

Report of Audit
on the
Financial Statements
of the
Borough of Flemington
in the
County of Hunterdon
New Jersey
for the
Year Ended
December 31, 2019

BOROUGH OF FLEMINGTON

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BOROUGH OF FLEMINGTON

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
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REPORT ON INTERNAL CONTROL OVER FINANCIAL
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YEAR ENDED DECEMBER 31, 2019 AND 2018



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Flemington
County of Hunterdon
Flemington, New Jersey 08822

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Flemington, as of December 31, 2019 and 2018, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's regulatory 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 the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 entity'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 Borough of Flemington'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 regulatory financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" 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 the various individual funds and account group of the Borough of Flemington as of December 31, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2019.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2019 and 2018, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Flemington's regulatory financial statements. The supplementary information, schedules and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information, schedules and data listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, schedules and data listed in the table of contents are fairly stated, in all material respects, in relation to the regulatory 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 September 23, 2020 on our consideration of the Borough of Flemington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Flemington's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

September 23, 2020



SUPLEE, CLOONEY & COMPANY

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

The Honorable Mayor and Members
of the Borough Council
Borough of Flemington
County of Hunterdon
Flemington, New Jersey 08822

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Flemington, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated September 23, 2020. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Flemington prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory financial statements, we considered the Borough's 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 Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough's internal control.

SUPLEE, CLOONEY & COMPANY

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

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


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 results of that testing, and not to provide an opinion on the effectiveness of the Borough of Flemington's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Flemington's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

September 23, 2020

CURRENT FUND

BOROUGH OF FLEMINGTON

CURRENT FUND

BALANCE SHEET - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|--|-------------|--|--|
| Cash-Treasurer | A-4 | \$ 2,632,684.77 | \$ 3,720,313.10 |
| Cash-Tax Collector | A-5 | 186,925.67 | 401,290.27 |
| Change Fund | A-6 | 225.00 | 225.00 |
| Due State of New Jersey-Chapter 20, PL 1971 | A-8 | | 500.00 |
| | | <u>\$ 2,819,835.44</u> | <u>\$ 4,122,328.37</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-7 | \$ 247,080.50 | \$ 253,512.07 |
| Tax Title Liens | A-25 | 17,091.35 | 11,106.74 |
| Property Acquired for Taxes - Assessed Valuation | A-26 | 380,000.00 | 380,000.00 |
| Revenue Accounts Receivable | A-9 | 8,007.67 | 10,584.50 |
| Interfunds Receivable | A-10 | 295,073.89 | 252,653.08 |
| | A | <u>\$ 947,253.41</u> | <u>\$ 907,856.39</u> |
| | | <u>\$ 3,767,088.85</u> | <u>\$ 5,030,184.76</u> |
| Grant Fund: | | | |
| Cash | A-4 | \$ 148,592.33 | \$ 216,077.11 |
| Grants Receivable | A-19 | 1,759.02 | |
| Interfunds Receivable | A-24 | 34,538.01 | 34,538.01 |
| | | <u>\$ 184,889.36</u> | <u>\$ 250,615.12</u> |
| | | <u>\$ 3,951,978.21</u> | <u>\$ 5,280,799.88</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

CURRENT FUND

BALANCE SHEET - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3:A-13 | \$ 196,760.25 | \$ 195,021.68 |
| Prepaid Taxes | A-17 | 234,111.84 | 460,386.03 |
| Tax Overpayments | A-18 | 45,531.15 | 29,913.19 |
| Interfunds Payable | A-10 | 1,384,020.62 | 2,688,448.83 |
| County Taxes-Payable | A-14 | 694.83 | 2,131.12 |
| Special Improvement Tax Payable | A-21 | 1,858.80 | 1,375.17 |
| Reserve for Encumbrances | A-20 | 35,212.37 | 47,188.68 |
| Reserve for Miscellaneous Deposits | A-23 | 4,257.15 | 2,221.15 |
| Reserve for Sale of Assets | A-22 | 70,000.00 | 70,000.00 |
| | | <u>\$ 1,972,447.01</u> | <u>\$ 3,496,685.85</u> |
| Reserve for Receivables and Other Assets | A | 947,253.41 | 907,856.39 |
| Fund Balance | A-1 | 847,388.43 | 625,642.52 |
| | | <u>\$ 3,767,088.85</u> | <u>\$ 5,030,184.76</u> |
| Grant Fund: | | | |
| Unappropriated Reserves | A-12 | \$ 5,723.74 | \$ 44,137.56 |
| Appropriated Reserves | A-11 | 179,165.62 | 206,477.56 |
| | | <u>\$ 184,889.36</u> | <u>\$ 250,615.12</u> |
| | | <u>\$ 3,951,978.21</u> | <u>\$ 5,280,799.88</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

CURRENT FUND

STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | <u>YEAR 2019</u> | <u>YEAR 2018</u> |
|---|-------------|-------------------------|-------------------------|
| <u>REVENUE AND OTHER INCOME</u> | | | |
| Fund Balance Utilized | A-2 | \$ 189,139.00 | \$ 85,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 993,101.69 | 930,729.37 |
| Receipts From Delinquent Taxes | A-2 | 252,686.00 | 289,576.15 |
| Receipts From Current Taxes | A-2 | 14,343,113.36 | 14,016,147.21 |
| Non-Budget Revenue | A-2 | 107,494.37 | 63,014.22 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-13 | 111,260.96 | 54,274.17 |
| Encumbrances Canceled | A-20 | 5,451.91 | |
| Prepaid School and Special Improvement Taxes Returned | | | 28,722.72 |
| Refunds Receivable Returned | | | 1,888.08 |
| <u>Total Income</u> | | <u>\$ 16,002,247.29</u> | <u>\$ 15,469,351.92</u> |
| <u>EXPENDITURES</u> | | | |
| Budget Appropriations: | | | |
| Operations Within "CAPS": | | | |
| Operating | A-3 | \$ 3,973,612.00 | \$ 3,768,708.75 |
| Deferred Charges and Statutory Expenditures | A-3 | 608,092.00 | 606,022.00 |
| Operations Excluded from "CAPS": | | | |
| Operating | A-3 | 428,613.19 | 387,713.00 |
| Capital Improvements | A-3 | 83,000.00 | 98,000.00 |
| Municipal Debt Service | A-3 | 420,170.17 | 409,436.49 |
| Interfunds Advanced | | 42,420.81 | 171,299.87 |
| County Taxes | A-14 | 1,580,737.98 | 1,574,187.23 |
| County Share of Added Taxes | A-14 | 694.83 | 2,131.12 |
| Regional School Tax | A-15 | 5,851,192.00 | 5,937,354.00 |
| Regional High School Tax | A-16 | 2,238,035.00 | 2,016,045.00 |
| Special Improvement District Tax | A-21 | 362,483.63 | 363,375.17 |
| Senior Citizen & Veteran Deductions | A-8 | 750.00 | |
| Refund of Prior Year Revenue | A-4 | 1,560.77 | 5,218.38 |
| <u>Total Expenditures</u> | | <u>\$ 15,591,362.38</u> | <u>\$ 15,339,491.01</u> |
| Excess in Revenue | | \$ 410,884.91 | \$ 129,860.91 |
| <u>Fund Balance</u> | | | |
| Balance, January 1 | A | 625,642.52 | 580,781.61 |
| | | <u>\$ 1,036,527.43</u> | <u>\$ 710,642.52</u> |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1:A-2 | 189,139.00 | 85,000.00 |
| Fund Balance, December 31 | A | <u>\$ 847,388.43</u> | <u>\$ 625,642.52</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

