Reserved		¥																												
Exp	Paid or Charged		\$ 152,643,51			28,200.00	4,364.99		101,372.83	72,618.19		171,046.26	6,841.79		77,073.48	6,311.69		53,499.00	103,189.69		65,508.80	21,534.07		95,631.77		32,232.99	5,488.51			156,166.37	51,625.87
suc	Budget After Modification		161.165.00			30,200.00	9,425.00		101,705.00	79,000.00		179,875.00	11,000.00		105,140.00	11,000.00		53,500.00	107,500.00		69,560.00	23,115.00		110,000.00		45,035.00	13,500.00			163,770.00	62,100.00
Appropriations	I Budget		\$ 161.165.00	7,200.00		30,200.00	9,425.00		101,705.00	79,000.00		179,875.00	11,000.00		105,140.00	11,000.00		53,500.00	107,500.00		69,560.00	23,115.00		110,000.00		45,035.00	13,500.00			183,770.00	62,100.00
		Operations Within "CAPS": GENERAL GOVERNMENT:	Lownship Manager: Salaries and Wages	Other Expenses	Mayor and Council:	Salaries and Wages	Other Expenses	Township Clerk:	Salaries and Wages	Other Expenses	Financial Administration:	Salaries and Wages	Other Expenses	Revenue Administration (Tax Collector):	Salaries & Wages	Other Expenses	Audit Services:	Other Expenses	Data Processing	Assessment of Taxes:	Salaries and Wages	Other Expenses	Legal Services and Costs:	Other Expenses	Office of Fire Safety:	Salaries and Wages	Other Expenses	Municipal Land Use Law (N.J.S.A. 40:55D-1):	Planning Board:	Salaries and Wages	Other Expenses

44,992.16 6,557.00

TOWNSHIP OF PEQUANNOCK

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Unexpended Balance Cancelled

Reserved

2,084.33 7,166.39

4,095.24 3,222.93

6,870.67 4,566.84

1,544.98

396.93

YEAR ENDED DECEMBER 31, 2019 (Continued)

	Apl	Appropriations			Expended By	d By
	Budget	Budget After Modification	After ation	H O	Paid or Charged	Res
Operations Within "CAPS": GENERAL GOVERNMENT:						
Zoning Board of Adjustment:						
Salaries and Wages	\$ 15,035.00	S	15,035.00	∽	12,950.67	\$
Other Expenses	11,900.00		11,900.00		4,733.61	
Municipal Flood Advocate:						
Salaries and Wages	61,417.00		61,417.00		57,321.76	
Other Expenses	6,500.00		500.00		3,277.07	
PUBLIC SAFETY:						
Municipal Court:						
Salaries and Wages	191,040.00		191,040.00		184,169.33	
Other Expenses	11,500.00		11,500.00		6,933.16	
Municipal Prosecutor:						
Salaries and Wages	27,550.00		27,550.00		26,005.02	
Public Defender:						
Salaries and Wages	8,100.00		8,100.00		7,703.07	
Police Department:						
Salaries and Wages	4,448,225.00		4,448,225.00	4	4,214,962.91	23
Other Expenses	261,800.00		261,800.00	•	256,442.17	
Office of Emergency Management:						
Salaries and Wages	17,795.00		17,795.00		14,375.35	
Other Expenses	5,000.0		4,000.00			
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		14,507.84	4
Other Expenses - Clothing Allowance	50,000.00		50,000.00		43,443.00	

233,262.09 5,357.83

3,419.65 4,000.00

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2019 (Continued)

	Appropriations	riatio	ns		Expen	Expended By		Unexpended
	Budget	B	Budget After Modification		Paid or Charged	Rese	Reserved	Balance Cancelled
Operations Within "CAPS": PUBLIC WORKS:								
Streets and Roads Maintenance:								
Salaries and Wages	\$ 265,145.00	↔	277,145.00	∽	277,145.00			
Other Expenses	117,500.00		149,500.00		149,106.62	∻	393.38	
Community Service Act:								
Other Expenses	22,000.00		22,000.00			22	22,000.00	
Director of Public Works/ Township Engineer:								
Salaries and Wages	69,160.00		69,160.00		49,554.12	15	19,605.88	
Other Expenses	32,500.00		32,500.00		23,746.76	~	8,753.24	
Building and Grounds:								
Salaries and Wages	113,360.00		113,360.00		109,847.86	(,,	3,512.14	
Other Expenses	137,460.00		135,460.00		135,111.69		348.31	
Vehicle Maintenance:								
Salaries and Wages	89,235.00		89,235.00		86,130.72	(,,	3,104.28	
Other Expenses	61,000.00		61,000.00		59,055.30		1,944.70	
Shade Tree:								
Other Expenses	34,250.00		30,250.00		25,687.82	7	4,562.18	
Parks and Playground Maintenance:								
Salaries and Wages	353,940.00		357,940.00		357,340.14		599.86	
Other Expenses	75,250.00		64,250.00		60,767.96	0.7	3,482.04	
HEALTH AND WELFARE FUNCTIONS:								
Board of Health:								
Salaries and Wages	198,526.00		198,526.00		188,689.79	J.	9,836.21	
Other Expenses	31,000.00		31,000.00		22,769.97	~	8,230.03	
Animal Control Services:								
Other Expenses	25,000.00		25,000.00		15,000.00	1(10,000.00	
Emergency Medical Services:								
Salaries and Wages	500.00		500.00				500.00	
Other Expenses	500.00		500.00				500.00	
P.V Mental Health Center:								
Other Expenses	100.00		100.00				100.00	3

STATEMENT OF EXPENDITURES - REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

		Appropriations	tions			Expen	Expended By	,	Unexpended
	Budget	ų.	Budg	Budget After Modification		Paid or Charged	Ľ.	Reserved	Balance Cancelled
Operations Within "CAPS":)			
PARKS AND RECREATION FUNCTIONS:									
Recreation & Playground Services:									
Salaries and Wages	\$ 146,3	146,325.00 \$		136,325.00	\$	123,761.20	S	12,563.80	
Other Expenses	64,5	64,515.00		49,515.00		37,098.47		12,416.53	
Celebration of Public Events:									
Salaries and Wages	24,0	24,000.00		24,000.00		23,883.73		116.27	
Dial-A-Ride:									
Salaries and Wages	104,8	104,886.00	Ī	104,886.00		104,886.00			
Other Expenses	32,1	32,148.00		32,148.00		24,654.89		7,493.11	
OTHER COMMON OPERATING FUNCTIONS:									
Economic Development Committee:									
Other Expense	4,0	4,000.00		4,000.00		325.00		3,675.00	
Teen Advisory Committee:									
Other Expenses	5	500.00		500.00				500.00	
Senior Citizens' Committee:									
Other Expenses	2,0	2,000.00		2,000.00		574.99		1,425.01	
Environmental Protection Commission:									
Other Expenses	1,5	1,500.00		1,500.00		817.16		682.84	
Flood Advisory Committee:									
Other Expenses	2,5	2,500.00		2,500.00		2,400.00		100.00	
Historic District Commission:									
Other Expenses	∞	850.00		850.00		31.43		818.57	
UNCLASSIFIED:									
Electricity	121,5	121,500.00	_	119,500.00		107,174.11		12,325.89	
Street Lighting	153,0	53,000.00		133,000.00		105,717.45		27,282.55	
Telephone	58,7	58,770.00		58,770.00		55,774.92		2,995.08	
Water	9,0	9,000.00		9,000.00		3,832.39		5,167.61	
Natural Gas	35,7	35,700.00		30,700.00		10,001.91		20,698.09	
Gasoline	151,5	151,500.00	<u></u>	148,500.00		125,885.21		22,614.79	
Accumulated Leave Compensation	105,0	105,000.00	1	115,000.00		115,000.00			

$C\mathbf{K}$
ŎN
JAN
PEQU
OF P
Ē
NSH
TOW
Г

A-3 5 of 9

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2019

	Appropriations	iations	Expen	Expended By	Unexpended
	Rudaet	Budget After Modification	Paid or	Recerved	Balance
Operations Within "CAPS":	23557		Cimi Sca	DO 10000	pouro)
STATE UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salaries and Wages	\$ 257,530.00	\$ 257,530.00	\$ 226,688.83	\$ 30,841.17	
Other Expenses	16,750.00	16,750.00	12,815.96	3,934.04	
INSURANCE:					
General Liability	225,160.00	225,160.00	207,749.93	17,410.07	
Workers Compensation	199,800.00	199,800.00	154,646.00	45,154.00	
Employee Group Health	1,772,600.00	1,807,600.00	1,807,600.00		
Unemployment Insurance	2,000.00	2,000.00	2,000.00		
Total Onerations Within "CAPS"	11.769.112.00	11,769,112,00	10.979.634.86	789,477,14	
Detail:					
Salaries and Wages	7,452,119.00	7,448,119.00	7,043,956.67	404,162.33	
Other Expenses	4,316,993.00	4,320,993.00	3,935,678.19	385,314.81	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"					
Statutory Expenditures:					
Contributions to:					
Police & Firemens' Retirement System	1,124,150.00	1,124,150.00	1,124,106.34	43.66	
Public Employees' Retirement System	416,600.00	416,600.00	393,019.87	23,580.13	
Social Security System (O.A.S.I.)	360,500.00	360,500.00	338,760.94	21,739.06	
Total Deferred Charges and Statutory Expenditures -					
Municipal Within "CAPS"	1,901,250.00	1,901,250.00	1,855,887.15	45,362.85	
Total General Appropriations for Municipal Purposes Within "CAPS"	13,670,362.00	13,670,362.00	12,835,522.01	834,839.99	

A-3 6 of 9

TOWNSHIP OF PEQUANNOCK

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2019

	Appropriations	iations	Expen	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	\$ 926,592.00	\$ 926,592.00	\$ 926,592.00		
Fair Housing Committee:					
Salaries & Wages	3,600.00	3,600.00	3,600.00		
Other Expenses	27,600.00	27,600.00	27,600.00		
Police Dispatch / 911:					
Salaries & Wages	284,241.00	284,241.00	250,777.20	\$ 33,463.80	
Field Maintenance:					
Salaries & Wages	24,000.00	24,000.00	24,000.00		
Other Expenses	34,000.00	34,000.00	34,000.00		
Vehicle Maintenance - Board of Education	15,000.00	15,000.00	15,000.00		
Dial-A-Ride Program:					
Salaries & Wages	66,015.00	66,015.00	66,015.00		
Other Expenses	214,993.00	214,993.00	214,993.00		
Shared Health Services Agreement:					
Salaries & Wages	417,274.00	417,274.00	417,274.00		
Morris County Road Snow Plowing	20,000.00	20,000.00	20,000.00		
Public & Private Programs Offset by Revenue:					
Resident Transportation Assistance Act - Dial-A-Ride Program	97,658.00	97,658.00	97,658.00		
Clean Communities Program	31,960.00	31,960.00	31,960.00		
Drunk Driving Enforcement Fund	5,071.00	5,071.00	5,071.00		
Municipal Alliance on Alcoholism and -					
Drug Abuse (N.J.S.A 40A:4-87, + \$12,659.00)	12,659.00	25,318.00	25,318.00		
Municipal Alliance on Alcoholism and Drug Abuse -					
Supplemental (N.J.S.A 40A:4-87, + \$2,000.00)	2,000.00	4,000.00	4,000.00		
New Jersey Body Armor Replacement Funds	3,593.00	3,593.00	3,593.00		
National Institute of Justice Police Grant	4,800.00	4,800.00	4,800.00		
Recycling Tonnage Grant	19,317.00	19,317.00	19,317.00		
Cablevision - Public Access Equipment Grant	4,900.00	4,900.00	4,900.00		
NJ DEP - Recreational Trails	11,571.00	11,571.00	11,571.00		6
					•

A-3 7 of 9

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2019 (Continued)

	Appropriations	ations	Expended By	ed By	Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Operations Excluded from "CAPS": Public & Private Programs Offset by Revenue: New Jersev Senior Citizens and Disabled Residents -					
Transportation Assistance Act - Reserve NJ Transit Grant	\$ 25,000.00 25,500.00	\$ 25,000.00 25,500.00	\$ 25,000.00 25,500.00		
Morris County Historic Preservation Trust Fund- Martin Berry House Construction Docs- Match (N.J.S.A 40A:4-87, + \$18,560.00)		18,560.00	18,560.00		
Morris County Historic Preservation 1 rust Fund- Martin Berry House Construction Docs- Match (N.J.S.A 40A:4-87, + \$344,832.00)		344,832.00	344,832.00		
New Jersey Transportation Trust Fund Authority Act West Parkway - 2019 (N.J.S.A 40A:4-87, + \$264,000.00)		264,000.00	264,000.00		
Municipal Local Matching Orant Funds: Municipal Alliance on Alcoholism and Drug Abuse	4,165.00	4,165.00	4,165.00		
Total Operations - Excluded from "CAPS"	2,281,509.00	2,923,560.00	2,890,096.20	\$ 33,463.80	
Detail: Salaries and Wages Other Expenses	795,130.00 1,486,379.00	795,130.00	761,666.20 2,128,430.00	33,463.80	
Capital Improvements - Excluded from "CAPS": Capital Improvement Fund Reserve for Public Works Equipment	668,700.00 64,000.00	668,700.00	668,700.00		
Reserve for Road Resurfacing Reserve for Fire Amatatus	304,800.00	304,800.00	304,800.00		
Reserve for Data Processing and Office Equipment	15,500.00	15,500.00	15,500.00		
Total Capital Improvements - Excluded from "CAPS"	1,253,000.00	1,253,000.00	1,253,000.00		
Municipal Debt Service - Excluded from "CAPS": Interest on Notes	110,000.00	110,000.00	110,000.00		
Total Municipal Debt Service - Excluded from "CAPS"	110,000.00	110,000.00	110,000.00		

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2019

	Appro	Appropriations	Expen	Expended By	Unexpended
		Budget After	Paid or		Balance
	Budget	Modification	Charged	Reserved	Cancelled
Deferred Charges - Excluded from "CAPS": Special Emergency Authorizations- 5 years	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00		
Deferred Charges to Future Taxanon - Ontunded: Ordinance #2006-11 Ordinance #2008-25	95,000.00	95,000.00	95,000.00 91,000.00		
Total Deferred Charges - Excluded from "CAPS"	266,000.00	266,000.00	266,000.00		
Total General Appropriations - Excluded from "CAPS"	3,910,509.00	4,552,560.00	4,519,096.20	\$ 33,463.80	
Subtotal General Appropriations	17,580,871.00	18,222,922.00	17,354,618.21	868,303.79	
Reserve for Uncollected Taxes	1,164,285.00	1,164,285.00	1,164,285.00		
Total General Appropriations	\$ 18,745,156.00	\$ 19,387,207.00 \$ 18,518,903.21	\$ 18,518,903.21	\$ 868,303.79	-0- \$
	Ref.			Ą	

TOWNSHIP OF PEQUANNOCK CURRENT FUND TATEMENT OF EXPENDITURES REGULATO

STATEMENT OF EXPENDITURES-REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

	Ref.	Analy	ysis of
		Budget After	Paid or
		Modification	Charged
Adopted Budget Added by N.J.S.A. 40A:4-87		\$ 18,745,156.00 642,051.00	
	:	\$ 19,387,207.00	
Cash Disbursed			\$ 16,284,253.08
Encumbrances	A		
Transfer to Federal and State Grant Fund	А		235,308.61
Federal and State Grants			886,080.00
Local Match			4,165.00
Deferred Charges			80,000.00
Reserve for Uncollected Taxes			1,164,285.00
			18,654,091.69
Less: Appropriation Refunds			135,188.48
			\$ 18,518,903.21

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 TRUST FUNDS

TOWNSHIP OF PEQUANNOCK TRUST FUNDS COMPARATIVE RALANCE SHEET DECLI ATORS

$\underline{\text{COMPARATIVE BALANCE SHEET-REGULATORY BASIS}}$

			nber 31,		
	Ref.		2019		2018
<u>ASSETS</u>					
Animal Control Fund:					
Cash and Cash Equivalents:					
Treasurer	B-4	\$	15,586.48	\$	21,794.08
			15,586.48		21,794.08
		1	13,360.46		21,794.08
Other Trust Funds:					
Cash and Cash Equivalents	B-4		1,464,004.76		2,962,246.82
Grants Receivable - FEMA Elevation			4,444,609.05		2,879,492.65
			5,908,613.81		5,841,739.47
Open Space Trust Fund:					
Cash and Cash Equivalents	B-4A		423,380.45		202,687.50
Due From Current Fund	A				878.53
			423,380.45		203,566.03
TOTAL ASSETS		\$	6,347,580.74	\$	6,067,099.58
		'	_		_
LIABILITIES, RESERVES AND FUND BALANCE					
Animal Control Fund:					
Prepaid Licenses - State Fees		\$	464.40	\$	536.40
Prepaid Licenses - Municipal Fees			8,206.60		10,417.60
Due to Current Fund	A		7.74		12.28
Due to State of New Jersey					307.20
Reserve for Animal Control Expenditures	B-6		6,907.74		10,520.60
			15,586.48		21,794.08

TOWNSHIP OF PEQUANNOCK TRUST FUNDS COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,				
	Ref.		2019		2018	
LIABILITIES, RESERVES AND FUND BALANCE (Cont'd)						
Other Trust Funds:						
Due to Current Fund	A	\$	97.79	\$	75,776.14	
Due to General Capital Fund	C		3,469,609.05		2,379,492.65	
Due to Sewer Utility Capital Fund	E		975,000.00		500,000.00	
Due to Interlocal Towns			38,555.00		34,760.00	
Reserve for:						
Animal Shelter			8,517.64		15,973.50	
Developers Deposits - Affordable Housing			53,339.15		78,705.04	
Fire Safety			12,221.08		12,099.61	
Payroll Section 125 Trust			1,980.25		505.76	
Unemployment Compensation Insurance			96,149.92		111,727.95	
Developers Deposits - Escrow			397,402.77		544,424.82	
Youth Development			21,805.12		21,742.12	
Refundable Permits			34,875.57		23,940.55	
Self Insured Group Health Insurance			233,278.10		17,389.56	
Parking Offenses Adjudication Act			943.62		934.00	
Sewer Line			106,974.39		106,665.41	
Premium on Tax Sale			79,066.49		257,200.00	
Public Defender			59,655.85		49,849.36	
Accrued Leave					324,994.40	
Storm Recovery			215,467.73		214,848.15	
Insurance Refunds			76,583.53		83,074.74	
Dial-A-Ride (D.A.R.) Bequests			25,126.28		25,053.71	
FEMA Elevation Escrow			1,964.48		962,582.00	
			5,908,613.81		5,841,739.47	
Open Space Trust Fund:						
Due To General Capital Fund	C				17,143.00	
Due To Federal & State Grant Fund	A		90,848.00		-	
Reserve for Open Space Expenditures			332,532.45		186,423.03	
			423,380.45		203,566.03	
TOTAL LIABILITIES DESERVES AND FIND DALANCE		Ф	6 247 500 74	ф	C 0.67 000 50	
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$	6,347,580.74	\$	6,067,099.58	

TOWNSHIP OF PEQUANNOCK ASSESSMENT TRUST FUND STATEMENT OF FUND BALANCE - REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

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

TOWNSHIP OF PEQUANNOCK ASSESSMENT TRUST FUND STATEMENT OF REVENUE - REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

B-3

TOWNSHIP OF PEQUANNOCK ASSESSMENT TRUST FUND STATEMENT OF EXPENDITURES - REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 GENERAL CAPITAL FUND

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

		December 31,			
	Ref.	2019	2018		
<u>ASSETS</u>					
Cash and Cash Equivalents	C-2	\$ 2,131,060.02	\$ 2,113,325.21		
FEMA Grants Receivable:					
Generators		326,504.42	386,196.00		
Flood Mitigation		4,568,863.00	4,568,863.00		
Due from:					
Pequannock Township Board of Education		25,167.16			
Other Trust Fund	В	3,469,609.05	2,379,492.65		
Open Space Trust Fund	В		17,143.00		
Recreation Utility Capital Fund	G	63,947.08	80,000.00		
Deferred Charges to Future Taxation - Unfunded	C-4	11,656,081.60	11,914,349.00		
TOTAL ASSETS		\$ 22,241,232.33	\$ 21,459,368.86		
LIABILITIES, RESERVES AND FUND BALANCE					
Bond Anticipation Notes Payable	C-7	\$ 5,500,000.00	\$ 3,500,000.00		
Improvement Authorizations:					
Funded	C-5	1,359,879.40	1,356,618.17		
Unfunded	C-5	9,405,558.93	10,278,896.26		
Due to Current Fund	A	1,848.99	9,294.97		
Capital Improvement Fund	C-6	155,462.21	36,000.00		
Reserve for:					
Encumbrances			688,734.47		
DPW Equipment		60,500.00	60,500.00		
Data Processing /Office Equipment		35,000.00	35,000.00		
Road Resurfacing		20,000.00	20,000.00		
Vehicle Replacement		80,824.00	80,824.00		
Fire Apparatus		425,000.00	225,000.00		
Flood Control Improvements		168,000.00	168,000.00		
FEMA Flood Mitigation Grant Receivables		4,568,863.00	4,568,863.00		
Payment of Debt Service		351,672.29	386,196.71		
Fund Balance	C-1	108,623.51	45,441.28		
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 22,241,232.33	\$ 21,459,368.86		

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

	Ref.		
Balance December 31, 2018	C		\$ 45,441.28
Increased By: Improvement Authorizations Canceled Premium on Bond Anticipation Notes Issued		\$ 33,977.23 29,205.00	
•			63,182.23
Balance December 31, 2019	C		\$ 108,623.51

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 WATER UTILITY FUND

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

			Decem	ber 31	• •
	Ref.		2019		2018
<u>ASSETS</u>					
Operating Fund:					
Cash and Cash Equivalents	D-4	\$	713,798.76	\$	599,878.27
Change Fund			60.00		60.00
			713,858.76		599,938.27
Due Current Fund	A				58.50
Due Water Utility Capital Fund	D		104.75		192.70
Due Sewer Utility Operating Fund	E		100,041.35		
			814,004.86		600,189.47
Receivables with Full Reserves:					
Consumer Accounts Receivable	D-6		677,817.82		506,079.93
Total Operating Fund		1	,491,822.68		1,106,269.40
Assessment Trust Fund:					
Water Assessment Liens			1,266.00		1,266.00
Water Assessment Lien Interest and Costs			159.00		159.00
Water Assessment Receivable			20,000.00		20,000.00
Prospective Assessment Funded			260,000.00		260,000.00
Total Assessment Trust Fund			281,425.00		281,425.00
Capital Fund:					
Cash and Cash Equivalents	D-4		119,492.12		146,114.77
Fixed Capital	D-7	1.5	5,399,739.86		14,962,713.25
Fixed Capital Authorized and Uncompleted	D-8		5,123,535.67		6,458,660.36
Total Capital Fund		21	,642,767.65		21,567,488.38
TOTAL ASSETS		\$ 23	3,416,015.33	\$	22,955,182.78

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

(Continued)

		Decem	iber 31,
	Ref.	2019	2018
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 311,897.54	\$ 195,112.01
Encumbered	D-3;D-9	91,742.49	34,985.63
		403,640.03	230,097.64
Accounts Payable - Vendors	D-4		59,104.89
Accrued Interest on Notes	D-3A; D-4	112,888.73	52,688.72
Due to Solid Waste Utility Operating Fund	F	44.07	
		516,572.83	341,891.25
Reserve for Receivables	D	677,817.82	506,079.93
Fund Balance	D-1	297,432.03	258,298.22
Total Operating Fund		1,491,822.68	1,106,269.40
Assessment Trust Fund:			
Reserve for Assessment Liens and Interest and Costs		1,425.00	1,425.00
Reserve for Assessments Receivable		20,000.00	20,000.00
Reserve for Prospective Assessments Funded		260,000.00	260,000.00
Total Assessment Trust Fund		281,425.00	281,425.00
Capital Fund:			
Bond Anticipation Notes	D-14	6,686,000.00	6,060,000.00
Improvement Authorizations:			
Funded	D-10	42,912.17	17,606.92
Unfunded	D-10	3,158,724.16	3,523,208.22
Contracts Payable	D-10		69,512.71
Due Current Fund	A		326,574.48
Due Sewer Utility Operating Fund	E		
Due Water Utility Operating Fund	D	104.75	192.70
Capital Improvement Fund	D-11	127,978.34	127,750.00
Reserve for Amortization	D-12	11,278,245.40	11,014,248.92
Deferred Reserve for Amortization	D-13	284,000.00	403,374.69
Reserve to Pay Debt Service		4,125.61	
Fund Balance	D-1A	60,677.22	25,019.74
Total Capital Fund		21,642,767.65	21,567,488.38
TOTAL LIABILITIES, RESERVES AND FUND BALANC	<u>CE</u>	\$ 23,416,015.33	\$ 22,955,182.78

$\frac{\text{TOWNSHIP OF PEQUANNOCK}}{\text{WATER UTILITY OPERATING FUND}} \\ \underline{\text{COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE}} \\ \underline{\text{REGULATORY BASIS}}$

		Year Ended December 31,			
	Ref.	2019	2018		
Revenue and Other Income Realized					
Fund Balance Utilized		\$ 195,000.00	\$ 203,000.00		
Rents		2,331,923.81	2,379,110.15		
Miscellaneous Revenue		40,692.77	33,757.69		
Water Rents - Rate Increase		279,245.00	40,000.00		
Other Credits to Income:					
Cancellation of Prior Year Accounts Payable		59,104.89			
Unexpended Balance of Appropriation Reserves		127,412.34	72,485.27		
Total Income		3,033,378.81	2,728,353.11		
Expenditures					
Budget Expenditures:					
Operating		2,259,345.00	2,208,830.00		
Capital Improvements		100,000.00	35,000.00		
Debt Service		259,000.00	159,103.00		
Deferred Charges and Statutory Expenditures		180,900.00	156,067.00		
Refund of Prior Year Revenue			2,922.21		
Total Expenditures		2,799,245.00	2,561,922.21		
Excess in Revenue		234,133.81	166,430.90		
Fund Balance					
Balance January 1		258,298.22	294,867.32		
Datanee validary 1		492,432.03	461,298.22		
Decreased by:		1,2,1,21,03	101,270.22		
Utilized as Anticipated Revenue		195,000.00	203,000.00		
Balance December 31	D	\$ 297,432.03	\$ 258,298.22		

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

Balance December 31, 2018	Ref. D		\$ 25,019.74
Increased by: Improvement Authorizations Cancelled Premium on Note Sale	\$	154.82 35,502.66	 35,657.48
Balance December 31, 2019	D		\$ 60,677.22

TOWNSHIP OF PEQUANNOCK WATER UTILITY OPERATING FUND STATEMENT OF REVENUE - REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

	Anticipated	Realized	Excess or Deficit *
Operating Fund Balance Anticipated Water Rents Miscellaneous Revenue Water Rents - Rate Increase	\$ 195,000.00 2,300,000.00 25,000.00 279,245.00	\$ 195,000.00 2,331,923.81 40,692.77 279,245.00	\$ 31,923.81 15,692.77
	\$ 2,799,245.00	\$ 2,846,861.58	\$ 47,616.58
Analysis of Realized Revenue			
Miscellaneous Revenue: Utility Collector:			
Interest on Delinquent Water Rents Water Connection and Other Fees		\$ 10,280.51 24,080.99 34,361.50	
Treasurer:			
Interest on Investments		6,331.27	
		\$ 40,692.77	

О

Ref.

TOWNSHIP OF PEQUANNOCK
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

Appre	Appropriations	18 Dindgat	Do	Expended by	ded by		popuou aou 1
Budget	Afte	Budget After Modification	Ch	raid or Charged		Reserved	Unexpended Cancelled
\$ 774,815.00	S	774,815.00	\$ 6.	633,875.41	S	140,939.59	
1,484,530.00		1,484,530.00	1,3	,313,572.05		170,957.95	
65,000.00		65,000.00		65,000.00			
35,000.00		35,000.00	` '	35,000.00			
17,000.00		17,000.00		17,000.00			
242,000.00		242,000.00	2	242,000.00			
20,000.00		20,000.00		20,000.00			
80,150.00		80,150.00		80,150.00			
60,800.00		60,800.00		60,800.00			
1,950.00		1,950.00		1,950.00			
18,000.00		18,000.00		18,000.00			
\$ 2,799,245.00	S	2,799,245.00	\$ 2,48	2,487,347.46	8	311,897.54	-0-

TOWNSHIP OF PEQUANNOCK WATER UTILITY OPERATING FUND STATEMENT OF EXPENDITURES-REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

(Continued)

	Ref.	Analysis of		
		Budget After	Paid or	
		Modification	Charged	
Adopted Budget		\$ 2,799,245.00		
		\$ 2,799,245.00		
Cash Disbursed			\$ 2,155,465.24	
Accrued Interest on Notes			242,000.00	
Encumbrances Payable	D		91,742.49	
			2,489,207.73	
Less: Appropriation Refunds			(1,860.27)	
			\$ 2,487,347.46	

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 SEWER UTILITY FUND

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

		Decem	iber 31,
	Ref.	2019	2018
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	E-4	\$ 1,248,490.82	\$ 721,070.65
Due Current Fund	A	24,874.34	58,212.57
Due Sewer Utility Capital Fund	E	140.66	255.41
Due Sewer Utility Assessment Fund	E	608.85	118.63
		1,274,114.67	779,657.26
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-6	657,479.17	675,749.27
		657,479.17	675,749.27
Total Operating Fund		1,931,593.84	1,455,406.53
Assessment Trust Fund:			
Cash and Cash Equivalents	E-4	727,286.13	688,519.22
Assessments Receivable	E-9	4,684,515.77	6,940,108.03
Assessments Liens Receivable	E-9A	110,143.85	9,643.00
Due Current Fund	A	87,167.58	
Prospective Assessments Funded		4,600,000.00	5,107,200.00
Total Assessment Trust Fund		10,209,113.33	12,745,470.25
Capital Fund:			
Cash and Cash Equivalents	E-4	1,599,871.96	2,481,258.48
Due Other Trust Funds	В	975,000.00	500,000.00
Fixed Capital	E-10	31,049,668.65	29,052,632.34
Fixed Capital Authorized and Uncompleted	E-11	6,100,000.00	8,534,094.44
Total Capital Fund		39,724,540.61	40,567,985.26
TOTAL ASSETS		\$ 51,865,247.78	\$ 54,768,862.04

TOWNSHIP OF PEQUANNOCK SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

(Continued)

		Decen	iber 31	,
Ref.		2019		2018
				_
E-3;E-12	\$	13,497.15	\$	49,996.52
E-3;E-12		13,737.32		19,388.80
		27,234.47		69,385.32
				1,800.00
D		100,041.35		
F		322,550.01		
		195,353.51		203,851.03
		5,000.00		5,000.00
		650,179.34		280,036.35
E		657,479.17		675,749.27
E-1		623,935.33		499,620.91
		1,931,593.84		1,455,406.53
E		608.85		118.63
		4,600,000.00		5,107,200.00
E-13		4,794,659.62		6,949,751.03
E-1A		813,844.86		688,400.59
		10,209,113.33		12,745,470.25
	E-3;E-12 E-3;E-12 D F E E-1	E-3;E-12 \$ E-3;E-12 D F E E-1	Ref. 2019 E-3;E-12 \$ 13,497.15 E-3;E-12 13,737.32 27,234.47 D 100,041.35 F 322,550.01 195,353.51 5,000.00 650,179.34 E E 657,479.17 E-1 623,935.33 1,931,593.84 E 4,600,000.00 E-13 4,794,659.62 E-1A 813,844.86	E-3;E-12 \$ 13,497.15 \$ E-3;E-12

TOWNSHIP OF PEQUANNOCK SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

(Continued)

		Decem	ber 31,
	Ref.	2019	2018
LIABILITIES, RESERVES AND FUND BALANCE			
Capital Fund:			
Serial Bonds	E-19	\$ 21,410,000.00	\$ 22,650,000.00
Improvement Authorizations:			
Funded	E-14	3,634,083.78	3,973,550.50
Unfunded	E-14	2,100,000.00	2,217,808.18
Capital Improvement Fund	E-15	53,685.20	53,685.20
Due to Sewer Utility Operating Fund	E	140.66	255.41
Reserve for Encumbrances	E-14		29,655.00
Reserve for Amortization	E-16	12,523,988.83	11,355,358.34
Deferred Reserve for Amortization	E-17		231,368.44
Fund Balance	E-1B	2,642.14	56,304.19
Total Capital Fund		39,724,540.61	40,567,985.26
TOTAL LIABILITIES, RESERVES AND FUND BALAN	NCE	\$ 51,865,247.78	\$ 54,768,862.04

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

		Year Ended December 31			
	Ref.	2019	2018		
Revenue and Other Income Realized					
Fund Balance Utilized		\$ 345,000.00	\$ 325,000.00		
Sewer Service Charges		3,148,026.42	3,003,921.92		
Miscellaneous		424,816.20	163,861.15		
Sewer Capital Fund Balance		356,400.00	49,000.00		
Sewer Capital Reserve to Pay Debt Service			520,249.99		
Sewer Rents - New Users		48,000.00			
Sewer Assessment Surplus		768,500.00	700,000.00		
Other Credits to Income:					
Cancellation of Accounts Payable		1,800.00			
Unexpended Balance of Appropriation Reserves		44,671.80	69,172.38		
Total Income		5,137,214.42	4,831,205.44		
Expenditures					
Budget Appropriations:					
Operating		2,546,875.00	2,431,075.26		
Debt Service		2,055,615.00	2,072,348.00		
Deferred Charges and Statutory Expenditures		65,410.00	65,410.00		
Refund of Prior Year Revenue		,	650.58		
Total Expenditures		4,667,900.00	4,569,483.84		
Excess Revenue/Statutory Excess to Fund Balance		469,314.42	261,721.60		
Fund Balance					
Balance January 1		499,620.91	562,899.31		
5		968,935.33	824,620.91		
Decreased by:		245,000,00	225 000 00		
Utilized by Sewer Utility Operating Budget		345,000.00	325,000.00		
Balance December 31	Е	\$ 623,935.33	\$ 499,620.91		

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

	Re	f <u>.</u>		
Balance December 31, 2018	Е			\$ 688,400.59
Increased by: Collection of Unpledged Assessments				926,374.27 1,614,774.86
Decreased by: Surplus Anticipated in Sewer Utility Operating Fund Sewer Assessment Appeal-Refunds		_	\$ 768,500.00 32,430.00	800,930.00
Balance December 31, 2019	Е			\$ 813,844.86
				E-1B

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

	<u>Ref.</u>	
Balance December 31, 2018	E	\$ 56,304.19
Increased by: Cancellation of Improvement Authorizations		302,737.95 359,042.14
Decreased by: Surplus Anticipated in Sewer Utility Operating Fund		356,400.00
Balance December 31, 2019	Е	\$ 2,642.14

TOWNSHIP OF PEQUANNOCK SEWER UTILITY OPERATING FUND STATEMENT OF REVENUE - REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

	Anticipated	Realized	Excess or Deficit*
Fund Balance Anticipated Sewer Service Charges Miscellaneous Sewer Capital Fund Balance Sewer Assessment Surplus Sewer Rents - New Users	\$ 345,000 3,000,000 150,000 356,400 768,500 48,000	.00 3,148,026.42 .00 424,816.20 .00 356,400.00 .00 768,500.00	\$ 148,026.42 274,816.20
	\$ 4,667,900	.00 \$ 5,090,742.62	\$ 422,842.62
Miscellaneous Treasurer: Interest on Investments Interest on Assessments		\$ 19,134.42 175,778.73	
Collector: Interest on Sewer Rents Sewer Tap/Connection Fees		12,778.94 226,973.02 434,665.11	
Less: Refunded		9,848.91 \$ 424,816.20	

TOWNSHIP OF PEQUANNOCK

SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2019

Expended by	Budget Unexpended After Paid or Ralance	ion Charged Reserved (\$ 337,730.00 \$ 336,730.00 \$ 323,232.85 \$ 13,497.15		1,918,545.00 1,918,545.00 1,918,545.00		1,240,000.00 1,240,000.00 1,240,000.00	815,615.00 815,615.00 815,615.00			33,960.00 33,960.00 33,960.00	25,720.00 25,720.00 25,720.00	730.00 730.00 730.00	5,000.00 5,000.00 5,000.00	\$ 4,667,900.00 \$ 4,667,900.00 \$ 4,654,402.85 \$ 13,497.15 \$ -0-	
Appropriatio					290,600.00	1,918,545.00		1,240,000.00	815,615.00			33,960.00	25,720.00	730.00	5,000.00		
			Operating:	Salaries and Wages	Other Expenses	Two Bridges Sewerage Authority	Debt Service:	Payment of Bond Principal	Interest on Bonds	Statutory Expenditures:	Contribution to:	Public Employee Retirement System	Social Security System (O.A.S.I.)	Unemployment Compensation Insurance	Paid Time Off (PTO) Buyback	Total Sewer Utility Appropriations	

TOWNSHIP OF PEQUANNOCK SEWER UTILITY OPERATING FUND STATEMENT OF EXPENDITURES - REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

(Continued)

		Analy	ysis of	
		Budget After		Paid or
	Ref.	Modification		Charged
Adopted Budget		\$ 4,667,900.00		
Cash Disbursed			\$	3,825,050.53
Encumbrances Payable	E			13,737.32
Accrued Interest on Bonds				815,615.00
			\$	4,654,402.85

 $\frac{\text{TOWNSHIP OF PEQUANNOCK}}{\text{COUNTY OF MORRIS}} \\ \underline{2019} \\ \text{SOLID WASTE UTILITY FUND}$

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

		Decem	iber 3	1,
	Ref.	2019		2018
<u>ASSETS</u>				
Operating Fund:				
Cash and Cash Equivalents	F-4	\$ 552,873.89	\$	850,673.54
Due Current Fund	A			1,200.79
Due Federal and State Grant Fund	A			24,605.66
Due Water Utility Operating Fund	D	44.07		
Due Sewer Utility Operating Fund	E	322,550.01		
		875,467.97		876,479.99
Receivables and Other Assets With Full Reserves:				
Consumer Accounts Receivable	F-5	134,632.17		141,869.91
Total Operating Fund		 1,010,100.14		1,018,349.90
TOTAL ASSETS		\$ 1,010,100.14	\$	1,018,349.90
LIABILITIES, RESERVES AND FUND BALANCE				
Operating Fund:				
Appropriation Reserves:				
Encumbered	F-3;F-6	\$ 128,405.52	\$	132,796.68
Unencumbered	F-3;F-6	143,062.06		36,248.89
		271,467.58		169,045.57
Accounts Payable - Vendors				5,470.00
Reserve for Recycling Tonnage Grant				0.18
Reserve for Receivables		134,632.17		141,869.91
Fund Balance	F-1	604,000.39		701,964.24
Total Operating Fund		1,010,100.14		1,018,349.90
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 1,010,100.14	\$	1,018,349.90

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

		Year Ended	Decen	nber 31
	Ref.	2019		2018
Revenue and Other Income Realized				
Fund Balance Utilized		\$ 202,000.00	\$	105,000.00
User Fees		1,725,990.80		1,717,025.48
Miscellaneous Revenue		14,274.98		11,969.50
Recycling Tonnage Grant				28,864.00
Other Credits to Incomes:				
Cancellation of Reserve for Recycling Tonnage Grant		0.18		
Cancellation of Prior Year Accounts Payable		5,470.00		
Unexpended Balance of Appropriation Reserves		 51,074.19		37,938.64
Total Income		1,998,810.15		1,900,797.62
Expenditures				
Operating		1,785,574.00		1,738,590.00
Capital Improvements		57,000.00		
Deferred Charges and Statutory Expenditures		52,200.00		50,410.00
Refund of Prior Year Revenue		 _		1,190.79
Total Expenditures		 1,894,774.00		1,790,190.79
Statutory Excess to Fund Balance		104,036.15		110,606.83
Fund Balance				
Balance January 1		 701,964.24	·	696,357.41
		806,000.39		806,964.24
Decreased by:		•0• 000 00		40700000
Utilized as Anticipated Revenue		 202,000.00		105,000.00
Balance December 31	F	\$ 604,000.39	\$	701,964.24

TOWNSHIP OF PEQUANNOCK SOLID WASTE UTILITY OPERATING FUND STATEMENT OF REVENUE - REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

	 Anticipated	 Realized	Excess or Deficit *
Operating Fund Balance Anticipated User Fees Miscellaneous Revenue	\$ 202,000.00 1,682,000.00 10,774.00	\$ 202,000.00 1,725,990.80 14,274.98	\$ 43,990.80 3,500.98
	\$ 1,894,774.00	\$ 1,942,265.78	\$ 47,491.78
Analysis of Realized Revenue Miscellaneous Revenue: Interest on Deposits Interest on Delinquent Accounts Miscellaneous Solid Waste Fees	\$ 9,595.09 420.52	\$ 4,259.37	
		 10,015.61	
		\$ 14,274.98	

TOWNSHIP OF PEQUANNOCK SOLID WASTE UTILITY OPERATING FUND STATEMENT OF EXPENDITURES - REGULATORY BASIS

F-3

YEAR ENDED DECEMBER 31, 2019

		Approp	Appropriations	Expended by	ded by	
			Budget After Modi-	Paid or		Unexpended Balances
	•	Budget	fication	Charged	Reserved	Cancelled
Operating:						
Salaries and Wages	S	, 226,070.00	\$ 226,070.00	\$ 193,822.68	\$ 32,247.32	
Other Expenses		1,559,504.00	1,559,504.00	1,505,689.26	53,814.74	
Capital Improvements:						
Capital Outlay		57,000.00	57,000.00		57,000.00	
Statutory Expenditures:						
Contribution to:						
Public Employee Retirement System		23,100.00	23,100.00	23,100.00		
Social Security System (O.A.S.I.)		17,500.00	17,500.00	17,500.00		
Unemployment Compensation Insurance		1,600.00	1,600.00	1,600.00		
Paid Time Off (PTO) Buyback	ļ	10,000.00	10,000.00	10,000.00		
	•	\$ 1.894.774.00	\$ 1.894,774.00	\$ 1.751.711.94	\$ 143.062.06	-0-
		-,,	' ' '			
	Ref.				Ц	
Cash Disbursed				\$ 1,623,306.42		
Reserve for Encumbrances	ഥ			128,405.52		

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

\$ 1,751,711.94

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2019
RECREATION UTILITY FUND