| REF. | ANTICIPATED | | REALIZED | EXCESS OR (DEFICIT) |
|---|-------------|----------------------------|-----------------|---------------------------|
| | BUDGET | SPECIAL N.J.S. 40A:4-87 | | |
| Fund Balance Anticipated | A-1 | \$ 189,139.00 | \$ 189,139.00 | |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | A-9 | \$ 9,000.00 | \$ 10,260.00 | \$ 1,260.00 |
| Other | A-9 | 17,000.00 | 18,954.00 | 1,954.00 |
| Fees and Permits: | | | | |
| Construction Code Official | A-9 | 56,000.00 | 75,854.00 | 19,854.00 |
| Other | A-2 | 115,000.00 | 113,176.06 | (1,823.94) |
| Fines: | | | | |
| Municipal Court | A-9 | 150,000.00 | 179,705.79 | 29,705.79 |
| Interest and Costs on Taxes | A-9 | 58,000.00 | 87,120.13 | 29,120.13 |
| Consolidated Municipal Property | | | | |
| Tax Relief Aid | A-9 | 17,024.00 | 2,712.00 | (14,312.00) |
| Energy Receipts Tax | A-9 | 350,950.00 | 365,262.00 | 14,312.00 |
| Uniform Fire Safety | A-9 | 24,000.00 | 24,719.52 | 719.52 |
| Reserve for Debt Service | A-9 | 20,000.00 | 20,000.00 | |
| Payment in Lieu of Taxes | A-9 | 35,000.00 | 32,225.00 | (2,775.00) |
| Safe and Secure Communities | A-19 | 26,713.00 | 26,713.00 | |
| Clean Communities Program | A-19 | 8,527.70 | 9,364.65 | 17,892.35 |
| Recycling Tonnage Grant | A-19 | 10,559.60 | 10,559.60 | |
| Body Armor Replacement Fund | A-19 | 1,864.98 | 1,759.02 | 3,624.00 |
| Alcohol Education Rehabilitation Fund | A-19 | 2,636.37 | 1,687.87 | 4,324.24 |
| | A-1 | \$ 902,275.65 | \$ 12,811.54 | \$ 993,101.69 |
| Receipts from Delinquent Taxes | A-1:A-7 | \$ 250,000.00 | \$ 252,686.00 | \$ 2,686.00 |
| Amount to be Raised by Taxation for Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purposes | A-2:A-7 | \$ 4,559,675.00 | \$ 4,709,969.92 | \$ 150,294.92 |
| <u>Budget Totals</u> | | \$ 5,901,089.65 | \$ 12,811.54 | \$ 6,144,896.61 |
| | | | | \$ 230,995.42 |
| Non-Budget Revenue | A-1:A-2 | | 107,494.37 | 107,494.37 |
| | | \$ 5,901,089.65 | \$ 12,811.54 | \$ 6,252,390.98 |
| | | | | \$ 338,489.79 |
| REF. | A-3 | A-3 | | |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>REF.</u> | |
|--|-------------|------------------------|
| Allocation of Current Tax Collections: | | |
| Collections Realized on a Cash Basis | A-7 | \$ 14,343,113.36 |
| Allocated to: | | |
| School, County and Special Improvement District Taxes | | <u>10,033,143.44</u> |
| Balance for Support of Municipal Budget Appropriations | | \$ 4,309,969.92 |
| Add: Appropriation - "Reserve for Uncollected Taxes" | A-3 | <u>400,000.00</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | <u>\$ 4,709,969.92</u> |
| Delinquent Taxes: | | |
| Delinquent Taxes | A-2:A-7 | <u>\$ 252,686.00</u> |
| Fees and Permits - Other: | | |
| Planning Board | A-9 | \$ 3,625.00 |
| Clerk | A-9 | 13,455.00 |
| Police | A-9 | 2,412.26 |
| Fire | A-9 | 51,589.00 |
| Landlord Registration | A-9 | 29,155.00 |
| Miscellaneous | A-9 | <u>12,939.80</u> |
| | A-2 | <u>\$ 113,176.06</u> |
| <u>Analysis of Non-Budget Revenues</u> | | |
| Miscellaneous Revenue Not Anticipated: | | |
| Treasurer: | | |
| Refunds | | \$ 12,997.88 |
| Miscellaneous | | 2,237.65 |
| Senior Citizen and Veterans Administrative Fee | | 245.00 |
| Cable T.V. Franchise Fee | | 36,325.53 |
| Interest on Investment | | <u>48,724.97</u> |
| | A-4 | \$ 100,531.03 |
| Tax Collector | A-5 | <u>6,963.34</u> |
| | A-1:A-2 | <u>\$ 107,494.37</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

CURRENT FUND

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

| | APPROPRIATIONS | | EXPENDED | | CANCELED |
|---|----------------|------------------------------|--------------------|-------------|----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| <u>OPERATIONS WITHIN "CAPS"</u> | | | | | |
| <u>GENERAL GOVERNMENT</u> | | | | | |
| Administrative and Executive: | | | | | |
| Other Expenses | \$ 64,500.00 | \$ 64,500.00 | \$ 56,032.96 | \$ 8,467.04 | |
| Mayor and Council: | | | | | |
| Salaries and Wages | 36,000.00 | 36,000.00 | 35,730.00 | 270.00 | |
| Other Expenses | 11,300.00 | 11,300.00 | 9,942.39 | 1,357.61 | |
| Municipal Clerk: | | | | | |
| Salaries and Wages | 81,000.00 | 81,000.00 | 79,859.71 | 1,140.29 | |
| Other Expenses | 14,250.00 | 14,250.00 | 13,096.66 | 1,153.34 | |
| Financial Administration: | | | | | |
| Salaries and Wages | 27,000.00 | 27,000.00 | 26,237.01 | 762.99 | |
| Other Expenses | 8,200.00 | 8,200.00 | 7,307.63 | 892.37 | |
| Audit Services | 31,000.00 | 31,000.00 | 30,725.00 | 275.00 | |
| Assessment of Taxes: | | | | | |
| Salaries and Wages | 30,800.00 | 30,800.00 | 30,800.00 | | |
| Other Expenses | 20,500.00 | 20,500.00 | 9,113.36 | 11,386.64 | |
| Collection of Taxes: | | | | | |
| Salaries and Wages | 21,500.00 | 21,500.00 | 21,081.00 | 419.00 | |
| Other Expenses | 10,112.00 | 10,112.00 | 4,312.53 | 5,799.47 | |
| Legal Services and Costs: | | | | | |
| Other Expenses | 145,000.00 | 145,000.00 | 143,613.41 | 1,386.59 | |
| Engineering Services and Costs: | | | | | |
| Other Expenses | 6,000.00 | 6,000.00 | 5,915.19 | 84.81 | |
| Planning Board: | | | | | |
| Salaries and Wages | 24,200.00 | 24,200.00 | 24,113.00 | 87.00 | |
| Other Expenses | 43,150.00 | 43,150.00 | 25,985.91 | 17,164.09 | |
| Insurance: | | | | | |
| Group Insurance Plan for Employees | 580,000.00 | 580,000.00 | 579,195.42 | 804.58 | |
| Other Insurance Premiums | 79,000.00 | 79,000.00 | 79,000.00 | | |
| Workers Compensation | 32,000.00 | 32,000.00 | 32,000.00 | | |
| Group Insurance - Health Benefit Waiver | 10,000.00 | 10,000.00 | 6,000.00 | 4,000.00 | |
| Municipal Court: | | | | | |
| Salaries and Wages | 135,000.00 | 135,000.00 | 134,539.38 | 460.62 | |
| Other Expenses | 36,000.00 | 36,000.00 | 13,168.68 | 22,831.32 | |
| Public Defender: | | | | | |
| Salaries and Wages | 100.00 | 100.00 | 66.00 | 34.00 | |
| <u>PUBLIC SAFETY</u> | | | | | |
| Fire: | | | | | |
| Other Expenses | 44,500.00 | 44,500.00 | 34,206.44 | 10,293.56 | |
| Fire Safety and Housing Enforcement: | | | | | |
| Salaries and Wages | 52,000.00 | 57,000.00 | 54,422.40 | 2,577.60 | |
| Other Expenses | 12,700.00 | 7,700.00 | 6,483.66 | 1,216.34 | |
| Police: | | | | | |
| Salaries and Wages | 1,373,000.00 | 1,373,000.00 | 1,372,873.77 | 126.23 | |
| Other Expenses | 103,500.00 | 103,500.00 | 103,470.94 | 29.06 | |
| First Aid Organization Contribution | 10,000.00 | 10,000.00 | 10,000.00 | | |
| Municipal Prosecutor: | | | | | |
| Salaries and Wages | 27,000.00 | 27,000.00 | 14,304.90 | 12,695.10 | |
| Emergency Management Services: | | | | | |
| Salaries and Wages | 3,650.00 | 3,650.00 | 3,631.00 | 19.00 | |
| Other Expenses | 5,700.00 | 5,700.00 | 4,568.23 | 1,131.77 | |
| Environmental Commission: | | | | | |
| Other Expenses | 750.00 | 750.00 | 350.00 | 400.00 | |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

CURRENT FUND

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

| | APPROPRIATIONS | | EXPENDED | | |
|---|-----------------|------------------------------|--------------------|---------------|----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELED |
| <u>PUBLIC WORKS</u> | | | | | |
| Streets and Roads: | | | | | |
| Salaries and Wages | \$ 155,000.00 | \$ 155,000.00 | \$ 154,821.34 | \$ 378.66 | |
| Other Expenses | 111,200.00 | 111,200.00 | 99,229.02 | 11,970.98 | |
| Sanitation (Garbage and Trash Removal): | | | | | |
| Other Expenses | 210,000.00 | 210,000.00 | 210,000.00 | | |
| Recycling: | | | | | |
| Salaries and Wages | 4,200.00 | 4,200.00 | 4,123.94 | 76.06 | |
| Other Expenses | 23,000.00 | 23,000.00 | 22,825.00 | 175.00 | |
| Public Building and Grounds: | | | | | |
| Other Expenses | 20,000.00 | 20,000.00 | 19,890.77 | 109.23 | |
| Rental Property Expenses | 8,000.00 | 8,000.00 | 4,175.45 | 3,824.55 | |
| Shade Tree Commission: | | | | | |
| Other Expenses | 3,800.00 | 3,800.00 | 2,170.28 | 1,629.72 | |
| <u>HEALTH AND WELFARE (BOARD OF HEALTH- LOCAL HEALTH AGENCY)</u> | | | | | |
| Board of Health: | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 9,350.00 | 5,650.00 | |
| Dog Regulation: | | | | | |
| Other Expenses | 17,000.00 | 17,000.00 | 3,245.00 | 13,755.00 | |
| P.E.O.S.H.A. - Fire Department | 8,000.00 | 8,000.00 | 7,277.02 | 722.98 | |
| <u>RECREATION AND EDUCATION</u> | | | | | |
| Recreation: | | | | | |
| Other Expenses | 20,000.00 | 20,000.00 | 5,150.00 | 14,850.00 | |
| Historic Commission: | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 10,000.00 | | |
| <u>STATE UNIFORM CONSTRUCTION CODE (N.J.S.A.52:270-120 ET.SEQ.)</u> | | | | | |
| Building Inspector: | | | | | |
| Salaries and Wages | 56,400.00 | 56,400.00 | 56,400.00 | | |
| Other Expenses | 3,000.00 | 3,000.00 | 2,950.03 | 49.97 | |
| Plumbing Inspector: | | | | | |
| Salaries and Wages | 11,500.00 | 11,500.00 | 11,147.00 | 353.00 | |
| Electrical Inspector: | | | | | |
| Salaries and Wages | 12,500.00 | 12,500.00 | 12,453.00 | 47.00 | |
| Fire Protection Official: | | | | | |
| Salaries and Wages | 11,500.00 | 11,500.00 | 11,147.00 | 353.00 | |
| Property Maintenance Inspector: | | | | | |
| Salaries and Wages | 16,830.00 | 16,830.00 | 16,829.57 | 0.43 | |
| Other Expenses | 570.00 | 570.00 | 547.34 | 22.66 | |
| <u>UNCLASSIFIED</u> | | | | | |
| Municipal Services Act - Condo Reimbursement Law | 3,500.00 | 3,500.00 | 3,500.00 | | |
| Electricity | 16,000.00 | 16,000.00 | 15,363.63 | 636.37 | |
| Telephone | 38,200.00 | 38,200.00 | 38,150.71 | 49.29 | |
| Water | 11,000.00 | 11,000.00 | 9,437.81 | 1,562.19 | |
| Natural Gas | 14,000.00 | 14,000.00 | 13,390.16 | 609.84 | |
| Gasoline | 34,000.00 | 34,000.00 | 34,000.00 | | |
| Street Lighting | 60,000.00 | 60,000.00 | 56,395.93 | 3,604.07 | |
| <u>TOTAL OPERATIONS WITHIN "CAPS"</u> | \$ 3,973,612.00 | \$ 3,973,612.00 | \$ 3,805,916.58 | \$ 167,695.42 | |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

CURRENT FUND

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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | |
|--|------------------------|--------------------------------------|----------------------------|----------------------|-----------------|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> | <u>CANCELED</u> |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u> | | | | | |
| Statutory Expenditures: | | | | | |
| Contribution to: | | | | | |
| Police and Fireman's Pension Fund | \$ 331,092.00 | \$ 331,092.00 | \$ 331,092.00 | \$ | |
| Defined Contribution Retirement Program | 2,000.00 | 2,000.00 | 1,935.17 | 64.83 | |
| Public Employees' Retirement System | 100,000.00 | 100,000.00 | 100,000.00 | | |
| Social Security System | 175,000.00 | 175,000.00 | 175,000.00 | | |
| <u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u> | <u>\$ 608,092.00</u> | <u>\$ 608,092.00</u> | <u>\$ 608,027.17</u> | <u>\$ 64.83</u> | |
| <u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u> | <u>\$ 4,581,704.00</u> | <u>\$ 4,581,704.00</u> | <u>\$ 4,413,943.75</u> | <u>\$ 187,760.25</u> | |
| <u>OPERATIONS EXCLUDED FROM "CAPS"</u> | | | | | |
| Maintenance of Free Public Library | \$ 271,500.00 | \$ 271,500.00 | \$ 271,500.00 | \$ | |
| Length of Service Award Program | 24,000.00 | 24,000.00 | | 24,000.00 | |
| <u>TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"</u> | <u>\$ 295,500.00</u> | <u>\$ 295,500.00</u> | <u>\$ 271,500.00</u> | <u>\$ 24,000.00</u> | |
| <u>PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</u> | | | | | |
| Safe and Secure Communities: | | | | | |
| State Share | \$ 26,713.00 | \$ 26,713.00 | \$ 26,713.00 | \$ | |
| Local Share | 70,000.00 | 70,000.00 | 70,000.00 | | |
| Alcohol Education Rehabilitation Fund (N.J.S.A. 40A:4-87 +\$1,687.07) | 2,636.37 | 4,324.24 | 4,324.24 | | |
| Clean Communities Program (N.J.S.A. 40A:4-87 +\$9,364.68) | 8,527.70 | 17,892.35 | 17,892.35 | | |
| Body Armor Replacement Fund (N.J.S.A. 40A:4-87 +\$1,759.02) | 1,864.98 | 3,624.00 | 3,624.00 | | |
| Recycling Tonnage Grant | 10,559.60 | 10,559.60 | 10,559.60 | 0.00 | |
| <u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</u> | <u>\$ 120,301.65</u> | <u>\$ 133,113.19</u> | <u>\$ 133,113.19</u> | <u>\$ 0.00</u> | |
| <u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u> | | | | | |
| Capital Improvement Fund | \$ 60,000.00 | \$ 60,000.00 | \$ 60,000.00 | \$ | |
| Reserve for: | | | | | |
| Preliminary Road Engineering | 5,000.00 | 5,000.00 | | 5,000.00 | |
| Purchase of Ambulance | 18,000.00 | 18,000.00 | 18,000.00 | | |
| <u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u> | <u>\$ 83,000.00</u> | <u>\$ 83,000.00</u> | <u>\$ 78,000.00</u> | <u>\$ 5,000.00</u> | |
| <u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u> | | | | | |
| Payment of Bond Principal | \$ 200,000.00 | \$ 200,000.00 | \$ 200,000.00 | \$ | |
| Payment of Bond Anticipation Notes | 72,984.00 | 72,984.00 | 72,984.00 | | |
| Interest on Bonds | 84,100.00 | 84,100.00 | 84,081.26 | | 18.74 |
| Interest on Notes | 63,500.00 | 63,500.00 | 63,104.91 | | 395.09 |
| <u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u> | <u>\$ 420,584.00</u> | <u>\$ 420,584.00</u> | <u>\$ 420,170.17</u> | <u>\$</u> | <u>413.83</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