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

			Decem	ber 31	,
	Ref.		2019		2018
<u>ASSETS</u>				·	
Operating Fund:					
Cash and Cash Equivalents	G-4	\$	134,944.37	\$	140,856.04
Due Current Fund	A				50.00
Due Recreation Utility Capital Fund	G		10.46		11.78
Total Operating Fund			134,954.83		140,917.82
Capital Fund:					
Cash and Cash Equivalents	G-4		8,909.14		15,411.14
Fixed Capital	G-8		254,947.08		254,947.08
Fixed Capital Authorized and Uncompleted	G-9		_		2,052.92
Total Capital Fund			263,856.22		272,411.14
TOTAL ASSETS		\$	398,811.05	\$	413,328.96
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Appropriation Reserves:					
Encumbered	G-3; G-10	\$	6,119.50	\$	13,602.04
Unencumbered	G-3; G-10	Ψ	42,006.89	Ψ	28,003.97
Cheneumoerea	0 3, 0 10		48,126.39		41,606.01
Accounts Payable - Vendors			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		3,340.25
Accrued Interest on Notes			940.27		1,546.03
Reserve for Future Recreation Programs			110.00		110.00
Fund Balance	G-1		85,778.17		94,315.53
Total Operating Fund			134,954.83		140,917.82
Capital Fund:					
Bond Anticipation Notes Payable	G-15		104,000.00		114,000.00
Improvement Authorizations - Unfunded	G-11		,		2,052.92
Due General Capital Fund	C		63,947.08		80,000.00
Due Recreation Utility Operating Fund	G		10.46		11.78
Capital Improvement Fund	G-12		6,500.00		6,500.00
Reserve for Amortization	G-13		87,000.00		68,000.00
Fund Balance	G-1A		2,398.68		1,846.44
Total Capital Fund			263,856.22		272,411.14
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	<u>CE</u>	\$	398,811.05	\$	413,328.96

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

		Year Ended	Decem	ber 31
	Ref.	2019		2018
Revenue and Other Income Realized			<u>-</u>	
Fund Balance Utilized		\$ 44,000.00	\$	31,000.00
Recreation User Fees		187,652.32		178,662.45
Recreation Activity Fees		288,781.75		325,638.15
Miscellaneous		3,430.49		932.66
Other Credits to Incomes:				
Prior Year Accounts Payable Cancelled		3,340.25		
Unexpended Balance of Appropriation Reserves		29,637.07		33,927.39
Total Income		 556,841.88		570,160.65
<u>Expenditures</u>				
Budget Expenditures:				
Operating		485,300.00		487,895.00
Debt Service		12,814.24		8,859.50
Deferred Charges and Statutory Expenditures		23,265.00		14,265.00
Total Expenditures		521,379.24		511,019.50
Excess in Revenue		35,462.64		59,141.15
Fund Balance				
Balance January 1		94,315.53		66,174.38
·		129,778.17		125,315.53
Decreased by:				
Utilized as Anticipated Revenue		 44,000.00		31,000.00
Balance December 31	G	\$ 85,778.17	\$	94,315.53

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

Balance December 31, 2018	Ref. E	\$ 1,846.44
Increased by: Bond Anticipation Note Premium		 552.24
Balance December 31, 2019	Е	\$ 2,398.68

TOWNSHIP OF PEQUANNOCK RECREATION UTILITY OPERATING FUND STATEMENT OF REVENUE - REGULATORY BASIS YEAR ENDED DECEMBER 31, 2019

	 Anticipated		Realized	Excess or Deficit *
Operating Fund Balance Anticipated Recreation User Fees Recreation Activity Fees Miscellaneous	\$ 44,000.00 174,000.00 317,465.00 600.00	\$	44,000.00 187,652.32 288,781.75 3,430.49	\$ 13,652.32 28,683.25 * 2,830.49
	\$ 536,065.00	\$	523,864.56	\$ 12,200.44 *
Analysis of Realized Revenue Recreation User Fees Less Recreation User Fees Refunded		\$	189,327.32 1,675.00 187,652.32	
Recreation Activity Fees Less Recreation Activity Fees Refunded		\$ 	297,544.75 8,763.00 288,781.75	
Miscellaneous: Interest on Investments Other Miscellaneous Less Refunded	\$ 1,971.96 3,172.00	Ψ	5,143.96 1,713.47	
		\$	3,430.49	

STATEMENT OF EXPENDITURES - REGULATORY BASIS RECREATION UTILITY OPERATING FUND YEAR ENDED DECEMBER 31, 2019 TOWNSHIP OF PEQUANNOCK

G-3

		Appropriations	riatior	IS		Expended by	ded by			
				Budget					Ü	Unexpended
				After		Paid or				Balances
		Budget	\mathbf{Z}	Modification		Charged		Reserved	<u> </u>	Cancelled
Operating:										
Salaries and Wages	S	325,090.00	\$	313,790.00	S	286,483.66	S	18,135.34	S	9,171.00
Other Expenses		174,210.00		185,510.00		158,074.45		22,606.55		4,829.00
Debt Service:										
Payment of Bond Anticipation Notes		10,000.00		10,000.00		10,000.00				
Interest on Notes		3,500.00		3,500.00		2,814.24				685.76
Deferred Charges to Future Revenue:										
Ordinance 2003-19		9,000.00		9,000.00		9,000.00				
Statutory Expenditures:										
Contribution to:										
Public Employees' Retirement System		4,000.00		4,000.00		4,000.00				
Social Security System		9,000.00		9,000.00		9,000.00				
Unemployment Compensation Insurance		1,265.00		1,265.00				1,265.00		
	6	00 390 963	6	00 300 003	6	30 000 000	6	00 200 67	G	14 605 76
	9	00.000,000	9	00.000,000	9	\$ 47,572.53	9	42,000.89	9	14,003.70
Ref.			(- - -	€			Ŋ		
5			S S	Cash Disbursed	₽	4/3,413.61				

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

2,814.24 (2,975.00) 6,119.50 473,413.61

Encumbrances

Accrued Interest on Bonds Less: Appropriation Refunds 479,372.35

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 PUBLIC ASSISTANCE FUND

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,				
	2019			2018	
<u>ASSETS</u>		_			
Land	\$	28,740,064.00	\$	28,740,064.00	
Machinery and Equipment		2,239,705.00		2,239,705.00	
Furniture and Fixtures		1,948,073.00		1,948,073.00	
Vehicles		5,171,114.00		5,171,114.00	
TOTAL ASSETS	\$	38,098,956.00	\$	38,098,956.00	
<u>RESERVES</u>					
Reserve for General Fixed Assets	\$	38,098,956.00	\$	38,098,956.00	

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:

 $\underline{\text{Current Fund}}\text{ - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.}$

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

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

(Continued)

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

B. Description of Funds (Cont'd)

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

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

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

<u>Recreation Utility Operating and Capital Funds</u> – 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.

<u>General Fixed Assets Account Group</u> (Unaudited) - 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.

(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. <u>Deferred Charges to Future Taxation</u> - 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

<u>Management Estimates</u> – 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.

<u>Cash and Cash Equivalents</u> – 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.

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

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

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

<u>Interfunds</u> - 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.

<u>Inventories of Supplies</u> - 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.

(Continued)

Note 1: <u>Summary of Significant Accounting Policies</u> (Cont'd)

E. Other Significant Accounting Policies (Cont'd)

<u>Grants Receivable</u> - 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. <u>Budget/Budgetary Control</u> – 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.

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.

(Continued)

Note 2: <u>Long-Term Debt</u> (Cont'd) <u>Summary of Municipal Debt</u>

<u> </u>	December 31,					
	2019	2018	2017			
<u>Issued:</u>						
General:						
Bonds and Notes	\$ 5,500,000.00	\$ 3,500,000.00	\$ 2,500,000.00			
Water Utility:						
Bonds and Notes	6,686,000.00	6,060,000.00	6,090,000.00			
Sewer Utility:						
Bonds and Notes	21,410,000.00	22,650,000.00	23,845,000.00			
Recreation Utility:						
Bonds and Notes	104,000.00	114,000.00	120,000.00			
Total Issued	33,700,000.00	32,324,000.00	32,555,000.00			
Less:						
Funds Temporarily Held to						
Pay Bonds and Notes	4,924,660.90	4,955,059.71	2,108,496.46			
Net Debt Issued	28,775,339.10	27,368,940.29	30,446,503.54			
Authorized but not Issued:						
General:						
Bonds and Notes	6,156,081.60	8,414,349.00	1,264,894.76			
Water Utility:						
Bonds and Notes	3,275,030.13	3,943,750.00	3,730,000.00			
Sewer Utility:						
Bonds and Notes	3,338,508.90	3,350,000.00	3,350,000.00			
Recreation Utility:						
Bonds and Notes	66,000.00	75,000.00	75,000.00			
Total Authorized but not Issued	12,835,620.63	15,783,099.00	8,419,894.76			
Net Bonds, Notes and Loans Issued						
and Authorized but not Issued	\$ 41,610,959.73	\$ 43,152,039.29	\$ 38,866,398.30			

<u>Summary of Municipal Debt Issued and Outstanding – Current Year</u>

	Balance				Balance		
	 12/31/2018	Additions			Retirements		12/31/2019
Serial Bonds:							
Sewer Utility Capital Fund	\$ 22,650,000.00			\$	1,240,000.00	\$	21,410,000.00
Bond Anticipation Notes:							
General Capital Fund	3,500,000.00	\$	5,500,000.00		3,500,000.00		5,500,000.00
Water Utility Capital Fund	6,060,000.00		6,686,000.00		6,060,000.00		6,686,000.00
Recreation Utility Capital Fund	114,000.00		104,000.00		114,000.00		104,000.00
Total	\$ 32,324,000.00	\$	12,290,000.00	\$	10,914,000.00	\$	33,700,000.00

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

Summary of Municipal Debt Issued and Outstanding - Prior Year

	Balance 12/31/202		Additions	Retirements	Balance 12/31/2018
Serial Bonds:					
Sewer Utility Capital Fund	\$ 23,845,00	0.00		\$ 1,195,000.00	\$ 22,650,000.00
Bond Anticipation Notes:					
General Capital Fund	2,500,00	00.00 \$	3,500,000.00	2,500,000.00	3,500,000.00
Water Utility Capital Fund	6,090,00	0.00	6,060,000.00	6,090,000.00	6,060,000.00
Sewer Utility Capital Fund					
Recreation Utility Capital Fund	120,00	0.00_	114,000.00	120,000.00	 114,000.00
Total	\$ 32,555,00	0.00 \$	9,674,000.00	\$ 9,905,000.00	\$ 32,324,000.00

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 0.249%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 11,010,000.00	\$ 11,010,000.00	
General Debt	11,656,081.60	4,924,660.90	\$ 6,731,420.70
Water Utility Debt	9,961,030.13	9,961,030.13	
Sewer Utility Debt	24,748,508.90	24,748,508.90	
Recreation Utility Debt	170,000.00	170,000.00	
	\$ 57,545,620.63	\$ 50,814,199.93	\$ 6,731,420.70

Net Debt \$6,735,546.31 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$2,706,432,032.67 = 0.249%.

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

4% Average Equalized Valuation of Real Property	\$ 110,225,632.30
Net Debt	 6,731,420.70
Remaining Borrowing Power	\$ 103,494,211.60

(Continued)

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

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

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

Cash Receipts from Fees, Rents or Other Charges for Year \$ 2,846,861.58

Deductions:

Operating and Maintenance Costs \$ 2,440,245.00 Debt Service per Water Account 259,000.00

2,699,245.00

Excess in Revenue \$ 147,616.58

Calculation of "Self-Liquidating Purpose", Sewer Utility Per

N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year \$ 5,090,742.62

Deductions:

Operating and Maintenance Costs\$ 2,612,285.00Debt Service per Sewer Account2,055,615.00

4,667,900.00 Excess in Revenue \$ 422,842.62

Calculation of "Self-Liquidating Purpose", Recreation Utility Per

N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year \$ 523,864.06

Deductions:

Operating and Maintenance Costs \$ 508,565.00

Debt Service per Sewer Account 12,814.24

521,379.24

Excess in Revenue \$ 2,484.82

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.

Note 2: <u>Long-Term Debt</u> (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2019

Sewer Capital Serial Bonds Payable

<u>Description</u>	Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2019
Sewer Utility Refunding Bonds Sewer Utility Bonds	2		3.00%-4.00% 1.25%-3.50%	\$ 2,480,000.00 18,930,000.00
				\$ 21 410 000 00

General Capital Bond Anticipation Notes

Final Maturity	Purpose	Rate	Amount
07/17/20	Flood Elevations	2.00%	\$ 5,500,000.00
	Water Utility Capital Bond Anti	cipation Notes	
07/17/20	Water Mains/ Tank Construction	2.00%	\$ 6,686,000.00
	Recreation Capital Bond Antic	ipation Notes	
07/17/20	PV Park Dock and Swim Lanes	2.00%	\$ 104,000.00
	Total Debt Issued and Outstanding		\$ 33,700,000.00

(Continued)

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

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

	 Sewer Utility Capital Fund				
Year	 Principal		Interest		Total
2020	\$ 1,280,000.00	\$	682,912.50	\$	1,962,912.50
2021	1,335,000.00		730,712.50		2,065,712.50
2022	1,380,000.00		676,312.50		2,056,312.50
2023	1,435,000.00		621,162.50		2,056,162.50
2024	1,100,000.00		554,862.50		1,654,862.50
2025-2029	5,500,000.00		1,993,312.50		7,493,312.50
2030-2034	4,650,000.00		1,095,125.00		5,745,125.00
2035-2039	3,875,000.00		476,781.29		4,351,781.29
2040	 855,000.00		14,962.50		869,962.50
	\$ 21,410,000.00	\$	6,846,143.79	\$	28,256,143.79

Note 3: Fund Balance Appropriated

Fund balances at December 31, 2019, 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, 2020, are as follows:

Current Fund	\$ 1,856,000.00
Water Utility Operating Fund	176,500.00
Sewer Utility Operating Fund	307,800.00
Solid Waste Utility Operating Fund	272,895.00
Recreation Utility Operating Fund	44,300.00

Note 4: 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).

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 Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

(Continued)

Note 4: Pension Plans (Cont'd)

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

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:

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 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 \$534,229.87 for 2019.

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

(Continued)

Note 4: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

At June 30, 2019, the Township's liability was \$11,348,246 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the Township's proportion was 0.063%, which was a increase of 0.005% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Township recognized actual pension expense in the amount of \$534,229.87.

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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%

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-2019.

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

Note 4: Pension Plans (Cont'd)

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

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, 2019) 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, 2019 are summarized in the following table:

	Long-Term
	Expected Real
Target	Rate of
Allocation	Return
3.00%	4.67%
5.00%	2.00%
5.00%	2.68%
10.00%	4.25%
2.00%	5.37%
6.00%	7.92%
2.50%	9.31%
7.50%	8.33%
28.00%	8.26%
12.50%	9.00%
6.50%	11.37%
12.00%	10.85%
	Allocation 3.00% 5.00% 5.00% 10.00% 2.00% 6.00% 2.50% 7.50% 28.00% 12.50% 6.50%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

(Continued)

Note 4: Pension Plans (Cont'd)

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

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, 2019 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:

	Jun	e 30, 2019			
		1%		Current	1%
		Decrease	D	iscount Rate	Increase
		(5.28%)		(6.23%)	(7.28%)
Township's proportionate share					
of the Net Pension Liability	\$	14,334,679	\$	11,348,246	\$ 8,831,753

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 Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-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.

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

(Continued)

Note 4: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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. The June 30, 2019 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense for the fiscal year ended June 30, 2019 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2019. The pension expense is deemed to be a State administrative expense due to the special funding situation.

(Continued)

Note 4: 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 \$1,124,106 for the year ended December 31, 2019. During the fiscal year ended June 30, 2019, the State of New Jersey contributed \$147,200 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$253,839.

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

Pension Liabilities and Pension Expense

At June 30, 2019, the Township's liability for its proportionate share of the net pension liability was \$13,835,508. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the Township's proportion was 0.113%, which was an decrease of 0.001% from its proportion measured as of June 30, 2018.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$2,184,653 as of June 30, 2019. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the State's proportion was 0.113%, which was an decrease of 0.001% from its proportion measured as of June 30, 2018 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 13,835,508
State's Proportionate Share of the Net Pension Liability Associated	
with the Township	 2,184,653
Total Net Pension Liability	\$ 16,020,161

For the year ended December 31, 2019, the Township recognized total pension expense of \$1,124,106.

(Continued)

Note 4: Pension Plans (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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-2019.

The actuarial assumptions used in the July 1, 2018 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, 2019) 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, 2019 are summarized in the following table:

Note 4: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

		Long-Term
		Expected Real
	Target	Rate of
Asset Class	Allocation	Return
Risk Management Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate - PFRS

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on 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. 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 made based on 70% of the actuarially 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 projected future benefit payments of current plan members through2076. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through June 30, 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

(Continued)

Note 4: 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, 2019 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, 2019			
		1%		Current	1%
		Decrease	D	iscount Rate	Increase
		(5.85%)		(6.85%)	(7.85%)
Township's proportionate share					
of the NPL and the State's proportionate					
share of the Net Pension Liability					
associated with the Township	\$	21,653,420	\$	16,020,161	\$ 11,357,828

Plan Fiduciary Net Position - PFRS

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

Note 5: 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 6: 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 \$2,490,957 at December 31, 2019. This amount is not reported either as an expenditure or a liability as of December 31, 2019.

Note 7: 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

(Continued)

Note 7: Selected Tax Information (Cont'd)

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

	20	19	2018		20	2017	
Tax Rate	\$	2.385	\$	2.295	\$	2.221	
Apportionment of Tax Rate							
Municipal		.560		.544		.536	
County		.304		.284		.277	
Local School		1.521		1.467		1.408	
Assessed Valuations							
2019	\$ 2,386,22	20,200.00					
2018			\$ 2,406,	453,500.00			
2017					\$ 2,435,95	59,500.00	

Comparison of Tax Levies and Collection Currently

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

		Currently			
		Cash	Percentage of		
<u>Year</u>	Tax Levy	Collections	Collection		
2019	\$ 56,998,435.52	\$ 56,724,483.43	99.52%		
2018	55,563,766.26	55,259,483.51	99.45%		
2017	54,654,340.49	54,350,338.96	99.44%		

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 8: 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.

(Continued)

Note 8: Cash and Cash Equivalents and Investments: (Cont'd)

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 below and 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%.

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;

(Continued)

Note 8: Cash and Cash Equivalents and Investments: (Cont'd)

<u>Investments</u>: (Cont'd)

- (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.

(Continued)

Note 8: Cash and Cash Equivalents and Investments: (Cont'd)

As of December 31, 2019, cash and cash equivalents of the Township of Pequannock consisted of the following:

Fund	Cash on Hand	Checking Accounts	Totals
Current	\$ 360.00	\$ 8,482,473.63	\$ 8,482,833.63
Federal and State Grant		157,079.90	157,079.90
Animal Control		15,586.48	15,586.48
Other Trust		1,464,004.76	1,464,004.76
Open Space Trust		423,380.45	423,380.45
General Capital		2,131,060.02	2,131,060.02
Water Utility Operating	60.00	713,798.76	713,858.76
Water Utility Capital		119,492.12	119,492.12
Sewer Utility Operating		1,248,490.82	1,248,490.82
Sewer Utility Assessment		727,286.13	727,286.13
Sewer Utility Capital		1,599,871.96	1,599,871.96
Solid Waste Utility Operating		552,873.89	552,873.89
Recreation Utility Operating		134,944.37	134,944.37
Recreation Utility Capial		8,909.14	8,909.14
	\$ 420.00	\$ 17,779,252.43	\$ 17,779,672.43

The Township did not hold any investments during the year ended December 31, 2019. The carrying amount of the Township of Pequannock's cash and cash equivalents at December 31, 2019, was \$17,779,672.43 and the bank balance was \$19,408,448.90.

Note 9: 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

(Continued)

Note 9 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. There is a very narrow possibility that the MCMJIF will impose supplemental assessments. In the twenty-six year history of the MCMJIF, a supplemental assessment has never been declared.

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 Statement No. 10 of 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.

Selected financial information for the Fund as of December 31, 2019 is as follows:

	Mı	Morris County Municipal Joint Insurance Fund		
Total Assets	\$	35,348,941		
Net Position	\$	12,792,902		
Total Revenue	\$	21,031,442		
Total Expenses	\$	21,821,417		
Change in Net Position	\$	(789,975)		
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

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.

(Continued)

Note 9: 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	Employee	Interest	Amount	Ending
Year	Contributions	Earned	Reimbursed	Balance
2019	\$ 27,667.98	\$ 1,014.43	\$ 44,260.44	\$ 96,149.92
2018	23,256.53	533.36	23,767.54	111,727.95
2017	27,075.85	116.22	41,046.70	111,705.60

Note 10: 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, 2019.

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 \$2,617,268.05 which it believes is sufficient to provide for this contingency as of December 31, 2019.