CURRENT FUND

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

| | APPROPRIATIONS | | EXPENDED | | CANCELED |
|---|------------------------|------------------------------|------------------------|----------------------|------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | \$ 919,385.65 | \$ 932,197.19 | \$ 902,783.36 | \$ 29,000.00 | \$ 413.83 |
| SUB-TOTAL GENERAL APPROPRIATIONS | \$ 5,501,089.65 | \$ 5,513,901.19 | \$ 5,316,727.11 | \$ 196,760.25 | \$ 413.83 |
| RESERVE FOR UNCOLLECTED TAXES | 400,000.00 | 400,000.00 | 400,000.00 | | |
| <u>TOTAL GENERAL APPROPRIATIONS</u> | <u>\$ 5,901,089.65</u> | <u>\$ 5,913,901.19</u> | <u>\$ 5,716,727.11</u> | <u>\$ 196,760.25</u> | <u>\$ 413.83</u> |
| | REF. | A-2 | A-1 | A:A-1 | |
| Encumbered | A-20 | | \$ 31,846.03 | | |
| Reserve for Uncollected Taxes | A-2 | | 400,000.00 | | |
| Reserve for Grants Appropriated | A-11 | | 63,113.19 | | |
| Disbursed | A-4 | | 5,487,695.61 | | |
| | | | 5,982,654.83 | | |
| Less: Refunds | A-4 | | 265,927.72 | | |
| | | | <u>\$ 5,716,727.11</u> | | |
| Budget | A-3 | \$ 5,901,089.65 | | | |
| Appropriation by 40A:4-87 | A-2 | 12,811.54 | | | |
| | | <u>\$ 5,913,901.19</u> | | | |

The accompanying Notes to the Financial Statements are an integral part of this statement.

TRUST FUND

"B"

BOROUGH OF FLEMINGTON

TRUST FUND

BALANCE SHEET - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|--|-------------|--|--|
| <u>ASSETS</u> | | | |
| Animal Control Trust Fund: | | | |
| Interfunds Receivable | B-6 | \$ | \$ 7,538.99 |
| Deficit to be Raised | B-2 | 389.91 | |
| | | <u>\$ 389.91</u> | <u>\$ 7,538.99</u> |
| Other Funds: | | | |
| Cash | B-1 | \$ 1,088,993.68 | \$ 1,093,615.10 |
| Interfunds Receivable | B-5 | 389.91 | |
| | | <u>\$ 1,089,383.59</u> | <u>\$ 1,093,615.10</u> |
| | | <u>\$ 1,089,773.50</u> | <u>\$ 1,101,154.09</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCES</u> | | | |
| Animal Control Trust Fund: | | | |
| Interfunds Payable | B-6 | \$ 389.91 | \$ 1,560.99 |
| Reserve for Animal Control Trust Fund Expenditures | B-2 | | 5,978.00 |
| | | <u>\$ 389.91</u> | <u>\$ 7,538.99</u> |
| Other Funds: | | | |
| Interfunds Payable | B-5 | \$ 298,919.53 | \$ 264,855.17 |
| Encumbrances Payable | B-4 | | 9,371.98 |
| Reserve for: | | | |
| State Unemployment Insurance | B-3 | 135,733.36 | 129,690.28 |
| Various Reserves and Deposits | B-4 | 654,730.70 | 689,697.67 |
| | | <u>\$ 1,089,383.59</u> | <u>\$ 1,093,615.10</u> |
| | | <u>\$ 1,089,773.50</u> | <u>\$ 1,101,154.09</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL CAPITAL FUND

"C"

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

BALANCE SHEET - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|---|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash | C-2 | \$ | \$ 153,143.14 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-12 | 2,605,000.00 | 2,805,000.00 |
| Unfunded | C-5 | 5,513,469.83 | 4,362,453.83 |
| Grants Receivable | C-11 | 1,000,159.00 | 1,000,159.00 |
| Interfunds Receivable | C-4 | | 239,563.07 |
| | | <u>\$ 9,118,628.83</u> | <u>\$ 8,560,319.04</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Cash Overdraft | C-2 | \$ 66,813.71 | \$ |
| Bond Anticipation Notes | C-8 | 2,458,244.00 | 2,531,228.00 |
| Serial Bonds | C-13 | 2,605,000.00 | 2,805,000.00 |
| Interfunds Payable | C-4 | 1,527,824.25 | 375,195.80 |
| Improvement Authorizations: | | | |
| Funded | C-7 | 54,238.87 | 945,634.55 |
| Unfunded | C-7 | 1,135,277.87 | 1,217,820.46 |
| Capital Improvement Fund | C-9 | 456,711.81 | 445,211.81 |
| Reserve For: | | | |
| Contracts Payable | C-6 | 653,385.43 | 90,782.30 |
| Miscellaneous Deposits | C-10 | 41,022.31 | 61,022.31 |
| Fund Balance | C-1 | <u>120,110.58</u> | <u>88,423.81</u> |
| | | <u>\$ 9,118,628.83</u> | <u>\$ 8,560,319.04</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | | |
|----------------------------|-------------|----|--------------------------|
| Balance, December 31, 2018 | C | \$ | 88,423.81 |
| Increased by: | | | |
| Premium on Sale of Notes | C-2 | | <u>31,686.77</u> |
| Balance, December 31, 2019 | C | \$ | <u><u>120,110.58</u></u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

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WATER UTILITY FUND

BOROUGH OF FLEMINGTON

WATER UTILITY FUND

BALANCE SHEET - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|---|-------------|--|--|
| Operating Fund: | | | |
| Cash - Treasurer | D-5 | \$ 1,231,642.56 | \$ 910,298.13 |
| Cash - Collector | D-6 | 88,766.98 | 39,227.06 |
| Interfunds Receivable | D-12 | 863,506.62 | 843,194.75 |
| | | <u>\$ 2,183,916.16</u> | <u>\$ 1,792,719.94</u> |
| Receivables and Inventories with Full Reserves: | | | |
| Consumer Accounts Receivable | D-7 | \$ 115,120.49 | \$ 186,071.27 |
| Inventory | D-8 | 24,416.01 | 24,416.01 |
| | D | <u>\$ 139,536.50</u> | <u>\$ 210,487.28</u> |
| <u>Total Operating Fund</u> | | <u>\$ 2,323,452.66</u> | <u>\$ 2,003,207.22</u> |
| Capital Fund: | | | |
| Cash | D-5 | \$ 22,038.06 | \$ 344,445.78 |
| Fixed Capital | D-20 | 7,025,049.72 | 7,025,049.72 |
| Fixed Capital Authorized and Uncompleted | D-21 | 15,696,549.00 | 15,696,549.00 |
| Interfunds Receivable | D-22 | 2,185,145.23 | 1,928,132.33 |
| Grants/Loans Receivable | D-23 | 204,587.17 | 403,259.93 |
| <u>Total Capital Fund</u> | | <u>\$ 25,133,369.18</u> | <u>\$ 25,397,436.76</u> |
| | | <u>\$ 27,456,821.84</u> | <u>\$ 27,400,643.98</u> |

BOROUGH OF FLEMINGTON

WATER UTILITY FUND

BALANCE SHEET - REGULATORY BASIS

| | REF. | BALANCE DECEMBER 31, 2019 | BALANCE DECEMBER 31, 2018 |
|---|----------|---------------------------------|---------------------------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Operating Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | D-4:D-10 | \$ 144,962.45 | \$ 50,866.23 |
| Accrued Interest | D-9 | 113,280.01 | 98,975.06 |
| Encumbrances Payable | D-11 | 32,048.05 | 57,083.93 |
| Overpayments | D-13 | 2,292.44 | 3,124.45 |
| Interfunds Payable | D-12 | 1,711,575.87 | 1,376,405.87 |
| | | <u>\$ 2,004,158.82</u> | <u>\$ 1,586,455.54</u> |
| Reserve for Receivables and Inventory | D | 139,536.50 | 210,487.28 |
| Fund Balance | D-1 | 179,757.34 | 206,264.40 |
| | | <u>\$ 2,323,452.66</u> | <u>\$ 2,003,207.22</u> |
| <u>Total Operating Fund</u> | | | |
| Capital Fund: | | | |
| Improvement Authorizations: | | | |
| Funded | D-15 | \$ 490,523.95 | \$ 613,500.28 |
| Unfunded | D-15 | 6,242,019.25 | 6,440,767.70 |
| Capital Improvement Fund | D-18 | 16,357.38 | 16,357.38 |
| Bond Anticipation Notes | D-27 | 4,526,000.00 | 4,540,000.00 |
| Water Utility Bonds | D-25 | 195,000.00 | 245,000.00 |
| New Jersey Environmental Infrastructure | | | |
| Loans Payable | D-26 | 2,055,914.54 | 2,244,873.44 |
| U.S.D.A. Loan Payable | D-24 | 3,319,691.74 | 3,369,743.05 |
| Reserve For: | | | |
| Contracts Payable | D-14 | | 682.94 |
| Amortization | D-17 | 4,441,331.53 | 4,364,867.53 |
| Deferred Amortization | D-16 | 3,737,165.72 | 3,510,619.51 |
| Miscellaneous Deposits | D-19 | 21,500.00 | 21,500.00 |
| Fund Balance | D-2 | 87,865.07 | 29,524.93 |
| | | <u>\$ 25,133,369.18</u> | <u>\$ 25,397,436.76</u> |
| <u>Total Capital Fund</u> | | | |
| | | <u>\$ 27,456,821.84</u> | <u>\$ 27,400,643.98</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | <u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2019</u> | <u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2018</u> |
|--|-------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Fund Balance Utilized | D-3 | \$ 210,000.00 | \$ 291,000.00 |
| Rents | D-3 | 950,000.00 | 955,599.14 |
| Additional Rents | D-3 | 276,218.58 | |
| Other Credits to Income: | | | |
| Miscellaneous Revenue Not Anticipated | D-3 | 199,704.92 | 186,882.54 |
| Unexpended Balance of Appropriation Reserves | D-10 | 8,193.01 | 62,533.12 |
| Encumbrances Payable Canceled | D-11 | <u>13,545.08</u> | <u></u> |
| <u>TOTAL INCOME</u> | | <u>\$ 1,657,661.59</u> | <u>\$ 1,496,014.80</u> |
| <u>EXPENDITURES</u> | | | |
| Operating | D-4 | \$ 839,000.00 | \$ 819,000.00 |
| Statutory Expenditures | D-4 | 32,900.00 | 33,000.00 |
| Debt Service | D-4 | 600,100.00 | 507,000.00 |
| Refund of Prior Year Revenue | D-5 | <u>2,168.65</u> | <u></u> |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 1,474,168.65</u> | <u>\$ 1,359,000.00</u> |
| Excess in Revenue | | \$ 183,492.94 | \$ 137,014.80 |
| <u>Fund Balance</u> | | | |
| Balance, January 1 | D | <u>206,264.40</u> | <u>360,249.60</u> |
| | | <u>\$ 389,757.34</u> | <u>\$ 497,264.40</u> |
| Decreased by: | | | |
| Utilization by Water Operating Budget | D-1 | <u>210,000.00</u> | <u>291,000.00</u> |
| Balance, December 31 | D | <u>\$ 179,757.34</u> | <u>\$ 206,264.40</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2018 | D | \$ | 29,524.93 |
| Increased by: | | | |
| Premium on Sale of Note | D-5 | | <u>58,340.14</u> |
| Balance, December 31, 2019 | D | \$ | <u><u>87,865.07</u></u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>REF.</u> | <u>ANTICIPATED</u> | <u>REALIZED</u> | <u>EXCESS/ (DEFICIT)</u> |
|---------------------------------------|-------------|------------------------|------------------------|------------------------------|
| Fund Balance Anticipated | D-1 | \$ 210,000.00 | \$ 210,000.00 | \$ |
| Water Use Charges | D-1:D-3 | 950,000.00 | 950,000.00 | |
| Additional Rents | D-1:D-3 | 312,000.00 | 276,218.58 | (35,781.42) |
| Miscellaneous Revenue Not Anticipated | D-1:D-3 | | 199,704.92 | 199,704.92 |
| | D-4 | <u>\$ 1,472,000.00</u> | <u>\$ 1,635,923.50</u> | <u>\$ 163,923.50</u> |

ANALYSIS OF REALIZED REVENUE

Water Use Charges:

Consumer Accounts Receivable:

| | | |
|---------------------|------|------------------------|
| Collected | D-7 | \$ 1,225,386.57 |
| Overpayment Applied | D-13 | 832.01 |
| | D-3 | <u>\$ 1,226,218.58</u> |

Miscellaneous:

| | | |
|-------------------------|-----|----------------------|
| Tower Lease | | \$ 97,252.15 |
| Interest on Investments | | 10,735.47 |
| | D-5 | <u>\$ 107,987.62</u> |

Collector:

| | | |
|---------------------------------|-----|----------------------|
| Miscellaneous Water Charges | D-6 | \$ 73,943.73 |
| Interest on Investments | D-6 | 5,532.08 |
| Interest on Delinquent Accounts | D-6 | 12,241.49 |
| | | <u>91,717.30</u> |
| | D-3 | <u>\$ 199,704.92</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | |
|-------------------------------------|------------------------|--------------------------------------|----------------------------|----------------------|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> |
| Operating: | | | | |
| Salaries and Wages | \$ 309,000.00 | \$ 309,000.00 | \$ 309,000.00 | |
| Other Expenses | 530,000.00 | 530,000.00 | 386,569.36 | 143,430.64 |
| <u>Total Operating</u> | <u>\$ 839,000.00</u> | <u>\$ 839,000.00</u> | <u>\$ 695,569.36</u> | <u>\$ 143,430.64</u> |
| Debt Services: | | | | |
| Payment of Bond Principal | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 | |
| Payment of Note Principal | 14,000.00 | 14,000.00 | 14,000.00 | |
| Interest on Bonds | 6,600.00 | 6,600.00 | 6,600.00 | |
| Interest on Notes | 113,500.00 | 113,500.00 | 113,500.00 | |
| USDA Loan | 168,000.00 | 168,000.00 | 168,000.00 | |
| NJEIT Loan | 248,000.00 | 248,000.00 | 248,000.00 | |
| <u>Total Debt Services</u> | <u>\$ 600,100.00</u> | <u>\$ 600,100.00</u> | <u>\$ 600,100.00</u> | |
| Statutory Expenditures: | | | | |
| Contributions To: | | | | |
| Public Employees' Retirement System | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 | |
| Social Security System | 27,900.00 | 27,900.00 | 26,368.19 | 1,531.81 |
| <u>Total Statutory Expenditures</u> | <u>\$ 32,900.00</u> | <u>\$ 32,900.00</u> | <u>\$ 31,368.19</u> | <u>\$ 1,531.81</u> |
| | <u>\$ 1,472,000.00</u> | <u>\$ 1,472,000.00</u> | <u>\$ 1,327,037.55</u> | <u>\$ 144,962.45</u> |
| <u>REF.</u> | D-3 | | D-1 | D:D-1 |
| Cash Disbursements | D-5 | | \$ 1,019,024.35 | |
| Encumbrances Payable | D-11 | | 12,048.05 | |
| Accrued Interest | D-9 | | 297,089.79 | |
| | | | \$ 1,328,162.19 | |
| Less: Refunds | D-5 | | 1,124.64 | |
| | | | <u>\$ 1,327,037.55</u> | |

The accompanying Notes to the Financial Statements are an integral part of this statement.