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2019:

<u>Fund</u>		Interfund Receivable		Interfund Payable	
Current Fund	\$	2,081.14	\$	112,041.92	
Federal and State Grant Fund		90,848.00		126.62	
Animal Control Fund				7.74	
Other Trust Funds				4,444,706.84	
Open Space Trust Fund				90,848.00	
General Capital Fund		3,533,556.13		1,848.99	
Water Utility Operating Fund		100,146.10		44.07	
Water Utility Capital Fund				104.75	
Sewer Utility Operating Fund		25,623.85		422,591.36	
Sewer Utility Assessment Fund		87,167.58		608.85	
Sewer Utility Capital Fund		975,000.00		140.66	
Solid Waste Utility Operating Fund		322,594.08			
Recreation Utility Operating Fund		10.46			
Recreation Utility Capital Fund				63,957.54	
	\$:	5,137,027.34	\$	5,137,027.34	

(Continued)

Note 11: 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 Operating Fund and prior year interfund balance not turned over. The interfund receivable in the Solid Waste Utility Operating Fund represents delinquent interest earned, grant money due from Federal and State Grant Fund and prior year interfind balances not turned over as of December 31, 2019. The interfund in the Recreation Utility Operating Fund is the interest earned in Recreation Capital Fund not yet turned over to the Recreation Operating Fund. The \$80,000 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 is due to the FEMA monies being collected in the Escrow Trust account. The interfund receivable in the Sewer Utility Capital Fund is due to monies disbursed to FEMA Trust Escrow for the 2016 flood elevation. The interfund Payable for Water Utility Capital Fund is monies received in Water Utility Capital Fund that are due to the Claims Fund.

Note 12: <u>Deferred Compensation</u>

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 13: 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 14: Open Space Trust Reserve

The 2019 Open Space tax levy is \$238,974.03 and the 2019 Open Space tax rate is \$0.006. The balance in the Reserve for Open Space at December 31, 2019 is \$332,532.45. The Funds collected are used to acquire and maintain open space, historical preservation and farm land property in the Township.

Note 15: Post-Retirement Benefits

A. General Information about the Township's OPEB Plan

Plan Description and Benefits Provided

The Township of Pequannock provides post-retirement benefits, as follows, to Township employees who meet the following criteria:

All retired employees and their dependents covered under the program including surviving spouses, if such employees retired from a State or locally-administered retirement system effective after the date the employer adopted the State Health Benefits Program on a benefit based on 25 years or more of service credited in such retirement system, excepting the employees who elected deferred retirement, but including the employees who retired on disability pensions based on fewer years of service credits in such retirement system and also to reimburse such retired employees and their spouses in accordance with the regulations of the State Health Benefits Commission.

Note 15: Post-Retirement Benefits (Cont'd)

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

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.

2019 employer contributions for retiree benefits paid by the Township were \$443,627.17 for 23 retirees.

Employees Covered by Benefit Terms

As of December 31, 2019, there were 20 retirees and spouses currently receiving retiree benefits and 76 active participants, of which 7 are eligible to retire as of the valuation date.

Total OPEB Liability

The Township's OPEB liability of \$23,994,267 was measured as of December 31, 2019 and was determined by an actuarial valuation as of December 31, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 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 2.74% at December 31, 2019 4.10% at December 31, 2018

Salary Increases 2.50% per year Inflation Assumptions 2.50% per year

The selected discount rate was based on the Bond Buyer 20 Index at December 31, 2018.

(Continued)

Note 15: <u>Post-Retirement Benefits</u> (Cont'd)

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

Actuarial Assumptions and Other Inputs (Cont'd)

Health Care			
Trend Rates	Year	Medical	Drug
Year 1 Trend	2019	5.70%	9.50%
Ultimate Trend	2026	5.00%	5.00%

The medical trend rate reduces .1% per annum, leveling at 5% per annum in 2026.

The drug trend rate reduces .5% per annum to 2022 and 1.0% per annum thereafter, leveling at 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

	T	Otal OPEB Liability
Balance at January 1, 2019	\$	20,184,527
Changes for Year:		
Service Cost		617,859
Interest on Total OPEB liability - over measurement period		842,535
Changes in Assumptions		2,854,851
Benefit Payments		(505,505)
Net Changes		3,809,740
Balance at December 31, 2019	\$	23,994,267

(Continued)

Note 15: 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 (3.10 percent) or 1 percentage higher (5.10 percent) than the current discount rate:

Dec	embe	r 31, 2019			
		1%			1%
		Decrease (1.74%)	D	iscount Rate (2.74%)	Increase (3.74%)
Total OPEB Liability	\$	25,453,848	\$	23,994,267	\$ 22,888,166

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:

	Decen	nber 31, 2019				
				Valuation		_
		1%		Healthcare		1%
		Decrease	Trend Rates		Increase	
Total OPEB Liability	\$	22,271,562	\$	23,994,267	\$	26,092,346

OPEB Expense

For the year ended December 31, 2019, the Township's OPEB expense was \$1,651,699 as determined by the actuarial valuation.

Note 15 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) Comprehensive Annual Financial Report (CAFR), 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 15: 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, 2018 through June 30, 2019. Employer and nonemployer allocation percentages were rounded for presentation purposes.

(Continued)

Note 15: Post-Retirement Benefits (Cont'd)

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

OPEB Expense

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2019 was \$7,414,078. At June 30, 2019, the State's proportion related to the Township was .134174%. This is the percentage of the total State Share of the net OPEB liability of the Plan.

During the year ended June 30, 2019, the State of New Jersey's OPEB expense related to the Township was \$98,275.

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-2019

PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

Note 15 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, 2018 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 5.7% and decreases to a 4.5% long term trend rate after eight years. For post 65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trent is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after right years.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%. 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 16: 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, 2019, 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.

Note 16: Tax Abatements (Cont'd)

The Township recognized revenue in the amount of \$105,271.85 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 2019 without the abatement would have been \$216,901.50 of which \$52,810.80 would have been for the local municipal tax, minimum library tax and municipal open space tax.

Note 17: Subsequent Event

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the Township's normal financial operations with the municipal office closed to the public and minimal staff working on site. Though the impact on the Township's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on tax collections as well as other revenue in the Operating Funds.

TOWNSHIP OF PEQUANNOCK SUPPLEMENTARY DATA

TOWNSHIP OF PEQUANNOCK OFFICIALS IN OFFICE AND SURETY BONDS YEAR ENDED DECEMBER 31, 2019

		Amount of	
Name	Title	Bond	Name of Corporate Surety
David Kohle	Mayor		
Ryan Herd	Deputy Mayor		
Richard Phelan	Council Member		
Melissa Florance-Lynch	Council Member		
Kyle Russell	Council Member		
Adam Brewer	Township Manger/QPA	**	MCM/MEL JIF
Julie Kupilik	Chief Financial Officer	**	MCM/MEL JIF
Carol Marsh	Township Clerk	**	MCM/MEL JIF
Lorraine Tarnogursky	Tax Collector (Though 7/30/19)	**	MCM/MEL JIF
Evelyn Roosma	Tax Collector (Appointed 8/1/19)		
Hollis J. Lyon	Treasurer	**	MCM/MEL JIF
Anders Hassler	Utility Collector (Through 5/20/19)	**	MCM/MEL JIF
Patricia Rudolph-Conte	Utility Collector (Effective 8/12/19)		
Linda Zacharenko	Planning Board Secretary	**	MCM/MEL JIF
Robert Oostdyk	Township Attorney		
John A. Paparazzo	Municipal Magistrate	**	MCM/MEL JIF
Shelly Gallagher	Court Administrator	**	MCM/MEL JIF
Brian C. Spring	Police Chief	**	MCM/MEL JIF
Peter Correale	Health Officer/ Registrar	**	MCM/MEL JIF
	<u> </u>		
** There is a Public Employee	Blanket Bond for \$1,000,000 covering all m	unicipal employees.	
Morris County Municipal Joint	Insurance Fund	\$ 50,000	
Municipal Excess Liability Join		950,000	
		\$ 1,000,000	

All bonds were examined and were properly executed.

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 CURRENT FUND

TOWNSHIP OF PEQUANNOCK <u>CURRENT FUND</u> <u>SCHEDULE OF CASH - TREASURER</u>

Ref.

Balance December 31, 2018	A	\$ 7,345,503.79
Increased by Receipts:		
Tax Collector	\$ 57,283,454.46	
Petty Cash	150.00	
Miscellaneous Revenue Not Anticipated	426,924.60	
Revenue Accounts Receivable	3,530,781.94	
Due From State of New Jersey -		
Senior Citizens' and Veterans' Deductions	109,791.79	
Appropriation Refunds	135,188.48	
Appropriation Reserve Refunds	11,106.99	
Due Federal and State Grant Fund	418,991.68	
Due Animal Control Fund	3,776.37	
Due Other Trust Funds	78,377.57	
Due General Capital Fund	9,294.97	
Due Water Utility Operating Fund	178,005.01	
Due Water Utility Capital Fund	326,574.48	
Due Sewer Utility Operating Fund	947,907.08	
Due Sewer Utility Assessment Trust	1,107,642.21	
Due Solid Waste Utility Operating Fund	67,300.00	
Due Recreation Utility Operating Fund	10,000.00	
Due Pequannock Public Library	485,790.30	
Reserve for County PILOT Taxes Payable	5,172.15	
Due to State of New Jersey:		
Building Surcharge Fees	24,708.00	
Marriage and Burial License Fees	1,170.00	

65,162,108.08 72,507,611.87

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

ъ	C
ĸ	ρt
1/	u.

Decreased by Disbursements:		
2019 Appropriations	\$ 16,284,253.08	
2018 Appropriation Reserves	279,277.32	
Petty Cash	150.00	
County Taxes	7,266,312.07	
Local School District Taxes	36,285,854.00	
Tax Overpayments Refunded	2,056.10	
Reserve for Master Plan	128,824.00	
Reserve for Pending Tax Appeals	19,313.11	
Third Party Tax Title Lien Redemptions	239,613.86	
Due to State of New Jersey:		
Building Surcharge Fees	33,842.00	
Marriage License Fees	1,785.00	
Due Federal and State Grant Fund	434,299.25	
Due Animal Control Fund	3,764.09	
Due Other Trust Funds	59,001.43	
Due to Open Space Trust Fund	239,852.56	
Due Water Utility Operating Fund	178,063.51	
Due Sewer Utility Operating Fund	981,245.31	
Due Sewer Utility Assessment Trust	1,020,474.63	
Due Solid Waste Utility Operating Fund	68,500.79	
Due Recreation Utility Operating Fund	10,050.00	
Due Pequannock Public Library	471,415.04	
Refund of Miscellaneous Revenue	17,191.09	
		\$ 64,025,138.24
D. I. 21 2010		Ф. 0.400.470.60
Balance December 31, 2019	A	\$ 8,482,473.63

TOWNSHIP OF PEQUANNOCK CURRENT FUND SCHEDULE OF CASH - COLLECTOR YEAR ENDED DECEMBER 31, 2019

Interest and Costs on Taxes	\$ 63,944.28
Taxes Receivable	56,623,922.08
Tax Search Fees and Other Fees	1,109.00
2020 Prepaid Taxes	251,752.27
Tax Overpayments	40,955.42
Tax Sale Premiums	56,400.00
Third-Party Lien Redemptions	239,613.86
Other Miscellaneous	 5,757.55
	 57,283,454.46

Decreased by:

Amount Turned Over to Treasurer \$\frac{\$57,283,454.46}{}

TOWNSHIP OF PEQUANNOCK CURRENT FUND SCHEDULE OF CASH - GRANT FUNDS

Ref.

Balance December 31, 2018	A		\$ 78,817.93
Increased by Receipts: Grant Funds Received Unappropriated Grant Reserves		\$ 424,090.27 88,384.07	
Due From Current Fund		 9,895.47	
			522,369.81 601,187.74
Decreased by Disbursements: Appropriated Grant Reserve Expenditures		418,102.15	
Due From Current Fund Due Solid Waste Utility Operating Fund		1,400.03 24,605.66	
2			444,107.84
Balance December 31, 2019	A		\$ 157,079.90

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

Balance	Dec. 31, 2019	257,054.94	257,054.94	A													
Ba	Dec.	\$ 25	\$ 25														
Transferred to Tax	Title Liens	3,285.42 4,858.25	8,143.67														
Tra	Ē	↔	↔														
Taxes	Canceled	184.22 12,035.90	12,220.12														
		↔	↔														
Senior Citizens' and Veterans'	Deductions	(3,733.56) 113,134.94	109,401.38														
D	1	↔	↔														
Tax Overpayments	Applied	21,911.41	21,911.41														
ó		↔	↔														
Collections	2019	\$ 276,656.06 56,347,266.02	\$ 56,623,922.08			\$ 56,911,364.90 87,070.62	\$ 56,998,435.52		\$ 36,288,143.00			7,235,832.47	238,974.03			13,235,486.02	10:00 to 00:00 to 00:
	2018	, 242,174.06	242,174.06							\$ 7,015,990.59	208,774.34	11,067.54		12,214,585.39 926,591.61	94,309.02		
		2	2							↔		I				I	
	2019 Levy	\$ 56,998,435.52	\$ 56,998,435.52										70				
Added	Taxes	1,704.75	1,704.75										er Trust Fund				
		↔	↔		×	sex						S	ue Oth	S			
Balance	Dec. 31, 2018	\$ 274,687.39	\$ 274,687.39	A	Analysis of 2019 Property Tax Levy Tax Yield:	General Purpose Tax Added, Omitted and Rollback Taxes			Local School District Taxes		Space Taxes	County Added and Omitted Taxes	Local Taxes for Open Space - Due Other Trust Funds	Local Tax for Municipal Purposes Minimum Library Tax	Add: Additional Tax Levied		
	Year	2018 2019	Total	Ref.	Analysis of 2019 Tax Yield:	General Purpose Tax Added, Omitted and J		Tax Levy:	Local School	County Taxes	County Open Space Taxes	County Adde	Local Taxes 1	Local Tax for Municip Minimum Library Tax	Add: Additio		

TOWNSHIP OF PEQUANNOCK CURRENT FUND SCHEDULE OF TAX TITLE LIENS

	Ref.		
Balance December 31, 2018	A		\$ 6,217.75
Increased by: Transfer from Taxes Receivable Interest and Costs on Tax Sale		\$ 8,143.67 155.71	 8,299.38
Balance December 31, 2019	A		\$ 14,517.13

TOWNSHIP OF PEQUANNOCK CURRENT FUND SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ŏ	Balance Dec. 31, 2018	Accrued In 2019		Collected by	ted by Treasurer	Balance Dec. 31, 2019	
Clerk:							`	1
Licenses:								
Alcoholic Beverage			\$ 23,050.00			\$ 23,050.00		
Other			8,020.00			8,020.00		
Fees and Permits			3,083.50			3,083.50		
Board of Health:								
Other Licenses			33,666.50			33,666.50		
Fees and Permits			66,952.00			66,952.00		
Planning and Zoning:								
Fees and Permits			24,584.25			24,584.25		
Police:								
Fees and Permits			2,547.85			2,547.85		
Tax Assessor:								
Fees and Permits			480.00			480.00		
Tax Collector:								
Fees and Permits			1,109.00	↔	1,109.00			
Municipal Court:								
Fines and Costs	↔	17,750.46	243,370.32			245,593.56	\$ 15,527.22	
Intereset and Cost on Taxes			63,944.28		63,944.28			
Interest on Investments and Deposits			148,155.97			148,155.97		
Cable Television Franchise Fee			74,135.00			74,135.00		
Senior Citizen House (PILOT)			105,271.85			105,271.85		
Energy Receipts Tax			1,214,373.00			1,214,373.00		
Uniform Construction Code Official			367,137.25			367,137.25		
Field Maintenance Contract			58,140.00			58,140.00		
County Road Plowing and Salting - Morris County			23,125.00			23,125.00		
Vehicle Maintenance - Board of Education		7,500.00	15,000.00			22,500.00		

A

A

Ref.

TOWNSHIP OF PEQUANNOCK

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Balance Dec. 31, 2018	Accrued In 2019	Collector	Collected by Treasurer	Bala Dec. 33	Balance Dec. 31, 2019
			To to Concert		1 1
€	32,240.25		\$ 32,240.25		
	96,720.75		96,720.75		
	96,343.00		96,343.00		
\$ 10,977.30	44,787.00		44,567.55	\$	11,196.75
	147,183.00		147,183.00		
	66,480.00		66,480.00		
	90,368.00		90,368.00		
	92,776.00		92,776.00		
	31,384.00		31,384.00		
	41,467.00		41,467.00		
	25,911.45		25,911.45		
	272,095.00		272,095.00		
	9,400.00		9,400.00		
	63,030.21		63,030.21		
\$ 36,227.76 \$	\$ 3,586,331.43	\$ 65,053.28	\$ 3,530,781.94	\$ 26	26,723.97

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

Balance	Dec. 31, 2019						14,659.00	12,659.00	2,000.00									23,911.11	25,500.00					15,000.00	5,295.56	3,124.00				227,500.00	66,000.00
Canceled to	Operations		3.382.59		2,437.19		\$								1.00		3.42				6,780.00	2,000.00	1,956.28			24,186.00					
Transfer from Unappropriated	Reserves									\$ 5,071.00	3,593.00	31,960.00	11,571.00	4,900.00	19,317.00																
	Received		\$ 1.973.17		7,744.81	2,500.00											23,911.07	73,746.89		25,000.00								47,437.50	43,750.00		198,000.00
Budget Revenue	Realized						\$ 14,659.00	12,659.00	2,000.00	5,071.00	3,593.00	31,960.00	11,571.00	4,900.00	19,317.00			97,658.00	25,500.00	25,000.00											264,000.00
Balance	Dec. 31, 2018		\$ 5.355.76		10,182.00	2,500.00									1.00		23,914.49				6,780.00	2,000.00	1,956.28	15,000.00	5,295.56	27,310.00		47,437.50	43,750.00	227,500.00	
		Municipal Alliance on Alcoholism and Drug Abuse: State Share	2016	2017	2018	2018 Supplemental	2019	2020	2020 Supplemental	Drunk Driving Enforcement Fund	NJ Body Armor Replacement Fund	Clean Communities Program	NJ Division of Forestry - Forestry Management Plan	Cablevision - Public Access Equipment Grant	Recycling Tonnage Grant 2007	NJ Senior Citizen & Disabled Residents Transportation Assistance:	2018	2019	NJ Senior Citizen Transit Assistant Act-2019 (NJ Transit)	NJ Senior Citizen Transit Assistant Act- 2019 (DAR Trust)	Body Armor Replacement Funds	Green Communities Grant	NJ Department of Environmental Protection - Recreational Trails Grant	NJ Highlands Grant - Initial Assessment	NJ Highlands Grant - Plan Conformance	Morris County Historic Preservation Trust - PP Rail Station	NJ Department of Transportation Trust Fund:	Mountain Ave 2016	Mountain Ave 2017	Hillview/Beaverbrook 2018	West Parkway 2019

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

	Balance Dec. 31, 2019	\$ 344,832.00 18,560.00 4,800.00	\$ 763,840.67 A
	Canceled to Operations	2,707.20	\$ 43,453.68
	٥ ن	↔	↔
Transfer from	Unappropriated Reserves		76,412.00
	Una		\$
	Received		424,090.27
			↔
Budget	Revenue Realized	344,832.00 18,560.00 4,800.00	886,080.00
		↔	\$
	Balance Dec. 31, 2018	2,707.20	421,716.62 A
	De	↔	# <u></u>
		Morris County Historic Preservation (Construction)- 2019 Morris County Historic Preservation (Construction Docs)- 2019 National Institute of Justice- Body Armor 2019 NJ Division of Highway Traffic Safety - Drive Sober or Get Pulled Over	Ref.