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SEWER UTILITY FUND

BOROUGH OF FLEMINGTON

SEWER UTILITY FUND

BALANCE SHEET - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|--|-------------|--|--|
| <u>ASSETS</u> | | | |
| Operating Fund: | | | |
| Cash - Treasurer | E-4 | \$ 1,059,505.09 | \$ 987,011.46 |
| Cash - Collector | E-5 | 174,270.01 | |
| Interfunds Receivable | E-7 | 822,283.63 | 817,331.54 |
| | | <u>\$ 2,056,058.73</u> | <u>\$ 1,804,343.00</u> |
| Receivables With Full Reserves: | | | |
| Consumer Accounts Receivable | E-6 | \$ 172,687.34 | \$ 294,054.42 |
| <u>Total Operating Fund</u> | | <u>\$ 2,228,746.07</u> | <u>\$ 2,098,397.42</u> |
| Capital Fund: | | | |
| Cash-Treasurer | E-4 | \$ 55,523.75 | \$ 53,224.35 |
| Fixed Capital | E-18 | 4,032,481.35 | 4,032,481.35 |
| Fixed Capital Authorized and Uncompleted | E-16 | 3,966,123.00 | 3,836,123.00 |
| Grants Receivable | E-19 | 137,716.00 | 274,213.24 |
| Interfunds Receivable | E-17 | 1,780,615.11 | 1,642,587.11 |
| <u>Total Capital Fund</u> | | <u>\$ 9,972,459.21</u> | <u>\$ 9,838,629.05</u> |
| | | <u>\$ 12,201,205.28</u> | <u>\$ 11,937,026.47</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

SEWER UTILITY FUND

BALANCE SHEET - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Operating Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | E-3:E-10 | \$ 827,068.95 | \$ 607,271.93 |
| Sewer Overpayments | E-9 | 3.50 | 38.45 |
| Encumbrances Payable | E-11 | 18,828.13 | 71,457.32 |
| Accrued Interest | E-8 | 34,971.50 | 35,610.49 |
| | | <u>\$ 880,872.08</u> | <u>\$ 714,378.19</u> |
| Reserve for Receivables | E | 172,687.34 | 294,054.42 |
| Fund Balance | E-1 | <u>1,175,186.65</u> | <u>1,089,964.81</u> |
| <u>Total Operating Fund</u> | | <u>\$ 2,228,746.07</u> | <u>\$ 2,098,397.42</u> |
| Capital Fund: | | | |
| Capital Improvement Fund | E-14 | \$ 67,492.00 | \$ 187,492.00 |
| U.S.D.A. Loan Payable | E-23 | 2,706,635.94 | 2,746,453.41 |
| Bond Anticipation Notes | E-22 | 118,756.00 | 122,256.00 |
| Interfunds Payable | E-17 | 1,065,296.31 | 1,065,296.31 |
| Reserve for: | | | |
| Deferred Amortization | E-20 | 2,307,788.06 | 2,157,962.59 |
| Amortization | E-21 | 2,215,607.35 | 2,192,115.35 |
| Debt Service | E-13 | 18,935.46 | 17,404.70 |
| Improvement Authorizations: | | | |
| Funded | E-15 | 1,242,624.28 | 1,120,324.88 |
| Unfunded | E-15 | <u>229,323.81</u> | <u>229,323.81</u> |
| <u>Total Capital Fund</u> | | <u>\$ 9,972,459.21</u> | <u>\$ 9,838,629.05</u> |
| | | <u>\$ 12,201,205.28</u> | <u>\$ 11,937,026.47</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

SEWER UTILITY FUND

STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | <u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2019</u> | <u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2018</u> |
|--|-------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Fund Balance Utilized | E-2 | \$ 879,300.00 | \$ 839,750.00 |
| Sewer Use Charges | E-2 | 2,016,185.34 | 1,696,744.67 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | E-10 | 601,755.33 | 499,530.12 |
| Accrued Interest Canceled | E-8 | 5,591.08 | |
| Miscellaneous Revenue Not Anticipated | E-2 | 35,366.03 | 60,353.09 |
| Encumbrance Payables Canceled | E-11 | <u>2,557.30</u> | |
| <u>TOTAL INCOME</u> | | <u>\$ 3,540,755.08</u> | <u>\$ 3,096,377.88</u> |
| <u>EXPENDITURES</u> | | | |
| Operating | E-3 | \$ 2,276,500.00 | \$ 2,189,100.00 |
| Statutory Expenditures and Deferred Charges | E-3 | 39,000.00 | 41,000.00 |
| Capital Improvements | E-3 | 110,000.00 | 85,000.00 |
| Debt Service | E-3 | 149,800.00 | 124,650.00 |
| Refund of Prior Year Revenues | E-4 | <u>933.24</u> | <u>6,536.00</u> |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 2,576,233.24</u> | <u>\$ 2,446,286.00</u> |
| Excess in Revenue | | \$ 964,521.84 | \$ 650,091.88 |
| <u>Fund Balance</u> | | | |
| Balance, January 1 | E | <u>1,089,964.81</u> | <u>1,279,622.93</u> |
| | | \$ 2,054,486.65 | \$ 1,929,714.81 |
| Decreased by: | | | |
| Utilization by Sewer Operating Budget | E-1:E-2 | <u>879,300.00</u> | <u>839,750.00</u> |
| Balance, December 31 | E | <u><u>\$ 1,175,186.65</u></u> | <u><u>\$ 1,089,964.81</u></u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>REF.</u> | <u>ANTICIPATED</u> | <u>REALIZED</u> | <u>EXCESS/(DEFICIT)</u> |
|--------------------------|-------------|------------------------|------------------------|-------------------------|
| Fund Balance Anticipated | E-1 | \$ 879,300.00 | \$ 879,300.00 | \$ |
| Sewer Use Charges | E-1:E-2 | 1,696,000.00 | 2,016,185.34 | 320,185.34 |
| Miscellaneous | E-1:E-2 | | 35,366.03 | 35,366.03 |
| | E-3 | <u>\$ 2,575,300.00</u> | <u>\$ 2,930,851.37</u> | <u>\$ 355,551.37</u> |

ANALYSIS OF REALIZED REVENUE

Sewer Use Charges:

Consumer Accounts Receivable:

| | | |
|-----------------|-----|------------------------|
| Collected | E-6 | \$ 2,016,150.39 |
| Prepaid Applied | E-6 | <u>34.95</u> |
| | E-2 | <u>\$ 2,016,185.34</u> |

Miscellaneous:

| | | |
|-----------------------------------|-----|--------------|
| Treasurer-Interest on Investments | E-4 | \$ 13,064.12 |
|-----------------------------------|-----|--------------|