TOWNSHIP OF PEQUANNOCK CURRENT FUND SCHEDULE OF 2018 APPROPRIATION RESERVES YEAR ENDED DECEMBER 31, 2019

	Balance Dec. 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:	200.01,2010	1,1001110411011	- Charge C	<u> </u>
Township Clerk:				
Salaries and Wages	\$ 39.99	\$ 39.99		\$ 39.99
Other Expenses	15,298.28	15,298.28	\$ 606.64	14,691.64
O/E - Codification of Ordinances	20,000.00	20,000.00	20,000.00	14,071.04
Mayor and Council:	20,000.00	20,000.00	20,000.00	
Other Expenses	4,318.40	4,318.40	188.00	4,130.40
Manager's Office:	7,510.40	7,510.70	100.00	4,130.40
Salaries and Wages	25,051.46	25,051.46		25,051.46
Other Expenses	5,148.15	5,148.15	2,240.15	2,908.00
Legal Services and Costs:	3,140.13	3,140.13	2,240.13	2,700.00
Other Expenses	3,326.71	3,326.71	3,326.71	
Financial Administration (Treasury):	3,320.71	3,320.71	3,320.71	
Salaries and Wages	4,750.96	4,750.96		4,750.96
Other Expenses	20,582.57	20,582.57	7,385.96	13,196.61
Audit Services:	20,362.37	20,362.37	7,363.90	13,190.01
Other Expenses	18,000.00	18,000.00	18,000.00	
Data Processing	10,842.51	10,842.51	10,833.11	9.40
Revenue Administration (Tax Collection):	10,642.31	10,642.31	10,655.11	9.40
	10,014.14	10.014.14		10,014.14
Salaries and Wages		10,014.14		,
Other Expenses	4,220.74	4,220.74		4,220.74
Tax Assessment Administration:	36.36	26.26		26.26
Salaries and Wages		36.36	2.976.20	36.36
Other Expenses	16,791.30	16,791.30	2,876.20	13,915.10
Planning Board:	22.705.27	22.705.27		22 795 27
Salaries and Wages	23,785.27	23,785.27	5 210 61	23,785.27
Other Expenses	13,847.58	13,847.58	5,310.61	8,536.97
Zoning Board of Adjustment:	275.00	277.00		275 00
Salaries and Wages	275.00	275.00	1.705.06	275.00
Other Expenses	5,790.99	5,790.99	1,785.96	4,005.03
Municipal Flood Advocate:	2 020 00	2 020 00	2 020 00	
Other Expenses	3,930.88	3,930.88	3,930.88	
Office of Fire & Safety:				
Salaries & Wages	6,424.22	6,424.22		6,424.22
Other Expenses	3,332.56	3,332.56		3,332.56
PUBLIC SAFETY:				
Municipal Prosecutor:				
Salaries and Wages	1,119.97	1,119.97		1,119.97
Municipal Court:				
Salaries and Wages	5,819.23	5,819.23		5,819.23
Other Expenses	5,080.63	5,080.63	1,884.70	3,195.93
Engineering Services:				
Salaries and Wages	15,059.24	15,059.24		15,059.24
Other Expenses	13,494.27	25,494.27	14,020.35	11,473.92
Public Defender:				
Other Expenses	314.93	314.93		314.93
Police:				
Salaries & Wages	92,628.62	57,628.62		57,628.62
Other Expenses	11,141.04	11,141.04	10,614.95	526.09

TOWNSHIP OF PEQUANNOCK

CURRENT FUND SCHEDULE OF 2018 APPROPRIATION RESERVES YEAR ENDED DECEMBER 31, 2019

(Continued)

	Balance Dec. 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY: (Con't)				
Emergency Management:				
Salaries & Wages	\$ 3,125.65	\$ 3,125.65		\$ 3,125.65
Other Expenses	6,000.00	6,000.00		6,000.00
Aid to Volunteer Fire Companies	3,000.00	3,000.00		3,000.00
Fire Department:	,	,		,
Clothing Allowance	9,354.00	9,154.00		9,154.00
Other Expenses	21,557.52	21,757.52	\$ 8,619.92	13,137.60
OTHER COMMON OPERATING FUNCTION		,	7 2,027.72	,
Teen Advisory Committee				
Other Expenses	931.75	931.75		931.75
Historic Preservation:	701110	701110		,51.76
Other Expenses	850.00	850.00		850.00
Environmental Committee:	000.00	000.00		020.00
Other Expenses	821.11	821.11	574.94	246.17
Economic Development Committee:	021.11	021.11	371.71	210.17
Other Expense	3,508.62	3,508.62	45.00	3,463.62
Flood Advisory Committee	2,500.00	2,500.00	43.00	2,500.00
HEALTH AND WELFARE FUNCTIONS:	2,300.00	2,300.00		2,300.00
PV Mental Health Center Contribution	100.00	100.00		100.00
Senior Citizen Advisory Committee:	100.00	100.00		100.00
· · · · · · · · · · · · · · · · · · ·	1,836.44	1,836.44		1,836.44
Other Expenses	1,030.44	1,030.44		1,030.44
Emergency Medical Services:	500.00	500.00		500.00
Salaries and Wages				
Other Expenses	500.00	500.00		500.00
Board of Health:	0.000.00	0.000.00		0.000.00
Salaries & Wages	8,808.80	8,808.80	1 100 14	8,808.80
Other Expenses	10,360.83	10,360.83	1,182.14	9,178.69
PUBLIC WORKS:				
Community Service Act:	22 000 00	22 000 00	2 272 50	10 (27 50
Other Expenses	22,000.00	22,000.00	3,372.50	18,627.50
Shade Tree Commission:	11.750.00	11.750.00	7.7.7.00	2.002.06
Other Expenses	11,750.98	11,750.98	7,767.92	3,983.06
Public Building & Grounds:	10.041.41	10.261.61		10.241.41
Salaries & Wages	10,261.61	10,261.61	12.020.21	10,261.61
Other Expenses	13,155.06	13,155.06	13,029.31	125.75
Road Repairs & Maintenance:	== =0	== =0		== =0
Salaries and Wages	4,477.28	4,477.28		4,477.28
Other Expenses	24,737.72	32,737.72	28,696.16	4,041.56
Vehicle Maintenance:				
Salaries and Wages	6,000.08	6,000.08		6,000.08
Other Expenses	18,073.73	18,073.73	12,294.49	5,779.24
PARKS AND RECREATION FUNCTIONS:				
Parks & Playgrounds:				
Salaries & Wages	9,982.76	9,982.76		9,982.76
Other Expenses	2,941.76	2,941.76	2,897.14	44.62
Recreation:				
Salaries & Wages	13,392.04	13,392.04		13,392.04
Other Expenses	2,310.37	2,310.37	363.49	1,946.88

TOWNSHIP OF PEQUANNOCK CURRENT FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES YEAR ENDED DECEMBER 31, 2019

(Continued)

	Γ	Balance Dec. 31, 2018	N	Balance After Iodification	Paid or Charged	Balance Lapsed
General Government:						
Dial-a-Ride Program:						
Other Expenses	\$	2,701.74	\$	2,701.74	\$ 2,339.15	\$ 362.59
Celebration of Public Events:						
Other Expenses		7,423.50		7,423.50	6,860.35	563.15
INSURANCE:						
General Liability		44,589.89		44,589.89	1,000.00	43,589.89
Unemployment Insurance		2,000.00		2,000.00		2,000.00
Employee Group Health		23,152.77		23,152.77	22,452.77	700.00
STATE UNIFORM CONSTRUCTION CODE:						
Salaries and Wages		11,106.44		11,106.44		11,106.44
Other Expenses		9,285.06		9,285.06	505.46	8,779.60
UNCLASSIFIED:						
Utility Expenses:						
Electricity		3,373.63		18,373.63	3,449.15	14,924.48
Telephone		7,215.82		7,215.82	5,077.14	2,138.68
Water		4,650.65		4,650.65	1,261.53	3,389.12
Natural Gas		10,828.43		10,828.43	10,711.61	116.82
Street Lighting		18,603.48		18,603.48	14,470.62	4,132.86
Gasoline		28,671.23		28,671.23	27,763.02	908.21
STATUTORY EXPENDITURES:				.=		a= aa
Public Employees' Retirement System		97.98		97.98		97.98
Police & Firemens' Retirement System		73.81		73.81		73.81
Social Security		8,674.97		8,674.97	8,377.55	297.42
Police Dispatch/911-Salaries & Wages		21,518.57		21,518.57		21,518.57
Other Expenses		19,305.00		19,305.00		19,305.00
Fair Housing Committee:		220.00		220.00		220.00
Salaries and Wages		230.00		230.00		230.00
Other Expenses		2,044.20		2,044.20	 	 2,044.20
	\$	798,851.28	\$	798,851.28	\$ 286,115.58	\$ 512,735.70
Balance December 31, 2018:						
<u>Ref.</u>						
Unencumbered A	\$	626,954.78				
Encumbered A		171,896.50				
	\$	798,851.28				
		<u> </u>				
			C	ash Disbursed	\$ 279,277.32	
			Acc	ounts Payable	780.50	
		Rese	erve fo	r Codification	13,000.00	
		Due to Federal a	and Sta	te Grant Fund	 4,164.75	
					297,222.57	
				Less Refunds	 (11,106.99)	
					_	
					\$ 286,115.58	

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

	Ref.	
Balance December 31, 2018	A	\$ 136,605.00
Increased by: Levy - Calendar Year 2019		 36,288,143.00
Decreased by: Payments to Board of Education		36,424,748.00 36,285,854.00
Balance December 31, 2019	A	\$ 138,894.00

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

Balance Dec. 31, 2019	\$ 626.00 1,027.00	6,885.72	31,690.66	2,000.00 4,165.00 11,399.00 4,164.75	23,845.01 1,267.00	15,000.00 2,435.84	3,437.08	2,450.00 2,450.00 4,900.000 1 ot 3 4-13
Cancelled			\$ 1,244.45					4,900.00
Encumbered		\$ 300.00	565.20				363.16 64.00 310.00 3,593.00 1,362.92	
Expended		\$ 28.55 240.25 13,133.54 22,224.28	269.34 5,144.70 1.125.00	3,260.00				
Transfer from Current Fund Budget			\$ 31,960.00 12,659.00	2,000.00 4,165.00 14,659.00 4,164.75			3,593.00	4,900.00
Balance Dec. 31, 2018	\$ 626.00	28.55 240.25 13,433.54 33,410.00	6,389.15	1 500 00	23,845.01 1,267.00	15,000.00 2,435.84	363.16 64.00 310.00	4,900.00 2,450.00 2,450.00
	Municipal Alcohol Education and Rehabilitation Grant: 2016 2017 Clean Communities Program:	2015 2016 2017 2018	2019 Municipal Alliance on Alcoholism and Drug Abuse: 2018 2019	2019 Supplemental 2019 Local Match 2020 2020 Local Match NACCHO Grant	NJ Senior Citizen and Disabled Residents Transportation Assistance Act: 2018	NJ Highlands Protection Grant: Initial Assessment Plan Performance NJ Body Armor Replacement Fund:	2016 2017 2018 2019 National Institute of Justice Body Armor- 2019 Cablevision - Public Access Equipment Grant:	2016 2017 2018 2019

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

A-13 2 of 3

	Balance Dec. 31, 2018	Transfer from Current Fund Budget	Expended	Encumbered	Cancelled	Balance Dec. 31, 2019
NJ Department of Transportation Trust Fund: Hillview/Beyverbrook 2018	\$ 227,500.00					\$ 227.500.00
West Parkway - 2019		\$ 264,000.00	\$ 264,000.00			
NJ Department of Environmental Protection:						
River Desnagging - Administration	3,000.00			\$ 3,000.00		
River Desnagging Grant	28,289.55			11,000.00		17,289.55
Atlantic Health System - Mental Health First Responders	4,783.80					4,783.80
Morris County Historic Preservation - Martin Berry House	3,905.39					3,905.39
Recycling Tonnage Grant - 2019 Recreation Trail Program:		19,317.00				19,317.00
2015	1,101.29				\$ 1,101.29	
2016	228.83					228.83
Local Match 2016	3,582.00				896.15	2,685.85
2019		11,571.00				11,571.00
Smart Growth Planning - Local Match	750.00				750.00	
Tobacco Age of Sale Enforcement Program Enforcement:						
2012	207.00				207.00	
2011	811.70				811.70	
2010	2,820.00					2,820.00
2009	2,498.32					2,498.32
Drunk Driving Enforcement:						
2015	7,217.92				7,217.92	
2016	00.986.90				6,986.00	
2017	5,997.00				5,997.00	
2018	5,750.00		5,750.00			
2019		5,071.00	5,071.00			
Stormwater Management	1,912.00					1,912.00
NJ Division of Highway Traffic Safety:						
Drive Sober or Get Pulled Over	5,000.00				5,000.00	
Over the Limit, Under Arrest	8,035.00				8,035.00	
NJ Forestry Management Grant	3,000.00					3,000.00
Mayor's Wellness Campaign	591.81				591.81	

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

A-13 3 of 3

Balance Dec. 31, 2019		\$ 25,500.00	23,200.00	431,040.00	\$ 925,327.36 A	
Cancelled	98.47				44,836.79	
Encumbered	∽				24,858.28 \$ A	
En		0 4			↔	
Expended		\$ 97,658.00			\$ 425,040.90	
Transfer from Current Fund Budget		\$ 97,658.00 25,500.00 25,000.00	23,200.00	431,040.00	\$ 985,257.75	\$ 886,080.00 90,848.00 8,329.75
Balance Dec. 31, 2018	\$ 98.47				\$ 434,805.58 Ref. A	·
	New Jersey League of Municipalities Education Foundation: 2016	NJ Senior Citizen Transit Assistant Act- 2019 NJ Senior Citizen Transit Assistant Act- 2019 (NJ Transit) NJ Senior Citizen Transit Assistant Act- 2019 (DAR Trust)	Morris County Historic Preservation Trust-Martin Berry House (Construction Docs-2019)	Morris County Historic Preservation Trust- Martin Berry House (Construction 2019)		Federal and State Grant Funds Due From Open Space Trust Fund Local Matching Funds

\$ 418,102.15 6,938.75

Cash Disbursed Due Current Fund

\$ 985,257.75

\$ 425,040.90

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

Balance Dec. 31, 2019	1,590.58	35,597.57 0.00 820.00	23,448.16	61,456.31 A
Dec	↔		€	∞
Cancelled	1.76 2.32 1.64	1.92 0.74 0.17	0.26	8.81
<u>లో</u>	↔		€	↔
Transferred to Grants Receivable	5,071.00	31,960.00	19,317.00 4,900.00	76,412.00
Tra	⊗		+	∞
Cash Received	1,527.12	35,597.57	42,765.42	88,384.07
	↔		+	∞
Balance Dec. 31, 2018	65.22 5,073.32 0.68	31,961.92 0.74 11,571.17 820.00		49,493.05 A
De	↔		•	∞
	Municipal Alcohol Education and Rehabilitation Program Drunk Driving Enforcement Fund NJ Body Armor Replacement Fund	Clean Communities Program NJ Highway Safety - Police NJ Division of Forestry - Forestry Management Plan NACCHO Grant	Recycling Tonnage Cablevision - Public Access Equipment Grant	Ref.

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 TRUST FUNDS

TOWNSHIP OF PEQUANNOCK TRUST FUNDS SCHEDULE OF CASH - TREASURER

	Ref.	Animal Co	ontrol	Fund	Other Tr	ust Funds
Balance December 31, 2018	В		\$	21,794.08		\$2,962,246.82
Increased by Receipts:						
Animal Control Collector		\$ 24,169.60				
Cat License Fees		5,617.00				
Late and Replacement Fees		1,417.00				
State Registration Fees		1,691.40				
Prepaid License Fees:						
Dog License Fees		6,905.60				
Cat License Fees		1,301.00				
State Registration Fees		464.40				
Donations/Other		6,787.00				
Budget Appropriation		15,000.00				
Developers Deposits - Escrow					\$ 75,107.72	
Animal Shelter					60,050.54	
Developers Deposits - Affordable Housing					12,618.11	
Fire Safety					121.47	
Payroll Section 125 Trust					19,396.20	
Unemployment Compensation Insurance					28,682.41	
Due to Interlocal Towns					70,000.00	
Due to Current Fund - Interest		199.22				
Due to Current Fund					2,072.49	
Due to General Capital Fund					1,286,741.87	
Due to Sewer Utility Capital Fund					975,000.00	
Reserve for Youth Development					63.00	
Reserve for Refundable Permits					18,735.02	
Reserve for Group Health Insurance					3,912,198.29	
Reserve for Parking Offenses Adjudication Act					9.62	
Reserve for Premium on Tax Sale					59,866.49	
Reserve for Public Defender					22,858.49	
Reserve for Accrued Leave					385.26	
Reserve for Sewer Line					308.98	
Reserve for Storm Recovery					619.58	
Reserve for Insurance Refunds					6,303.10	
Reserve for Dial a Ride (D.A.R. Bequests)					72.57	
Reserve for FEMA Elevation Escrow 2015					3,778.22	
Reserve for FEMA Elevation Escrow 2016					215,367.48	
				63,552.22		6,770,356.91
				85,346.30		9,732,603.73

TOWNSHIP OF PEQUANNOCK TRUST FUNDS SCHEDULE OF CASH - TREASURER

	Ref.	Animal Co	ntrol	Fund	Other Tr	ust Funds
Decreased by Disbursements:						
Animal Control Expenditures		\$ 67,021.06				
Due State of New Jersey		2,535.00				
Due Current Fund - Interest		203.76				
Due to Current Fund					\$ 77,750.84	
Due to General Capital Fund					196,625.47	
Due to Sewer Utility Capital Fund					500,000.00	
Developers Deposits - Escrow					222,129.77	
Animal Shelter					67,506.40	
Developers Deposits - Affordable Housing					37,984.00	
Payroll Section 125 Trust					17,921.71	
Unemployment Compensation Insurance					44,260.44	
Due to Interlocal Towns					66,205.00	
Reserve for Refundable Permits					7,800.00	
Reserve for Group Health Insurance					3,696,309.75	
Reserve for Premium on Tax Sale					238,000.00	
Reserve for Public Defender					13,052.00	
Reserve for Accrued Leave					325,379.66	
Reserve for Insurance Refunds					12,794.31	
Reserve for FEMA Elevation Escrow 2015					1,401,508.62	
Reserve for FEMA Elevation Escrow 2016					1,343,371.00	
		_	\$	69,759.82		\$8,268,598.97
Balance December 31, 2019	В		\$	15,586.48		\$1,464,004.76

TOWNSHIP OF PEQUANNOCK TRUST FUNDS SCHEDULE OF CASH - TREASURER

	Ref.	Open Space	Trust	Fund
Balance December 31, 2018	В		\$	202,687.50
Increased by Receipts:				
Interest Earned		\$ 1,911.39		
Open Space Levy		238,974.03		
Due Current Fund		878.53		
Other Deposits		71,835.00		
				313,598.95
				516,286.45
Decreased by Disbursements:				
Due General Capital Fund		17,143.00		
Open Space Trust Reserve Expenditures		75,763.00		
				92,906.00
Balance December 31, 2019	В		\$	423,380.45

TOWNSHIP OF PEQUANNOCK ASSESSMENT TRUST FUND ANALYSIS OF CASH YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

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

	Ref.		
Balance December 31, 2018	В		\$ 10,520.60
Increased by:			
Dog License Fees Collected		\$ 24,169.60	
Cat License Fees Collected		5,617.00	
Prior Year Prepaid Licenses:			
Dog License Fees Collected		8,673.60	
Cat License Fees Collected		1,744.00	
Late and Replacement Fees		1,417.00	
Donations/Other		6,787.00	
Budget Appropriations 2019		15,000.00	
			63,408.20
			73,928.80
Decreased by:			
Expenditures Under R.S. 4:19-15.11			 67,021.06
Balance December 31, 2019	В		\$ 6,907.74

License Fees Collected

<u>Year</u>	 Amount
2017	\$ 39,185.60
2018	 46,042.80
Maximum Allowable Reserve	\$ 85,228.40

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 GENERAL CAPITAL FUND

2,131,060.02

TOWNSHIP OF PEQUANNOCK GENERAL CAPITAL FUND SCHEDULE OF CASH

	Ref.	
Balance December 31, 2018	С	\$ 2,113,325.21
Increased by Receipts:		
Current Fund Appropriations:		
Capital Improvement Fund	\$ 668,700.00	
Deferred Charges to Future Taxation - Unfunded:		
Budget Appropriation	186,000.00	
Local Grant Funds - Martin Berry House	53,289.00	
Reserve for:		
DPW Equipment	64,000.00	
Data Processing /Office Equipment	15,500.00	
Road Resurfacing	304,800.00	
Fire Apparatus	200,000.00	
Bond Anticipation Notes	5,500,000.00	
Fund Balance:		
Premium on Bond Anticipation Notes Issued	29,205.00	
Due to Current Fund:		
Interest on Investments and Deposits	117,770.02	
Due Open Space Trust Fund	17,143.00	
Due Other Trust Funds	196,891.60	
Due to Recreation Utility Capital Fund	120,605.16	
Improvement Authorization Refunds	65,744.34	
•		7,539,648.12
		9,652,973.33
Decreased by Disbursements:		
Bond Anticipation Notes Matured	3,500,000.00	
Improvement Authorization Expenditures	2,490,137.07	
Due to Current Fund:		
Interest on Investments and Deposits	140,216.00	
Due from Other Trust Fund	1,287,008.00	
Due to Recreation Utility Capital Fund	104,552.24	
		 7,521,913.31

C

Balance December 31, 2019

TOWNSHIP OF PEQUANNOCK GENERAL CAPITAL FUND ANALYSIS OF CASH

			Receints			Dishursements				
	Balance (Deficit)	Budget	Bond Anticipation		Improvement	Bond Anticipation		Transfers	SI	Balance (Deficit)
	Dec. 31, 2018	Appropriation	Notes	Miscellaneous	Authorizations	Notes	Miscellaneous	From	To	Dec. 31, 2019
Fund Balance Capital Improvement Fund Due Current Fund Due Course Tang Fund	\$ 45,441.28 36,000.00 9,294.97	\$ 668,700.00		\$ 29,205.00			\$ 140,216.00	\$ 818,700.00	\$ 33,977.23 269,462.21 15,000.00	\$ 108,623.51 155,462.21 1,848.99
Due Open Space 1 tust rund Due Other Trust Funds Due Recreation Utility Capital Fund Due from Pequannock Township Board of Education FEMA Receivable - Generators FEMA Receivable -Flood Mitigation	(17,143,00) (2,379,492,65) (80,000.00) (386,196,00) (4,568,863.00)			17,145.00			1,287,008.00	25,167.16	59,691.58	(3,469,609.05) (63,947.08) (25,167.16) (326,504.42) (4,568,863.00)
Reserve 101. Encumbrances DPW Equipment Data Processing /Office Equipment Road Resurfacing Vehicle Replacement Fire Apparatus	688,734.47 60,500.00 35,000.00 20,000.00 80,824.00 225,000.00	64,000.00 15,500.00 304,800.00 200,000.00			\$ 688,734.47			64,000.00 15,500.00 304,800.00		60,500.00 35,000.00 20,000.00 80,824.00 425,000.00
Flood Control Improvements FEMA Grant Receivables Payment of Debt Service Ord. Improvement Description	10s,000,00 4,568,863,00 386,196,71							59,691.58	25,167.16	4,568,863.00 351,672.29
2006-11 Various Capital/Streetscape & Sidewalks 2008-25 Greenview Park Plan 2008-35 Sanitary Sewer Extension 2009-28 Park Improvements 2010-18 Various Canital Projects	(561,021.60) (333,500.00) (156,500.00) 140.13	95,000.00						140.13		(466,021.60) (242,500.00) (156,500.00)
	5,103.03 106,533.12 51,211.47 2,733.62			745.00	5,622.30 27,243.73			51,655.82 53,967.74 23,362		50,000.00
	79,372.76 39,071.35 21,955.34 45,081.49 34.870.54				4,772.00 24,721.96 2,719.00 (1,065.05) 14,258.45			14,600.76		60,000.00 14,349.39 46,146.54 20,612.09
	2,937,110.47 258,852.41 66,029.95 (21,541.61) 336,213.11		\$ 5,500,000.00	43,859.34	123,964.57 41,348.41 32,811.07 705,964.70 125,093.33	\$ 3,500,000.00		15,000.00		4,842,005.24 35,504.00 33,218.88 (727,506.31) 211,119.78
2018-11 Various Capital Improvements 2018-22 Town Hall Building Improvements 2018-24 Rehabilitation of the Martin Berry House 2019-07 Various Capital Improvements	90,307.35 198,800.00 16,340.50			21,140.00 53,289.00	52,226.91 21,140.00 13,637.13 606,944.09				1,203,000.00	38,080.44 198,800.00 55,992.37 596,055.91
	\$ 2,113,325.21	\$ 1,439,000.00	\$ 5,500,000.00	\$ 600,648.12	\$ 2,490,137.07	\$ 3,500,000.00	\$ 1,531,776.24	\$ 1,606,298.18	\$ 1,606,298.18	\$ 2,131,060.02

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

C-4

: 31, 2019	Unexpended	Improvement	Authorizations	& 4	289,568.00	\$ 4,563,553.69		\$ 9,405,558.93	4,842,005.24	\$ 456355369
Analysis of Balance Dec. 31, 2019			Expenditures	\$ 466,021.60 242,500.00 156,500.00 727,506.31		\$ 1,592,527.91		,	saucu. rators	
Analy	Bond	Anticipation	Notes	\$ 5,500,000.00		\$ 5,500,000.00		uthorizations:	Elevations and Gene	
		Balance	Dec. 31, 2019	\$ 466,021.60 242,500.00 156,500.00 5,500,000.00 5,001,492.00	289,568.00	\$ 11,656,081.60	C	Analysis of Unexpended Improvement Authorizations: Improvement Authorizations - Unfunded	Less. Offestpended Flocecus of Boun Annicipation Notes Issued. Ordinance 2017-05 FEMA -Flood Elevations and Generators	
			Canceled	\$ 18,978.40		\$ 18,978.40		Analysis of Unexperimental Improvement Author	Ordinance 20	
	Funded by	Local Grant	Fund	6	\$ 53,289.00	\$ 53,289.00				
	Fund	Budget	Appropriation	\$ 95,000.00		\$ 186,000.00				
		Balance	Dec. 31, 2018	\$ 580,000.00 333,500.00 156,500.00 5,500,000.00 5,001,492.00	342,857.00	\$ 11,914,349.00	C			
			Improvement Description	Various Capital/Streetscape & Sidewalks Greenview Park Plan Sanitary Sewer Extension FEMA -Flood Elevations	Rehabilitation of the Martin Berry House		Ref.			
		Ordinance	Number	2006-11 2008-25 2008-35 2017-05 2018-08	2018-24					

TOWNSHIP OF PEQUANNOCK GENERAL CAPITAL FUND SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

	Balance Dec. 31, 2019 inded Unfunded												\$ 4,842,005.24			4,273,985.69				289,568.00		\$ 9,405,558.93	Ö			
	Balance De Funded				50,000.00			60,000.00	14,349.39		46,146.54	20,612.09		35,504.00	33,218.88		211,119.78	38,080.44	198,800.00	55,992.37	596,055.91	1,359,879.40	C			
	Canceled	\$ 18,978.40	140.13	9,105.03	51,655.82 \$	23,967.74	2,733.62	14,600.76		19,236.34				182,000.00								\$ 322,417.84 \$				
	Paid or Charged				\$ 4,877.30	27,243.73		4,772.00	26,451.96	2,719.00	4,734.45	20,620.35	125,814.95	84,078.41	58,649.59	705,964.70	387,674.92	319,457.65	44,950.00	14,439.63	606,944.09	\$ 2,439,392.73				
	Encumbrances Returned								\$ 1,730.00		5,799.50	6,361.90	30,709.72	42,730.00	25,838.52		262,581.59	267,230.74	44,950.00	802.50		\$ 688,734.47				
2019 Authorizations Funded by	Various Sources																				\$ 1,203,000.00	\$ 1,203,000.00		\$ 818,700.00	15,500.00	\$ 1,203,000.00
·	Balance Dec. 31, 2018 Inded Unfunded	\$ 18,978.40											4,937,110.47			4,979,950.39				342,857.00		\$ 10,278,896.26	C	Capital Improvement Fund	yOffice Equipment	Keserve for Koad Kesurfacing
	Balance De Funded		\$ 140.13	9,105.03	106,533.12	51,211.47	2,733.62	79,372.76	39,071.35	21,955.34	45,081.49	34,870.54		258,852.41	66,029.95		336,213.11	90,307.35	198,800.00	16,340.50		\$ 1,356,618.17	Ü	Capital Posserio f	Reserve for Data Processing/Office Equipment	Keserve 10
	Ordinance Amount	\$ 643,000.00	72,419.00	620,000.00	589,000.00	232,000.00	261,000.00	1,137,000.00	537,000.00	801,000.00	575,000.00	613,000.00	5,500,000.00	00.000.09	1,070,000.00	5,001,492.00	1,042,000.00	868,000.00	351,000.00	360,000.00	1,203,000.00		Ref.		Reserve	
	Date	05/23/06	12/22/09	08/24/10	06/12/12	05/28/13	06/11/13	07/22/14	05/26/15	05/26/15	05/24/16	05/24/16	05/23/17	05/23/17	05/23/17	05/08/18	06/26/18	06/26/18	09/25/18	11/27/18	05/28/19					
	Improvement Description	Various Capital/Streetscape & Sidewalks	Park Improvements	Various Capital Projects	Various Capital Projects	Various Capital Projects	Park and Ballfield Improvements	Equipment & Vehicles	Various Capital Projects	Equipment & Vehicles	Various Capital Projects	Various Capital Projects	FEMA -Flood Elevations and Generators	Various Capital Projects/CIF Parks	Equipment & Vehicles	FEMA -Flood Elevations	Various Capital Improvements	Various Capital Improvements	Town Hall Building Improvements	Rehabilitation of the Martin Berry House	Various Capital Improvements					
	Ord No.	2006-11	2009-28	2010-18	2012-12	2013-09	2013-12	2014-16	2015-05	2015-06	2016-08	2016-09	2017-05	2017-08	2017-09	2018-08	2018-10	2018-11	2018-22	2018-24	2019-07					

\$ 2,490,137.07	15,000.00	2,505,137.07	65,744.34	\$ 2,439,392.73
Cash Disbursed	Due Current Fund		Less: Refunds	

322 417 84	¥	
18,978.40		Deferred Charges to Future Taxation Unfunded
33,977.23		Capital Fund Balance
269,462.21	8	Capital Improvement Fund

TOWNSHIP OF PEQUANNOCK GENERAL CAPITAL FUND SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2018	C		\$ 36,000.00
Increased By:			
Current Fund Budget Appropriation		\$ 668,700.00	
Improvement Authorizations Canceled		269,462.21	
			 938,162.21
			 974,162.21
Decreased By:			
Appropriated to Finance Improvement Authorizations			818,700.00
Balance December 31, 2019	C		\$ 155,462.21

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

C-7

	Balance Dec. 31, 2019	\$ 2,000,000.00	1,500,000.00	2,000,000.00	\$ 5,500,000.00	C		
	Matured	\$ 2,000,000.00	1,500,000.00		\$ 3,500,000.00		\$ 3,500,000.00	\$ 3,500,000.00
	Issued	\$ 2,000,000.00	1,500,000.00	2,000,000.00	\$ 5,500,000.00		\$ 3,500,000.00 2,000,000.00	\$ 5,500,000.00 \$ 3,500,000.00
	Balance Dec. 31, 2018	\$ 2,000,000.00	1,500,000.00		\$ 3,500,000.00	Ŋ		
	Interest Rate	3.00%	3.00%	2.00%		Ref.	sh	
	Maturity	07/19/19 07/17/20	07/19/19 07/17/20	07/17/20			Renewals Issued for Cash	
Date of	Issue	07/19/17 07/19/19	07/19/18 07/19/19	07/19/19				
	Original Issue	07/20/17	07/19/18	07/18/19				
	Improvement Description	FEMA -Flood Elevations and Generators	FEMA -Flood Elevations and Generators	FEMA -Flood Elevations and Generators				
	Ordinance Number	2017-05	2017-05	2017-05				

TOWNSHIP OF PEQUANNOCK GENERAL CAPITAL FUND SCHEDULE OF SERIAL BONDS PAYABLE YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

C-9

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

	Balance Dec. 31, 2019	\$ 466,021.60 242,500.00 156,500.00 5,001,492.00 289,568.00	\$ 6,156,081.60
	Canceled	\$ 18,978.40	\$ 18,978.40
Bond Anticipation	Notes Issued	\$ 5,500,000.00	\$ 5,500,000.00
Bond Anticipation	Notes Redeemed	\$ 3,500,000.00	\$ 3,500,000.00
ed by	Local Grant Fund	\$ 53,289.00	\$ 53,289.00
Funded by	Budget Appropriation	\$ 95,000.00	\$ 186,000.00
	Balance Dec. 31, 2018	\$ 580,000.00 333,500.00 156,500.00 2,000,000.00 5,001,492.00 342,857.00	\$ 8,414,349.00
	Improvement Description	Various Capital/Streetscape & Sidewalks Greenview Park Plan Sanitary Sewer Extension FEMA -Flood Elevations and Generators FEMA -Flood Elevations Rehabilitation of the Martin Berry House	
	Ordinance Number	2006-11 2008-25 2008-35 2017-05 2018-08	

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 WATER UTILITY FUND

TOWNSHIP OF PEQUANNOCK WATER UTILITY FUND SCHEDULE OF CASH - TREASURER

D-4

	Ref.	Oper	Operating			Capital	ital	
Balance December 31, 2018	D		\$	599,878.27			↔	146,114.77
Increased by Receipts:								
Consumer Accounts Receivable		\$ 2,611,168.81						
Miscellaneous Revenue		34,361.50						
Interest on Investments		6,331.27						
Water Rent Overpayments		2,602.63						
Appropriation Refunds		1,860.27						
Due Current Fund		58.50						
Fund Balance - Premium on Note Sale					S	35,502.66		
Bond Anticipation Notes						643,000.00		
Due Solid Waste Utility Operating Fund		2,148.76						
Due Water Utility Operating Fund:								
Interest Earned						810.15		
Capital Improvement Fund						65,000.00		
Deferred Charges to Future Revenue						20,000.00		
Due Water Utility Capital Fund		87.95						
Due Sewer Utility Operating Fund		5,774.21						
Due Current Fund						5.00		
			(1	2,664,393.90				764,317.81
				3,264,272.17				910,432.58
Decreased by Disbursements:								
2019 Appropriation Expenditures		2,155,465.24				463,462.88		
2018 Appropriation Reserves		102,685.30						
Accrued Interest on Notes		181,799.99						
Water Rent Overpayments Refunded		2,602.63						
Due Water Utility Operating Fund						898.10		
Due Sewer Utility Operating Fund		105,815.56						
Due Some Waste Curry Operating Fund Due Current Fund		2,104.03				326,579.48		
			(4	2,550,473.41				790,940.46
Balance December 31, 2019	О		8	713,798.76			↔	119,492.12

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

	Balance/ (Deficit) Dec. 31, 2019	\$ 60,677.22 127,978.34	104.75 4,125.61		(300,000.00)	(127,030.13) (2,270,000.00)	(34,464.33)	5,470.75	2,615,188.49	21,785.37	15,656.05	\$ 119,492.12
fers	То	\$ 154.82 \$ 228.34	4,125.61					4,700.00	58,653.81	6,158.90	65,000.00	\$ 139,021.48
Transfers	From	\$ 65,000.00			154.82			228 34		4,125.61		\$ 139,021.48
Disbursements	Miscellaneous		\$ 326,579.48 898.10									\$ 327,477.58
Disbur	Improvement Authorizations						\$ 6,000.00	630.62	407,292.39	195.92	49,343.95	\$ 463,462.88
	Miscellaneous	\$ 35,502.66	5.00 810.15									\$ 36,317.81
Receipts	Bond Anticipation Notes								\$ 430,000.00	213,000.00		\$ 643,000.00
	2019 Budget Appropriation	\$ 65,000.00				20,000.00						\$ 85,000.00
·	Balance/ (Deficit) Dec. 31, 2018	\$ 25,019.74 127,750.00 69.512.71	326,574.48 192.70	ļ	154.82 (300,000.00)	(147,030.13) $(2,270,000.00)$	(28,464.33)	1,401.37	2,533,827.07	(208,874.39) 15,822.39		\$ 146,114.77
		Fund Balance Capital Improvement Fund Contracts Payable	Due to/(from) Current Fund Due to/(from) Water Utility Operating Fund Reserve for the Payment of Debt Service	Ord. No. General Improvements	2000-14 Develop New Water Wells 2003-18 AMR Phase 3			2016-14 Water System Improvement / SCADA 2017-10 Purchase Dump Truck		2018-18 Water Utility Infrastructure Improvements 2018-19 Various Water Improvements		

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

	Ref.	
Balance December 31, 2018	D	\$ 506,079.93
Increased by: Water Rents Levied		2,782,906.70 3,288,986.63
Decreased by: Water Collections		2,611,168.81
Balance December 31, 2019	D	\$ 677,817.82

TOWNSHIP OF PEQUANNOCK WATER UTILITY CAPITAL FUND SCHEDULE OF FIXED CAPITAL

			Additi				
	Balance		Budget		Capital		Balance
	Dec. 31, 2018		Capital Outlay		Ordinance	I	Dec. 31, 2019
Reserve for Amortization	\$ 57,442.00	n				\$	57,442.00
Distribution Mains and Accessories	' /					φ	2,310,530.00
House Service	286,997.0						286,997.00
Meters			20 947 40				
	1,094,112.59		29,847.40				1,123,959.99
Hydrants	140,032.79			\$	170 000 00		140,032.79
General Equipment- Trucks	839,755.90		11.650.00	Э	170,000.00		1,009,755.90
Office Furniture and Equipment	75,632.33		11,650.00				87,282.33
Structures and Improvements	295,208.0						295,208.00
Various Water Improvements	1,030,943.63				220,124.39		1,251,068.01
Wells and Pumping Station	3,364,698.8		5,250.00		154.82		3,370,103.66
Well # 2 Chlorinator	9,936.00						9,936.00
Water Blending Facility	2,172,000.00	0					2,172,000.00
West Sunset Water Main	28,464.33	3					28,464.33
Elevated Water Tank	2,170,000.00	0					2,170,000.00
New Water Tank Construction	1,086,959.83	5					1,086,959.85
	\$ 14,962,713.23	<u> </u>	46,747.40	\$	390,279.21	\$	15,399,739.86
	D						D
	Appropriation Reserve Current Budg		14,042.02 32,705.38				
		\$	46,747.40				

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-8

Balance Dec. 31, 2019		\$ 281,535.67		5,558,000.00		48,000.00	65,000.00	\$ 6,123,535.67	D
Authorizations Cancelled	\$ 2,969.87			2,000.00	4,875.61			\$ 9,845.48	
Transferred to Fixed Capital	\$ 154.82		170,000.00	`	220,124.39			\$ 390,279.21	
2019 Authorizations							\$ 65,000.00	\$ 65,000.00	
Balance Dec. 31, 2018	\$ 154.82 2,969.87	281,535.67	170,000.00	5,560,000.00	225,000.00	48,000.00		\$ 6,458,660.36	О
Ord. No.	2000-14 2007-14	2014-29	2017-10	2017-14	2018-18	2018-19	2019-06		Ref.
Improvement Description	Develop New Water Wells Water Blending Facility	West Sunset Water Main Water System Improvement / SCADA	Purchase Dump Truck	Water Tank & Mains	Water Utility Infrastructure Improvements	Various Water Improvements	Capital Improvements		

TOWNSHIP OF PEQUANNOCK WATER UTILITY OPERATING FUND SCHEDULE OF 2018 APPROPRIATION RESERVES YEAR ENDED DECEMBER 31, 2019

			Balance	В	alance After	Paid or	Balance		
		D	ec. 31, 2018	N	Iodification	 Charged		Lapsed	
Operating:									
Salaries and Wages		\$	62,098.00	\$	62,098.00		\$	62,098.00	
Other Expenses			152,000.05		152,000.05	\$ 88,643.28		63,356.77	
Capital Improvements:									
Capital Outlay			14,077.59		14,077.59	14,042.02		35.57	
Statutory Expenditures:									
Contribution to:									
Unemployment Com	pensation								
Insurance			1,922.00		1,922.00			1,922.00	
		\$	230,097.64	\$	230,097.64	\$ 102,685.30	\$	127,412.34	
Analysis of Balance Decem									
	<u>Ref.</u>								
Encumbered	D	\$	34,985.63						
Unencumbered	D		195,112.01						
		\$	230,097.64						

TOWNSHIP OF PEQUANNOCK
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

nce , 2019	Unfunded	\$ 275,535.67		2,883,188.49			\$ 3,158,724.16	О	
Balance Dec. 31, 2019	Funded		\$ 5,470.75			21,785.37 15,656.05	\$ 42,912.17	Q	
	Canceled	\$ 154.82 2,969.87	228.34	2,000.00	4,875.61		\$ 10,228.64		\$ 228.34 4,125.61 5,719.87 154.82
Contracts Payable	Returned		\$ 4,700.00	58,653.81		6,158.90	\$ 69,512.71		Capital Improvement Fund Reserve to Pay Debt Service I Charges to Future Revenue Capital Fund Balance
Paid or	Charged	\$ 6,000.00	630.62	407,292.39		195.92 49,343.95	\$ 463,462.88		Capital Improvement Fund Reserve to Pay Debt Service Deferred Charges to Future Revenue Capital Fund Balance
2019 Authorizations Capital Improvement	Fund					\$ 65,000.00	\$ 65,000.00		Q
nce , 2018	Unfunded	\$ 2,969.87		3,233,827.07	4,875.61		\$ 3,523,208.22	О	
Balance Dec. 31, 2018	Funded	\$ 154.82	1,401.37			15,822.39	\$ 17,606.92	D	
Ordinance	Amount	\$ 185,000.00 2,030,000.00 310,000.00	171,000.00	5,560,000.00	225,000.00	83,000.00 65,000.00		Ref.	
	Improvement Description	Develop New Water Wells Water Blending Facility West Sunset Water Main Water System Improvement/	SCADA Purchase Dump Truck	Water Tank & Mains Water Utility Infrastructure	Improvements Various Capital Improvements	and Acquisitions Capital Improvements			
Ord.	No.	2000-14 2007-14 2014-29	2017-10	2017-14	2018-19	2019-06			

154.82 \$ 10,228.64

TOWNSHIP OF PEQUANNOCK WATER UTILITY FUND SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.			
Balance December 31, 2018	D			\$ 127,750.00
Increased by: Improvement Authorizations Cancelled 2019 Budget Appropriation		\$	228.34 65,000.00	
		-		 192,978.34
Decreased by:				320,728.34
Appropriated to Finance Improvement Authorizations				 65,000.00
Balance December 31, 2019	D			\$ 127,978.34

TOWNSHIP OF PEQUANNOCK WATER UTILITY FUND SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.		
Balance December 31, 2018	D		\$ 11,014,248.92
Increased by: Transfer from Deferred Reserve for Amortization Bond Anticipation Note Paydown from Budget Capital Outlay Expenditures		\$ 200,249.08 17,000.00 46,747.40	263,996.48
Balance December 31, 2019	D		\$ 11,278,245.40

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

Balance Dec. 31, 2019	171,000.00	65,000.00	284,000.00
	<		↔
Transferred to Reserve to Pay Debt Service	4,125.61		4,125.61
T	↔		↔
Transferred to Reserve for Amortization	154.82 22,969.87 170,000.00 7,124.39		200,249.08
	♦		↔
Paid by Budget Appropriation	20,000.00		20,000.00
A	↔		↔
2019 Authorizations		65,000.00	65,000.00
Aı		>	8
Balance ec. 31, 2018	2,969.87 171,000.00 170,000.00 11,250.00	40,000,00	403,374.69
Ŏ	↔		↔
Improvement Description		various Capital Improvements	
Ord. No.	2000-14 2007-14 2016-14 2017-10 2018-18	2019-06	