Collector:

| | | |
|---------------------------------|-----|---------------------|
| Miscellaneous Sewer Charges | | \$ 1,275.00 |
| Interest on Investments | | 5,532.08 |
| Interest on Delinquent Accounts | | <u>15,494.83</u> |
| | E-5 | <u>\$ 22,301.91</u> |
| | E-2 | <u>\$ 35,366.03</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FLEMINGTON

SEWER UTILITY OPERATING FUND

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

| | APPROPRIATIONS | | EXPENDED | |
|-------------------------------------|------------------------|------------------------------|------------------------|----------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED |
| Operating: | | | | |
| Salaries and Wages | \$ 505,000.00 | \$ 505,000.00 | \$ 505,000.00 | \$ |
| Other Expenses: | | | | |
| Administration | 471,500.00 | 471,500.00 | 267,000.17 | 204,499.83 |
| MUA Share of Costs | <u>1,300,000.00</u> | <u>1,300,000.00</u> | <u>751,404.85</u> | <u>548,595.15</u> |
| <u>Total Operating</u> | <u>\$ 2,276,500.00</u> | <u>\$ 2,276,500.00</u> | <u>\$ 1,523,405.02</u> | <u>\$ 753,094.98</u> |
| Capital Improvements: | | | | |
| Capital Improvement Fund | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ |
| Capital Outlay | 25,000.00 | 25,000.00 | 25,000.00 | |
| Purchases of Equipment | <u>75,000.00</u> | <u>75,000.00</u> | <u>4,466.25</u> | <u>70,533.75</u> |
| <u>Total Capital Improvements</u> | <u>\$ 110,000.00</u> | <u>\$ 110,000.00</u> | <u>\$ 39,466.25</u> | <u>\$ 70,533.75</u> |
| Debt Service: | | | | |
| Payment of Bond Anticipation Notes | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 | \$ |
| Interest on Notes | 8,000.00 | 8,000.00 | 8,000.00 | |
| USDA Loan | <u>138,300.00</u> | <u>138,300.00</u> | <u>138,300.00</u> | |
| <u>Total Debt Service</u> | <u>\$ 149,800.00</u> | <u>\$ 149,800.00</u> | <u>\$ 149,800.00</u> | |
| Statutory Expenditures: | | | | |
| Contributions To: | | | | |
| Public Employees' Retirement System | \$ 5,000.00 | \$ 5,000.00 | \$ 4,710.00 | \$ 290.00 |
| Social Security System (O.A.S.I.) | <u>34,000.00</u> | <u>34,000.00</u> | <u>30,849.78</u> | <u>3,150.22</u> |
| <u>Total Statutory Expenditures</u> | <u>\$ 39,000.00</u> | <u>\$ 39,000.00</u> | <u>\$ 35,559.78</u> | <u>\$ 3,440.22</u> |
| Totals | <u>\$ 2,575,300.00</u> | <u>\$ 2,575,300.00</u> | <u>\$ 1,748,231.05</u> | <u>\$ 827,068.95</u> |
| | REF. | E-2 | E-1 | E:E-1 |
| Cash Disbursements | E-4 | | \$ 1,623,085.81 | |
| Accrued Interest | E-8 | | 106,482.53 | |
| Encumbrances Payable | E-11 | | 18,828.13 | |
| | | | <u>1,748,396.47</u> | |
| Less: Refunds | E-4 | | <u>165.42</u> | |
| | | | <u>\$ 1,748,231.05</u> | |

The accompanying Notes to the Financial Statements are an integral part of this statement.

PUBLIC ASSISTANCE TRUST FUND

"F"

BOROUGH OF FLEMINGTON

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

| | BALANCE DECEMBER <u>31, 2019</u> | BALANCE DECEMBER <u>31, 2018</u> |
|--|--|--|
| <u>ASSETS</u> | | |
| Due Trust Other Fund | \$ <u>6,474.09</u> | \$ <u>6,224.09</u> |
| <u>LIABILITIES AND RESERVES</u> | | |
| Reserve for Public Assistance: Public Assistance Trust Fund I | \$ <u>6,474.09</u> | \$ <u>6,224.09</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

"G"

BOROUGH OF FLEMINGTON

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

| | BALANCE DECEMBER <u>31, 2019</u> | BALANCE DECEMBER <u>31, 2018</u> |
|------------------------------------|--|--|
| General Fixed Assets: | | |
| Land | \$ 3,561,130.00 | \$ 3,561,130.00 |
| Buildings | 3,449,494.96 | 3,449,494.96 |
| Machinery and Equipment | <u>4,487,031.92</u> | <u>4,252,946.46</u> |
| <u>TOTAL GENERAL FIXED ASSETS</u> | <u>\$ 11,497,656.88</u> | <u>\$ 11,263,571.42</u> |
| Investment in General Fixed Assets | <u>\$ 11,497,656.88</u> | <u>\$ 11,263,571.42</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF FLEMINGTON

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Flemington is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Flemington include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Flemington, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Flemington do not include the operations of the municipal library or the regional school districts, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Flemington conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Flemington are organized on the basis of funds and an account group which is different from the fund structure required by GAAP.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

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

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created

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

Water Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Water Utility

Sewer Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenues when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled 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. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Water Utility and Sewer Utility - Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water Utility Fund and the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (an amendment of GASB Statement No. 68), local government employers (or non-employer contributing entity in a special funding situation) are required to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize their proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources on the Statement of Net Position and the proportionate share of the pension related expense on the Statement of Activities.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be held in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough of Flemington has the following cash and cash equivalents at December 31, 2019:

| Fund Type | Bank Balance | Reconciling Items | | Reconciled Balance |
|--------------------------------|------------------------|----------------------|----------------------|------------------------|
| | | Additions | Deletions | |
| Current Fund | \$ 2,674,040.14 | \$ 198,199.48 | \$ 52,404.18 | \$ 2,819,835.44 |
| Grant Fund | 148,779.08 | | 186.75 | 148,592.33 |
| Other Trust Fund | 1,197,393.39 | 1,548.00 | 109,947.71 | 1,088,993.68 |
| General Capital Fund | 10,744.93 | | 77,558.64 | (66,813.71) |
| Water Utility Operating Fund | 1,304,466.59 | 48,994.20 | 33,051.25 | 1,320,409.54 |
| Water Utility Capital Fund | 62,247.76 | | 40,209.70 | 22,038.06 |
| Sewer Utility Operating Fund | 1,208,733.13 | 40,922.38 | 15,880.41 | 1,233,775.10 |
| Sewer Utility Capital Fund | 55,584.81 | | 61.06 | 55,523.75 |
| TOTAL DECEMBER 31, 2019 | \$ 6,661,989.83 | \$ 289,664.06 | \$ 329,299.70 | \$ 6,622,354.19 |

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2019, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$6,411,989.83 was covered under the provisions of NJGUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type 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 which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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;
 - 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. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Flemington had no investments outstanding as of December 31, 2019.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: GOVERNMENTAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, based by the full faith and credit of the Borough.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

| | <u>YEAR 2019</u> | <u>YEAR 2018</u> | <u>YEAR 2017</u> |
|--|-------------------------|-------------------------|-------------------------|
| Issued: | | | |
| General: | | | |
| Bonds and Notes | \$ 5,063,244.00 | \$ 5,336,228.00 | \$ 5,608,878.00 |
| Water Utility: | | | |
| Bonds, Notes and Loans | 10,096,606.28 | 10,399,616.49 | 7,403,428.92 |
| Sewer Utility: | | | |
| Loans and Notes | <u>2,825,391.94</u> | <u>2,868,709.41</u> | <u>2,015,074.00</u> |
| | \$ <u>17,985,242.22</u> | \$ <u>18,604,553.90</u> | \$ <u>15,027,380.92</u> |
| Less: Funds Temporarily Held to Pay | | | |
| Bond and Notes - General Capital | <u>15,500.14</u> | <u>35,500.14</u> | <u>90,801.92</u> |
| <u>Net Debt Issued</u> | <u>\$ 17,969,742.08</u> | <u>\$ 18,569,053.76</u> | <u>\$ 14,936,579.00</u> |
| Authorized But Not Issued: | | | |
| General - Bonds and Notes | \$ 3,068,468.50 | \$ 1,844,468.50 | \$ 627,089.50 |
| Sewer Utility - Bonds and Notes | 649,817.00 | 649,817.00 | 1,382,118.00 |
| Water Utility - Bonds and Notes | <u>4,446,495.19</u> | <u>4,446,495.19</u> | <u>7,359,194.19</u> |
| <u>Total Authorized But Not Issued</u> | <u>\$ 8,164,780.69</u> | <u>\$ 6,940,780.69</u> | <u>\$ 9,368,401.69</u> |
| NET BONDS AND NOTES | | | |
| <u>AUTHORIZED BUT NOT ISSUED</u> | <u>\$ 26,134,522.77</u> | <u>\$ 25,509,834.45</u> | <u>\$ 24,304,980.69</u> |