Ω

Q

TOWNSHIP OF PEQUANNOCK
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

	Balance Dec. 31, 2019	343,000.00	700,000.00	140,000.00	4,860,000.00	430,000.00	213,000.00	6,686,000.00	D		
	Matured	\$ 360,000.00	700,000.00	140,000.00	4,860,000.00			\$ 6,060,000.00		\$ 6,043,000.00	\$ 6,060,000.00
	Issued	\$ 343,000.00	700,000.00	140,000.00	4,860,000.00	430,000.00	213,000.00	\$ 6,686,000.00		\$ 6,043,000.00 643,000.00	\$ 6,686,000.00
	Balance Dec. 31, 2018	\$ 360,000.00	700,000.00	140,000.00	4,860,000.00			\$ 6,060,000.00	D		
	Interest Rate	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%		Ref.	ating Budget	
	Date of Maturity	7/19/19 7/17/20	7/19/19 7/17/20	7/19/19 7/17/20	7/19/19 7/17/20	7/17/20	7/17/20			Renewals New Issue Paid by Operating Budget	
	Date	7/19/18	7/19/18	7/19/18 7/17/19	7/19/18 7/17/19	7/17/19	7/17/19				
Original Note	Amount	\$ 1,300,000.00	700,000.00	140,000.00	5,560,000.00	5,560,000.00	213,000.00				
Onig	Date of Issue	7/29/10	7/21/17	7/21/17	12/19/17	12/19/17	7/18/19				
	Improvement Description	Village Area Water Mains	Water Tank Construction	Water Mains	Water Tank & Transmission Mains	Water Tank & Transmission Mains	Water Utility Infrastructure Improvements				
	Ord No.	2009-15	2007-13	2013-19	2017-14	2017-14	2018-18				

TOWNSHIP OF PEQUANNOCK WATER UTILITY CAPITAL FUND SCHEDULE OF SERIAL BONDS PAYABLE YEAR ENDED DECEMBER 31, 2019

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

Balance Dec. 31, 2019	\$ 300,000.00		127,030.13		2,270,000.00	310,000.00	268,000.00		\$ 3,275,030.13
Improvements Authorizations Cancelled			\$ 2,969.87				2,000.00	750.00	\$ 5,719.87
Bond Anticipation Notes Redeemed		\$ 700,000.00		140,000.00	360,000.00		4,860,000.00		\$ 6,060,000.00
Bond Anticipation Notes Issued		\$ 700,000.00		140,000.00	343,000.00		5,290,000.00	213,000.00	\$ 6,686,000.00
Funded by Budget Appropriation			\$ 20,000.00		17,000.00				\$ 37,000.00
Balance Dec. 31, 2018	\$ 300,000.00		150,000.00		2,270,000.00	310,000.00	700,000.00	213,750.00	\$ 3,943,750.00
Improvement Description	AMR Phase 3	Water Tank Construction	Water Blending Facility	Water Mains	Elevated Water Tank	West Sunset Water Main	Water Tank & Mains	Water Utility Infrastructure Improvements	
Ord. No.	2003-18	2007-13	2007-14	2013-19	2014-18	2014-29	2017-14	2018-18	

TOWNSHIP OF PEQUANNOCK COUNTY OF MORRIS 2019 SEWER UTILITY FUND

TOWNSHIP OF PEQUANNOCK SEWER UTILITY FUNDS SCHEDULE OF CASH - TREASURER

	Ref.		Operating	g	Assess	Assessment Trust		Capital
Balance December 31, 2018	Э		\$	721,070.65		\$ 688,519.22		\$ 2,481,258.48
Increased by Receipts:								
Sewer Utility Collector		↔	3,196,026.42					
Miscellaneous Sewer Fees			239,751.96					
Interest on Investments			19,134.42					
Interest on Sewer Assessments			175,778.73					
Sewer Assessment Collections					\$ 839,206.69			
Improvement Authorizition Refunds							\$ 16,51	16,512.00
Due Current Fund			980,867.38					
Due Water Utility Operating Fund			2,654,271.06					
Due Sewer Utility Operating Fund:								
Interest on Investments					4,194.42	6)	1,97	1,972.86
Due Sewer Utility Assessment Trust Fund:								
Prior Interfund Returned			5,809.78					
Fund Balance Anticipated			768,500.00					
Due Sewer Utility Capital Fund:								
Interfund Advanced			114.75					
Fund Balance Anticipated			356,400.00					
Due Solid Waste Utility Operating Fund			1,736,462.90					
				10,133,117.40		843,401.11	ļ	18,484.86
				10,854,188.05		1,531,920.33		2,499,743.34

TOWNSHIP OF PEQUANNOCK SEWER UTILITY FUNDS SCHEDULE OF CASH - TREASURER

Capital					8899,871.38	\$ 1,599,871.96
		\$ 66,383.77	475,000.00	2,087.61	356,400.00	1 11
Assessment Trust					804,634.20	\$ 727,286.13
Assessi			52,430.00	3,704.20	768,500.00	
ing					\$ 9,605,697.23	\$ 1,248,490.82
Operating	3,825,050.53 24,713.52 824,112.52	947,529.15 2,554,229.71	9,848.91	6,300.00	1,413,912.89	I II
Ref.	55					E
	Decreased by Disbursements: 2019 Budget Appropriations 2018 Appropriation Reserves Accrued Interest on Bonds	Improvement Authorizations Due Current Fund Due Water Utility Operating Fund	Refund to Miscellaneous Sewer Fees Due Other Trust Fund Due Sewer Hillity Operating Fund:	Interest on Investments Due Sewer Utility Assessment Trust Fund Due Sewer Utility Capital Fund:	Fund Balance Anticipated Due Solid Waste Utility Operating Fund	Balance December 31, 2019

SEWER UTILITY ASSESSMENT TRUST FUND ANALYSIS OF SEWER ASSESSMENT TRUST CASH

E-5

Balance/	(Deficit) Dec. 31, 2019	\$ 813,844.86 608.85 (87,167.58)	\$ 727,286.13
	То	87,167.58	87,167.58
sfers		↔	↔
Transfers	From	87,167.58	87,167.58 \$ 87,167.58
		↔	↔
Disbursements	Miscellaneous	\$ 800,930.00 3,704.20	\$ 804,634.20
Receipts	Assessments Receivable	\$ 839,206.69 4,194.42	\$ 843,401.11
	Balance Dec. 31, 2018	688,400.59	\$ 688,519.22
		÷	↔
		Fund Balance Due to/(From) Sewer Utility Operating Fund Due to/(From) From Current Fund	

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

	Balance/ (Deficit) Dec. 31, 2019	\$ 2,642.14 53,685.20 (975,000.00) 140.66	(738,508.90) (377,170.92) 3,634,083.78	\$ 1,599,871.96
	fers To	\$ 302,737.95	215,972.38	\$ 535,996.71
	Transfers	\$ 29,655.00	285,500.00 17,182.95 17,286.38 186,317.38 55.00	\$ 535,996.71
ments	Miscellaneous	\$ 356,400.00 475,000.00 2,087.61		\$ 833,487.61
Disbursements	Improvement Authorizations		\$ 20,960.00 35,478.77 9,945.00	\$ 66,383.77
Receipts	Miscellaneous	\$ 1,972.86	16,512.00	\$ 18,484.86
	Balance/ (Deficit) Dec. 31, 2018	\$ 56,304.19 53,685.20 (500,000.00) 255.41 29,655.00	(738,508.90) 285,500.00 17,182.95 (571,408.92) (17,286.38) 3,855,879.93 10,000.00	\$ 2,481,258.48
		Fund Balance Capital Improvement Fund Due Other Trust Funds Due Sewer Utility Operating Fund Reserve for Encumbrances	Ord. No. Improvement Description 2006-14 Purchase TBSA Capacity 2008-38 Sewer Extension 2013-13 Purchase Sewer Equipment 2014-02 Village Area Sewers, Amended 2016-13 Village Area Sewers 2017-01 Route 23 Sewer Extension 2018-20 Sewer Utility Improvements	

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

	D	Balance ec. 31, 2018	Sewer Billings Levied		Collections	Balance Dec. 31, 2019		
Rents Miscellaneous	\$	675,749.27	\$	3,177,756.32 239,751.96	\$ 3,196,026.42 239,751.96	\$	657,479.17	
	\$	675,749.27	\$	3,417,508.28	\$ 3,435,778.38	\$	657,479.17	
Re	<u>f.</u>	E					E	
Miscellaneous Revenue Interest on Sewer Rei Sewer Tap/Connection	nts	<u>pated:</u>			\$ 12,778.94 226,973.02			
22 2					\$ 239,751.96			

TOWNSHIP OF PEQUANNOCK SEWER UTILITY OPERATING FUND SCHEDULE OF SEWER LIENS RECEIVABLE FOR THE YEAR ENDED DECEMBER 31, 2019

TOWNSHIP OF PEQUANNOCK SEWER UTILITY ASSESSMENT TRUST FUND SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY UTILITY REVENUE FOR THE YEAR ENDED DECEMBER 31, 2019

TOWNSHIP OF PEQUANNOCK SEWER UTILITY ASSESSMENT TRUST FUND SCHEDULE OF UTILITY SHARE OF SEWER ASSESSMENT BONDS ISSUED FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019

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

Balance Pledged to Reserve	\$ 63,701.83 421,670.85 4,199,143.09	\$ 4,684,515.77			
Balance Dec. 31, 2019	\$ 63,701.83 421,670.85 4,199,143.09	\$ 4,684,515.77 \$ 4,684,515.77	Щ		
Transfer to Sewer Liens	\$ 87,100.00	\$ 87,100.00			
Assessments Cancelled	\$ 9,618.05	\$ 1,242,117.99			
Collected	\$ 17,054.37 150,682.79 758,637.11	\$ 926,374.27 \$ 1,242,117.99		\$ 839,206.69 87,167.58	\$ 926,374.27
Balance Dec. 31, 2018	\$ 80,756.20 581,971.69 6,277,380.14	\$ 6,940,108.03	ш	Cash Collected Due from Current Fund	
Due Dates	Quarterly Quarterly Quarterly			Ω	
Date of Confirmation	8/27/12 9/24/12 10/8/18				
Improvement Description	Munson/Farm Roads Pequannock Avenue Village Area				
Ord. No.	2004-35 2005-13 2018-179				

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

	Ref.		
Balance December 31, 2018	Е		\$ 9,643.00
Increased by: Transfer from Sewer Assessment Receivable Interest and Cost on Sale		\$ 87,100.00 13,400.85	
			100,500.85
Balance December 31, 2019	E		\$ 110,143.85

TOWNSHIP OF PEQUANNOCK SEWER UTILITY CAPITAL FUND SCHEDULE OF FIXED CAPITAL

				Fransfer from		
		Balance Dec. 31, 2018	A	uthorized and Jncompleted]	Balance Dec. 31, 2019
Capacity	\$	3,163,500.00	\$	903,508.90	\$	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		131,149.37		204,185.49		335,334.86
Sewer Improvements		25,084,968.45		889,341.92		25,974,310.37
	\$	29,052,632.34	\$	1,997,036.31	\$	31,049,668.65
	Ref.	Е				E

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

E-11

Balance Dec. 31, 2019			\$ 6,100,000.00	\$ 6,100,000.00	田
Improvement Authorizations Canceled	11,491.10	17,182.95	122,829.08	437,058.13	
Transfer to Fixed Capital	903,508.90 \$ 400,000.00	49,817.05 154,368.44	54,896.92 9,945.00	\$ 1,997,036.31	
	↔			8	
Balance Dec. 31, 2018	915,000.00 400,000.00 710 000 00	67,000.00	177,726.00 6,100,000.00 10,000.00	\$ 8,534,094.44	田
 	↔			€	Ref.
Improvement Description	Purchase TBSA Capacity Sewer Design	Purchase Sewer Equipment Sled Mounted Sewer Vacuum	Village Area Sewers, Amended Route 23 Sewer Project Sewer Utility Improvements		
Ord. No.	2006-14 2008-27 2008-38	2013-13 2014-17	2015-11 2017-01 2018-20		

TOWNSHIP OF PEQUANNOCK SEWER UTILITY OPERATING FUND SCHEDULE OF 2018 APPROPRIATION RESERVES FOR THE YEAR ENDED DECEMBER 31, 2019

					Balance					
		Balance			After		Paid or		Balance	
		De	ec. 31, 2018	Modification		Charged		Lapsed		
Operating:			_		_		_		_	
Salaries and Wages		\$	36,896.09	\$	36,896.09			\$	36,896.09	
Other Expenses			26,759.23		26,759.23	\$	24,713.52		2,045.71	
Statutory Expenditures:										
Contribution to:										
Unemployment Insurance			730.00		730.00				730.00	
Paid Time Off (PTO) Buyback			5,000.00		5,000.00				5,000.00	
			_		_		_		_	
		\$	69,385.32	\$	69,385.32	\$	24,713.52	\$	44,671.80	
	Ref.									
Balance December 31, 2018										
Unencumbered	E	\$	49,996.52							
Encumbered	E		19,388.80							
		\$	69,385.32							

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

Balance Dec. 31, 2019	\$ 63,701.83 421,670.85 4,199,143.09	10,902.78 99,241.07	\$ 4,794,659.62	Щ
Assessments Cancelled	\$ 9,618.05 1,232,499.94		\$ 1,242,117.99	
Interest and Costs on Liens		1,259.78	13,400.85	
20		↔	⊗	
Transfer to Lien	(87,100.00)	87,100.00	-0-	
	≶		⊗	
Collections to Fund Balance	17,054.37 150,682.79 758,637.11		926,374.27	
OF	↔		↔	
Balance Dec. 31, 2018	\$ 80,756.20 581,971.69 6,277,380.14	9,643.00	\$ 6,949,751.03	П
Improvement Description	Assessments Receivable: Munson/Farm Roads Pequannock Avenue Village Area	Assessments Liens: Pequannock Avenue ARC Group Properties LLC		Ref.
Ordinance Number/Cert	2004-35 2005-13 2018-179	2005-13 2019-12		

TOWNSHIP OF PEQUANNOCK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Balance December 31, 2019	Unfunded		\$ 2,100,000.00		\$ 2,100,000.00	П		
Balance Decen	Funded		\$ 3,634,083.78 \$ 2,100,000.00		3,973,550.50 \$ 2,217,808.18 \$ 49,871.77 \$ 29,655.00 \$ 437,058.13 \$ 3,634,083.78 \$ 2,100,000.00	Щ		
	Canceled	\$ 11,491.10 285,500.00 17,182.95	122,829.08	55.00	\$ 437,058.13			Capital Fund Balance \$ 302,737.95
Encumbrances	Returned		20,960.00	8,695.00	29,655.00			Fund Balance
臣	 		\$		\$		~ ~ ~	Capital
Paid or	Charged		4,448.00 35,478.77	9,945.00	49,871.7		66,383.77 16,512.00 49,871.77	
	 	0	\$ 80		∞ ∞		ed \$	
Balance December 31, 2018	Unfunded	\$ 11,491.10	106,317.08 2,100,000.00		\$ 2,217,808.1	Щ	Cash Disbursements Less Refunded	
Balance Dece	Funded	\$ 285,500.00 17,182.95	3,669,562.55	1,305.00	\$ 3,973,550.50	Щ	0	
Ordinance	Amount	\$ 915,000.00 710,000.00 67,000.00	440,000.00 6,100,000.00	10,000.00		Ref.		
Or	Date	05/23/06 12/23/08 06/11/13	08/11/15 02/14/17	09/11/18				
	Improvement Description		Village Area Sewers, Amended Route 23 Sewer Extension	Sewer Utility Improvements				
Ord.	No.	2006-14 2008-38 2013-13	2015-11 2017-01	2018-20				

134,320.18 \$ 437,058.13

Deferred Charges to Future Revenue

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

	Ref.	
Balance December 31, 2018	E	\$ 53,685.20
Balance December 31, 2019	E	\$ 53,685.20

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

	Ref.	<u>.</u>	
Balance December 31, 2018	E		\$ 11,355,358.34
Increased by: Serial Bonds Paid by Operating Budget Transferred from Deferred Reserve for Amortization		\$ 1,240,000.00 214,130.49	1,454,130.49
Decreased By: Improvement Authorizations Cancelled			12,809,488.83 285,500.00
Balance December 31, 2019	Е		\$ 12,523,988.83

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

Ord. No.	Improvement Description	Balance Dec. 31, 2018	Transferred to Reserve for Amortization	Improvement Authorizations Canceled	Balance Dec. 31, 2019
2013-13 2014-17	Purchase Sewer Equipment Sled Mounted Sewer Vacuum	\$ 67,000.00 154,368.44	\$ 49,817.05 154,368.44	\$ 17,182.95	
2018-20	Sewer Utility Improvements	10,000.00	9,945.00	55.00	
		\$ 231,368.44	\$ 214,130.49	\$ 17,237.95	\$ -0-
		E			E

TOWNSHIP OF PEQUANNOCK SEWER UTILITY CAPITAL FUND SCHEDULE OF BOND ANTICIPATION NOTES FOR THE YEAR ENDED DECEMBER 31, 2019

21,410,000.00

\$ 1,240,000.00

\$ 22,650,000.00

TOWNSHIP OF PEQUANNOCK SEWER UTILITY CAPITAL FUND SCHEDULE OF SERIAL BONDS

E-19

Balance Dec. 31, 2019	\$ 2,480,000.00	18,930,000.00
Matured	\$ 640,000.00	900,000,009
Balance Dec. 31, 2018	\$ 3,120,000.00	19,530,000.00
Interest Rate	4.00% 4.00% 3.00% 3.00%	1.25% 1.45% 1.70% 1.90% 2.10% 2.40% 2.50% 2.90% 3.10% 3.10% 3.22% 3.32% 3.32% 3.32% 3.32% 3.37% 3.37%
Maturities of Bonds Outstanding Dec. 31, 2019 Date Amount	\$ 630,000.00 635,000.00 630,000.00 585,000.00	650,000.00 700,000.00 850,000.00 850,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,100,000.00 1,25,000.00
Maturiti Outstanding Date	10/15/20 10/15/21 10/15/22 10/15/23	04/01/20 04/01/21 04/01/23 04/01/24 04/01/25 04/01/26 04/01/30 04/01/31 04/01/33 04/01/33 04/01/35 04/01/35 04/01/35 04/01/36 04/01/37
Amount of Original Issue	3,795,000.00	2,080,000.00
	⊗	
Date of Issue	8/11/16	2/14/17
Purpose	Sewer Bonds	Sewer Bonds

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

Ord.		Balance	Authorizations	Balance
No.	Improvement Description	Dec. 31, 2018	Cancelled	Dec. 31, 2019
2006-14 2014-02 2017-01	Purchase of TBSA Capacity Village area sewers-Amended Route 23 Sewer Extension	\$ 750,000.00 500,000.00 2,100,000.00	\$ 11,491.10 122,829.08	\$ 738,508.90 500,000.00 2,100,000.00
		\$ 3,350,000.00	\$ 134,320.18	\$ 3,338,508.90

 $\frac{\text{TOWNSHIP OF PEQUANNOCK}}{\text{COUNTY OF MORRIS}} \\ \underline{2019} \\ \text{SOLID WASTE UTILITY FUND}$

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

	Ref.	 Opera	ating	
Balance December 31, 2018	F		\$	850,673.54
Increased by Receipts:				
Solid Waste Utility Charges Receivable		\$ 1,725,990.80		
Miscellaneous Revenue Not Anticipated		10,015.61		
Interest on Deposits		4,259.37		
Recycling Tonnage Grant		19,317.26		
Due Current Fund		1,582.11		
Due Federal and State Grant Fund		24,605.66		
				1,785,770.81
				2,636,444.35
Decreased by Disbursements:				
2019 Appropriation Expenditures		1,623,306.42		
2018 Appropriation Reserves		117,971.38		
Due Current Fund		381.32		
Due Water Utility Operating Fund		44.07		
Due Sewer Utility Operating Fund		322,550.01		
Recycling Tonnage Grant		19,317.26		
		 		2,083,570.46
Balance December 31, 2019	F		\$	552,873.89

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

Balance December 31, 2018	<u>Ref.</u> F	\$ 141,869.91
Increased by:		
2019 Charges		1,718,753.06
		1,860,622.97
Decreased by:		
Cash Received		 1,725,990.80
Balance December 31, 2019	F	\$ 134,632.17

TOWNSHIP OF PEQUANNOCK SOLID WASTE UTILITY OPERATING FUND SCHEDULE OF 2018 APPROPRIATION RESERVES YEAR ENDED DECEMBER 31, 2019

		Balance Dec. 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages		\$ 30,231.43	\$ 30,231.43		\$ 30,231.43
Other Expenses		137,204.14	137,204.14	\$ 117,971.38	19,232.76
Statutory Expenditures:					
Contribution to:					
Unemployment Insurance		1,610.00	1,610.00		1,610.00
		\$ 169,045.57	\$ 169,045.57	\$ 117,971.38	\$ 51,074.19
Analysis of Balance December					
	<u>Ref.</u>				
Encumbered	F	\$ 132,796.68			
Unencumbered	F	36,248.89			
		\$ 169,045.57			

TOWNSHIP OF PEQUANNOCK
COUNTY OF MORRIS
2019
RECREATION UTILITY FUND

G-4

	Ref.	оры	Operating		Cap	Capital	
Balance December 31, 2018	Ů		⊗	140,856.04		↔	15,411.14
Increased by Receipts: Recreation User Fees Recreation Activity Fees Bond Anticipation Notes Bond Anticipation Notes		\$ 189,327.32 297,544.75			\$ 104,000.00		
Premium on Note Sale Deferred Charges to Future Revenue Miscellaneous Revenue Appropriation Refunds		5,143.96			552.24 9,000.00		
Due Current Fund Due Recreation Utility Capital Fund		50.00					
				495,042.35 635,898.39			123,552.24 138,963.38
Decreased by Disbursements: 2019 Appropriation Expenditures		473.413.61		(10.46)			
2018 Appropriation Reserves Recreation User Fees Refunded		11,968.94					
Recreation Activity Fees Refunded Miscellaneous Revenue Refunded		8,763.00					
Bond Anticipation Notes Due General Capital Fund					114,000.00 16,052.92		
Accrued Interest on Notes Due Recreation Utility Operating Fund		3,420.00			1.32		
				500,954.02			130,054.24
Balance December 31, 2019	Ð		↔	134,944.37		8	8,909.14

TOWNSHIP OF PEQUANNOCK RECREATION UTILITY OPERATING FUND SCHEDULE OF CASH - COLLECTOR YEAR ENDED DECEMBER 31, 2019

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

		Balance/	I		Receipts Bond			Disbursements Bond	ements	1	Trans	Transfers		Ba	Balance
		(Deficit) Dec. 31, 2018	j I	Budget Appropriation	Anticipation Notes	Miscell	Miscellaneous	Anticipation Notes	Miscellaneous		From	To	.0	(D Dec.	(Deficit) Dec. 31, 2019
Fund Balance		\$ 1,846.44	4			s	552.24							∽	2,398.68
Capital Improvement Fund	ement Fund	6,500.00	00											-	6,500.00
Due to General Capital Fund	Capital Fund	80,000.00	00						\$ 16,052.92					9	63,947.08
Due to Recreati	Due to Recreation Utility Operating Fund	11.78	78						1.32						10.46
Improvement Authorizations: Ord	uthorizations:														
No.	General Improvements	Í													
2003-19 2017-11	PV Park Pavilion PV Park Dock and Swim Lanes	(72,947.08) \$	\$ (80	9,000.00	\$ 104,000.00			\$ 114,000.00						9)	(63,947.08)
		\$ 15,411.14		\$ 19,000.00	\$ 104,000.00	↔	552.24	\$ 114,000.00	\$ 16,054.24	S	0	\$	0	€	8,909.14

TOWNSHIP OF PEQUANNOCK RECREATION UTILITY OPERATING FUND SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

TOWNSHIP OF PEQUANNOCK RECREATION UTILITY CAPITAL FUND SCHEDULE OF FIXED CAPITAL

		D	Balance ec. 31, 2018	D	Balance ec. 31, 2019
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

Improvement Description	Ord. No.	Balance c. 31, 2018	Aut	provement chorizations Cancelled	_	Balance 2. 31, 2019
PV Park Pavilion	2003-19	\$ 2,052.92	\$	2,052.92	\$	-0-
		\$ 2,052.92	\$	2,052.92	\$	-0-
	Ref.	G				G

TOWNSHIP OF PEQUANNOCK RECREATION UTILITY OPERATING FUND SCHEDULE OF 2018 APPROPRIATION RESERVES YEAR ENDED DECEMBER 31, 2019

]		Balance c. 31, 2018	lance After odification	Paid or Charged	Balance Lapsed
Operating: Salaries and Wages Other Expenses Contribution to:	\$	}	14,802.72 25,538.29	\$ 14,802.72 25,538.29	\$ 11,968.94	\$ 14,802.72 13,569.35
Unemployment Compensation Insuran	ce		1,265.00	 1,265.00	 	 1,265.00
	\$	<u> </u>	41,606.01	\$ 41,606.01	\$ 11,968.94	\$ 29,637.07
Analysis of Balance December 31, 2018 Ref						
Encumbered G Unencumbered G	\$)	13,602.04 28,003.97			
	\$,	41,606.01			

TOWNSHIP OF PEQUANNOCK RECREATION UTILITY CAPITAL FUND SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

					Balance]	Balance
Ord.	Improvement	C	rdinance	De	c. 31, 2018	Au	thorizations	Dec	c. 31, 2019
No.	Description	Date	Amount	Ţ	Unfunded		Cancelled	U	Infunded
2003-19	PV Park Pavilion	04/22/03	\$ 137,000.00	\$	2,052.92	\$	2,052.92		
				\$	2,052.92	\$	2,052.92	\$	-0-
			Ref.		G				G

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

	Ref.	
Balance December 31, 2018	G	\$ 6,500.00
Balance December 31, 2019	G	\$ 6,500.00

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

	Ref.		
Balance December 31, 2018	G		\$ 68,000.00
Increased by: Notes Paid by Budget Appropriation Deferred Charges to Future Revenue: Paid by Operating Budget - Ord 2003-19		\$ 10,000.00 9,000.00	19,000.00
Balance December 31, 2019	G		\$ 87,000.00

TOWNSHIP OF PEQUANNOCK RECREATION UTILITY CAPITAL FUND SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

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

	Balance Dec. 31, 2019	\$ 104,000.00	\$ 104,000.00	Ö		
	Matured	\$ 114,000.00	\$ 114,000.00 \$ 104,000.00 \$ 114,000.00 \$ 104,000.00		\$ 104,000.00 10,000.00	\$ 114,000.00
	Issued	\$ 104,000.00	\$ 104,000.00		\$ 104,000.00	\$ 104,000.00 \$ 114,000.00
	Balance Dec. 31, 2018	\$ 114,000.00	\$ 114,000.00	Ŋ	priation	
	Interest Rate	3.00% 2.00%		Ref.	lget Approj	
	Maturity	07/19/18 07/19/19 3.00% 7/19/19 07/17/20 2.00%			Renewed Paid by Budget Appropriation	
Date of	Issue	07/19/18				
	Issue of Original Note	12/19/17				
	Improvement Authorization	2017-11 PV Park Dock and Swim Lanes				
	Ord. No.	2017-1				

TOWNSHIP OF PEQUANNOCK RECREATION UTILITY CAPITAL FUND SCHEDULE OF SERIAL BONDS PAYABLE YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

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

				F	funded by				
Ord.			Balance		Budget	Au	thorizations		Balance
No.	Improvement Description	De	c. 31, 2018	Ap	propriation	(Cancelled	De	ec. 31, 2019
2003-19	PV Park Pavilion	\$	75,000.00	\$	9,000.00	\$	2,052.52	\$	63,947.48
		\$	75,000.00	\$	9,000.00	\$	2,052.52	\$	63,947.48

TOWNSHIP OF PEQUANNOCK

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2019

1

TOWNSHIP OF PEQUANNOCK SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2019

Schedule 1

Name of Federal Agency or Department/Cluster Title	Name of Program	C.F.D.A. Number	Pass Through Entity ID	Grant Period From	Period To	Grant Award Amount	Amount Received	Amount of Expenditures	l I	Cumulative Expenditures	Amounts Provided to Subrecipients
U.S. Department of Transportation: (Passed through New Jersey Department of Transportation) Highway Planning and Construction Cluster:	Mountain Ave Phase I Mountain Ave Phase II West Parkway	20.205 20.205 20.205	480-78-6320-AMF-609166 480-78-6320-AMQ-605177 480-78-6320-ANP-605179	71/1/1 71/1/1 71/1/1	12/31/18 12/31/18 12/31/20	\$ 189,750.00 175,000.00 264,000.00	\$ 47,437.50 43,750.00 198,000.00	↔	\$ 264,000.00	189,750.00 175,000.00 264,000.00	
Total U.S. Department of Transportation							289,187.50		264,000.00	628,750.00	
U.S. Department of Homeland Security: (Passed through New Jersey Department of Law and Public Safety)	Disaster Grants - Public Assistance - FEMA Flood Mitigation - Elevation Emergency Generators	97.029 97.039	FMA-PJ-02-NJ-2015-009 HMGP-DR-4086-NJ-0511	05/29/15	10/30/20	4,568,863.00 326,504.42	240,484.81	793, 326,	793,686.33 326,504.42	793,686.33 326,504.42	
Total U.S. Department of Homeland Security							240,484.81	1,120,	1,120,190.75	1,120,190.75	

\$ 529,672.31 \$ 1,384,190.75 \$ 1,748,940.75 \$

TOWNSHIP OF PEQUANNOCK SCHEDULE OF EXPENDITURES OF STATE AWARDS YEAR ENDED DECEMBER 31, 2019

Schedule 2

Municipal Alliance Gant	New Jersey	Name of December	State Grant	Grant	Grant Period	Grant	Amount	Amount of	Cumulative
Numerical Alliance Geart NA 71116 6:3017 8 11,2904 8 2,000.00	Agency or Department	Name of Program	Award Number	From	O.I.	Award	Kecerved	Expenditures	Expenditures
Name Part	artment of the Treasury	Municipal Alliance Grant	N/A	7/1/16					
1,113.00 1,113.00	Passed Through the County of Morris -			7/1/17	6/30/19	12,244.81	10,244.81		12,244.81
Transportation Acetycling Tonnage Grant Protection Transportation Protection Transportation Protection Transportation Protection Transportation Transport	Governor's Council on Alcoholism and Drug Abuse)			7/1/18	6/30/20	14,659.00		1,125.00	1,125.00
Totasury Drawk Driving Enforcement Fund 100-078-6400-YYYY 17/118 12/31/19 5/5750.00 5/570.00 5/570.00 5/570.00 10,224.81 95.597.00 5/570.00 10,227.12 5/570.00 10,227.12 15,27.12 15,27.12 15,27.12 15,27.12 15,27.12 10,821.00 </td <td></td> <td></td> <td></td> <td>7/1/19</td> <td>6/30/20</td> <td>14,659.00</td> <td></td> <td>3,260.00</td> <td>3,260.00</td>				7/1/19	6/30/20	14,659.00		3,260.00	3,260.00
Alcohol Education & Rehabilitation Fund 100-078-6400-YYYY 1/118 1231/19 5.671.00 5.750.00 5.750.00 10.821.	Total - Department of the Treasury						12,244.81	9,529.70	27,929.22
Alcohol Education & Rehabilitation Fund	artment of Law and Public Safety	Drunk Driving Enforcement Fund	100-078-6400-YYYY	1/1/18	12/31/19	5.750.00		5.750.00	5.750.00
Alcohol Education & Rehabilitation Fund 698-9735-760-001 1/1/19 12/31/20 1.527.12 1.	•)		1/1/18	12/31/19	5,071.00		5,071.00	5,071.00
Alcohol Education & Rehabilitation Fund 098-9735-760-601 1/1/19 12/31/20 3,593.96 1,527.12 1,								10,821.00	10,821.00
Body Armor Replacement Fund 066-1020-718-001 11/119 1231/20 3,593.96 3,593.96 1,203.99		Alcohol Education & Rehabilitation Fund	098-9735-760-001	1/1/19	12/31/20	1,527.12	1,527.12		
Body Armor Replacement Fund 066-1020-718-001 1/1/19 1231/20 3,593.96 3,593.96 10.0221.08 10.0221.08 10.0221.09 10.0221.00 10.02221.00 10.02222222 10.0222222 10.0222222 10.022222222 10.02222222 10.02222222 10.02222222 10.02222222 10.02222222222							1,527.12		
and Public Safety s - MAPS) Senior Citizen and Disabled Residents Transportation Assistance Act Corporation Clean Communities Act Corporation Clean Communities Act Corporation Clean Communities Act Recycling Tomage Grant O42-4910-100-224 I/I/18 I/I/18 I/I/18 I/I/18 I/I/19 I		Body Armor Replacement Fund	066-1020-718-001	1/1/19	12/31/20	3,593.96	3,593.96		
and Public Safety s - MAPS) Senior Citizen and Disabled Residents Corporation Cor							3,593.96		
Senior Citizen and Disabled Residents N/A 1/1/18 12/31/19 12.2588.00 23;911.07 104,794.24 104 Corporation C	Total - Department of Law and Public Safety						5,121.08	10,821.00	10,821.00
Senior Citizen and Disabled Residents N/A 1/1/19 12/31/20 148,158.00 23,911.07 98 Transportation Assistance Act 1/1/19 12/31/20 148,158.00 23,911.07 104,794.24 1044 Corporation Clean Communities Act 4900-765- 1/1/15 12/31/19 39,327.08 13,133.54 39 I/1/17 12/31/19 39,327.08 13,133.54 39 I/1/19 12/31/20 35,597.57 35,597.57 269.34 Recycling Tonnage Grant 042,4910-100-224 1/1/18 12/31/20 23,448.16 23,448.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 23,248.18 24,2	v Jersey Transit Corporation								
Corporation Clean Communities Act 4900-765- 1/1/15 12/31/19 28,211.00 268.80 28 Clean Communities Act 4900-765- 1/1/16 12/31/19 39,327.08 13,133.54 39 1/1/17 12/31/19 33,410.82 22,224.28 22 1/1/18 12/31/20 31,960.00 269.34 269.34 1/1/19 12/31/20 35,597.57 35,895.96 89 Recycling Tonnage Grant 042-4910-100-224 1/1/19 12/31/20 23,448.16 23,448.16 42,765.42 89 ronmental Protection 78,362.99 35,895.96 89 89 ronmental Protection 78,362.99 \$ 161,040.90 \$ 332	Passed Through the County of Morris - MAPS)	Senior Citizen and Disabled Residents Transportation Assistance Act	N/A	1/1/18	12/31/19	122,658.00	23,911.07	104 794 24	98,812.99
Clean Communities Act 4900-765- 1/1/15 12/31/19 28.211.00 268.80 28 13.133.54 39 178900-60 1/1/16 12/31/19 39.327.08 13.133.54 39 17.11 12/31/19 33.410.82 22.224.28 22 17/1/18 12/31/20 31.960.00 269.34 22.224.28 22 17/1/19 12/31/20 35.597.57 35.597.57 35.895.96 89 ronmental Protection	Total - New Jersev Transit Corporation			\ i	ì		122.657.96	104.794.24	203.607.23
Clean Communities Act 4900-765- 1/1/16 12/31/19 28,211.00 26,880 268.80 28 178900-60 1/1/16 12/31/19 39,327.08 13,133.54 39 178900-60 1/1/17 12/31/19 33,410.82 22,224.28 22 1/1/18 12/31/20 35,597.57 35,597.57 269.34 1/1/19 12/31/20 19,317.26 19,317.26 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,448.16 23,448.16 1/1/19 12/31/20 23,448.16 23,4	normal focus and more								
1/8900-00	nartment of Environmental Protection	Clean Communities Act	4900-765-	1/1/15	12/31/19	28,211.00		268.80	28,211.00
1/1/17 12/31/19 33,410.82 22,224.28 22 22,224			178900-60	1/1/16	12/31/19	39,327.08		13,133.54	39,027.08
1/1/19 12/31/20 35,597.57 35,897.57 35,895.96 89 1/1/19 12/31/20 35,597.57 35,895.96 89 1/1/19 12/31/20 19,317.26 19				1/1/17	12/31/19	33,410.82		22,224.28	22,225.10
1/1/19 12/31/20 35,597.57 35,597.57 35,895.96				1/1/18	12/31/20	31,960.00		269.34	269.34
Recycling Tonnage Grant 042-4910-100-224 1/1/18 12/31/20 19,317.26 19,317.26 23,448.16 23,448.16 23,448.16 178,362.99 35,895.96 ment of Environmental Protection \$\$85.99.57\$ \$\$85.99\$ \$\$95.96\$ \$\$\$95.96\$ \$				1/1/19	12/31/20	35,597.57	35,597.57		
Recycling Tonnage Grant 042-4910-100-224 1/1/19 12/31/20 19,317.26 19,317.26 19,317.26 10,317.26 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td>35,597.57</td><td>35,895.96</td><td>89,732.52</td></t<>							35,597.57	35,895.96	89,732.52
1/1/19 12/31/20 23,448.16 23,448.16		Recycling Tonnage Grant	042-4910-100-224	1/1/18	12/31/20	19,317.26	19,317.26		
ment of Environmental Protection				1/1/19	12/31/20	23,448.16	23,448.16		
ment of Environmental Protection 78,362.99 35,895.96 \$ 218,386.84 \$ 161,040.90 \$ 3							42,765.42		
\$ 218,386.84 \$ 161,040.90 \$	Total - Department of Environmental Protection						78,362.99	35,895.96	89,732.52
	FAL STATE AWARDS						\$ 218,386.84	\$ 161,040.90	\$ 332,089.97

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

N/A - Not Available/Applicable

TOWNSHIP OF PEQUANNOCK NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS YEAR ENDED DECEMBER 31, 2019

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, 2019. 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.



200 Valley Road, Suite 300 Mt. Arlington, NJ 07856 973.298.8500

11 Lawrence Road Newton, NJ 07860 973.383.6699

nisivoccia.com

Independent Member BKR International

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, 2019 and 2018 and the related notes to the financial statements and have issued our report thereon dated June 26, 2020. 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. That qualified report also indicated that we did not audit the general fixed assets account group.

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) to determine the 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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 result 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.

June 26, 2020 Mount Arlington, New Jersey Nisivoccia LLP NISIVOCCIA LLP

Valerie A Dolan

Valerie A. Dolan Certified Public Accountant Registered Municipal Accountant No. 548



200 Valley Road, Suite 300 Mt. Arlington, NJ 07856 973.298.8500

11 Lawrence Road Newton, NJ 07860 973.383.6699

nisivoccia.com

Independent Member BKR International

Report on Compliance For Each Major Federal Programs; Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable Mayor and Members of the Township Council Township of Pequannock County of Morris, New Jersey

Report on Compliance for Each Major Federal Program

We have audited the Township of Pequannock (the "Township's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2019. The Township's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on Each Major Federal Program

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

The Honorable Mayor and Members of the Township Council Township of Pequannock County of Morris, New Jersey

Report on Internal Control Over Compliance

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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

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

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

June 26, 2020 Mount Arlington, New Jersey Nisivocia LLP NISIVOCCIA LLP

Valerie A. Dolan Certified Public Accountant

Valerie A Dolan

Registered Municipal Accountant No. 548

TOWNSHIP OF PEQUANNOCK SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2019

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified 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, as the general fixed assets account group was not audited.
- 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 Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance*.
- The auditor's report on compliance for its major federal programs for the Township expresses an unmodified opinion on all major federal programs.
- The audit did not disclose any findings which are required to be reported in accordance with New Jersey's Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The threshold for distinguishing between Type A and B federal programs was \$750,000.
- The Township was not determined to be a "low-risk" auditee for federal programs.

Summary of Auditors' Results:

- The Township's programs tested as major federal programs for the current year consisted of the following federal programs:

	C.F.D.A. No.	E	xpenditures
U.S. Department of Homeland Security:			
(Passed through New Jersey Department			
of Law and Public Safety)			
Flood Mitigation - Elevation	97.029	\$	793,686.33

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.

TOWNSHIP OF PEQUANNOCK SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2019 (Continued)

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined *in* 2 CFR 200.516(a) of the Uniform Guidance.

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, 2019

Status of Prior Year Findings:

None

TOWNSHIP OF PEQUANNOCK PART III COMMENTS AND RECOMMENDATIONS YEAR ENDED DECEMBER 31, 2019

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, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) are \$17,500 for a contracting unit without a qualified purchasing agent and \$40,000 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 3, 2019, 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 2, 2019, 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 16, 2019, 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:

<u>Year</u>	Number of Liens
2019	3
2018	1
2017	1

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 2019 Taxes	20			
Payments of 2020 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 determined that the Township while in compliance, the Township does not have an updated appraisal report.

It is recommended that consideration be given to engaging an independent appraisal company to complete an update to the fixed assets records.

Management's Response:

Administration will consider engaging an independent appraisal company to complete an update to the inventory of the fixed assets records.

Municipal Court

The transactions for the year 2019 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

	ъ	Balance		D	Б	D. I		Balance	
	Dec. 31, 2018		Receipts		Disbursements		Dec. 31, 2019		
Municipal Treasurer:									
Fines and Fees	\$	17,750.46	\$	243,370.32	\$	245,593.56	\$	15,527.22	
Restitution		208.00		1,111.84		1,319.84			
POAA FTA				10.00		8.00		2.00	
Public Defender		2,152.00		21,665.50		22,757.50		1,060.00	
County:									
Fines		7,871.80		107,076.77		108,272.57		6,676.00	
State:									
Fines and Costs		21,076.46		272,990.26		278,231.17		15,835.55	
Conditional Discharge		75.00		3,070.00		2,915.00		230.00	
Conditional Dismissal				220.00		220.00			
Weights and Measures		600.00		61,150.00		58,250.00		3,500.00	
	\$	49,733.72	\$	710,664.69	\$	717,567.64	\$	42,830.77	

TOWNSHIP OF PEQUANNOCK COMMENTS AND RECOMMENDATIONS (Continued)

Purchase Orders

During our review of the purchasing process, we noted that many purchase orders are not always being approved prior to the order being processed.

It is recommended that the purchase order be dated prior to the invoice date.

Management's Response:

The Township will ensure that the availability of funds are secured prior to the order being processed.

Management Suggestions:

Federal and State Grant Fund

During our review of federal and state grants, we noted significant improvement with cancellations of older grant balances. We suggest that management continue to monitor and review grant receivables and reserve balances that are several years old, and continue to cancel balances as deemed non-collectable, and or pursue collection.

Summary of Prior Year Recommendations

The Township's recommendation regarding bank reconciliations, bank reconciling items, discrepancies between the finance department records and the utility collector reports, and animal monies being turned over to the State in a timely have been resolved in the 2019 audit. The recommendations regarding fixed assets and purchase orders have not been resolved and are included in the 2019 audit.

TOWNSHIP OF PEQUANNOCK SUMMARY OF RECOMMENDATIONS

It is recommended that:

- 1. Consideration be given to engaging an independent appraisal company to complete an update to the fixed assets records.
- 2. The purchase order be dated prior to the invoice date.

* * * * * * *