SUMMARY OF REGULATORY 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 regulatory net debt of 1.789%.

| | <u>GROSS DEBT</u> | <u>DEDUCTIONS</u> | <u>NET DEBT</u> |
|-------------------------------|-------------------------|-------------------------|------------------------|
| Regional School District Debt | \$ 2,613,214.11 | \$ 2,613,214.11 | \$ |
| Water Utility Debt | 14,543,101.47 | 14,543,101.47 | |
| Sewer Utility Debt | 3,475,208.94 | 3,475,208.94 | |
| General Debt | <u>8,131,712.50</u> | <u>15,500.14</u> | <u>8,116,212.36</u> |
| | <u>\$ 28,763,237.02</u> | <u>\$ 20,647,024.66</u> | <u>\$ 8,116,212.36</u> |

NET DEBT \$8,116,212.36 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, \$453,724,888.33 EQUALS 1.789%.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

EQUALIZED VALUATION BASIS

| | |
|---|--------------------------|
| 2017 Equalized Valuation Basis of Real Property | \$ 445,955,085.00 |
| 2018 Equalized Valuation Basis of Real Property | 451,971,124.00 |
| 2019 Equalized Valuation Basis of Real Property | <u>463,248,456.00</u> |
| | <u>\$ 453,724,888.33</u> |

Equalized Valuation basis is the average of the equalized valuation of Real Estate, including improvements, and the assessed valuation of Class II Railroad Property of the Borough for the last three (3) preceding years.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

| | |
|--|--------------------------|
| Equalized Valuation Basis* - December 31, 2019 | \$ <u>453,724,888.33</u> |
| 3-1/2% of Equalized Valuation Basis | \$ 15,880,371.09 |
| Net Debt | <u>8,116,212.36</u> |
| Remaining Borrowing Power | <u>\$ 7,764,158.73</u> |

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 3% of the Average Equalized Assessed Valuation of real property for the Regional and Local School District.

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER UTILITY
PER N.J.S.A. 40A:2-45

| | |
|---|----------------------|
| Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus | \$ 1,635,923.50 |
| Deduction: | |
| Operating and Maintenance Cost | \$ 871,900.00 |
| Debt Service Per Water Utility Account | <u>600,100.00</u> |
| | <u>1,472,000.00</u> |
| Excess in Revenue - Self Liquidating | <u>\$ 163,923.50</u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY
PER N.J.S.A. 40A:2-45

| | | |
|---|-------------------|-----------------------------|
| Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus | | \$ 2,930,851.37 |
| Deduction: | | |
| Operating and Maintenance Cost | \$ 2,315,500.00 | |
| Debt Service Per Sewer Utility Account | <u>149,800.00</u> | |
| | | <u>2,465,300.00</u> |
| Excess in Revenue - Self Liquidating | | \$ <u><u>465,551.37</u></u> |

Long-Term Debt

General Capital Fund

General Serial Bonds:

| | |
|---|-------------------------------|
| \$1,615,000.00 of 2014 Refunding Bonds due in annual installments of \$90,000.00 to \$330,000.00 through January 2024 at variable interest rates of 1.25 to 3.00%. | \$ 465,000.00 |
| \$2,500,000.00 of 2015 General Improvement Bonds due in annual installments of \$75,000.00 to \$150,000.00 through December 2035 at variable interest rates of 3.00 to 4.00%. | <u>2,140,000.00</u> |
| | \$ <u><u>2,605,000.00</u></u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

Water Utility Capital Fund

Water Utility Bonds:

\$445,000.00 of 2014 Refunding Bonds due in annual installments of \$45,000.00 to \$55,000.00 through January 2023 at variable interest rates of 1.25 to 3.00%. \$ 195,000.00

New Jersey Environmental Infrastructure Trust Loans:

\$1,230,500.00 of 2009 Fund Loan due in semi-annual installments with annual principal payments of \$61,560.24 to \$63,604.88 through August 2028 for Principal only. \$ 566,475.54

\$1,245,000.00 of 2009 Trust Fund, with a savings credit of \$81,000 in 2018, due in semi-annual installments with annual principal payments of \$45,000.00 to \$89,000.00 through August 2028 at interest rates of 5.00% to 5.50% 660,000.00

\$160,000.00 of 2010 Fund Loan due in semi-annual installments with annual principal payments of \$8,135.58 through August 2029 for Principal only. 81,356.06

\$155,000.00 of 2010 Trust Fund, with a savings credit of \$5,000 in 2018, due in semi-annual installments with annual principal payments of \$5,000.00 to \$10,000.00 through August 2029 at interest rates of 3.00% to 5.00% 95,000.00

\$689,255.00 of 2013 Fund Loan due in semi-annual installments with annual principal payments of \$24,838.01 to \$37,257.01 through August 2032 for Principal only. 463,082.94

\$230,000.00 of 2013 Trust Fund due in semi-annual installments with annual principal payments of \$5,000.00 to \$15,000.00 through August 2032 at interest rates of 3.00% to 5.00% 190,000.00

\$ 2,055,914.54

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

Water Utility Capital Fund (Continued)

United States Department of Agriculture Loans:

| | |
|---|------------------------|
| \$2,007,000.00 of a 2011 loan due in semi-annual installments with annual principal payments of \$19,715.00 to \$99,410.00 through 2051 at an interest rate of 4.125% | \$ 1,823,417.00 |
| \$351,000.00 of a 2012 loan due in semi-annual installments with annual principal payments of \$5,643.08 to \$12,762.11 through 2052 at an interest rate of 2.125% | 308,874.82 |
| \$1,212,699.00 of a 2018 loan due in semi-annual installments with annual principal payments of \$17,181.18 to \$48,506.37 through 2058 at an interest rate of 2.75% | <u>1,187,399.92</u> |
| | <u>\$ 3,319,691.74</u> |

Sewer Utility Capital Fund

United States Department of Agriculture Loans:

| | |
|---|------------------------|
| \$1,742,000.00 of a 2011 loan due in semi-annual installments with annual principal payments of \$17,652.00 to \$83,535.00 through 2051 at an interest rate of 4.125% | \$ 1,578,374.00 |
| \$1,152,301.00 of a 2018 loan due in semi-annual installments with annual principal payments of \$16,325.47 to \$46,090.53 through 2058 at an interest rate of 2.75% | <u>1,128,261.94</u> |
| | <u>\$ 2,706,635.94</u> |

Bonds and Notes Authorized But Not Issued

| | |
|----------------------------|------------------------|
| General Capital Fund | <u>\$ 3,068,468.50</u> |
| Water Utility Capital Fund | <u>\$ 4,446,495.19</u> |
| Sewer Utility Capital Fund | <u>\$ 649,817.00</u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2019**

| Calendar Year | <u>General Capital</u> | | <u>Water Utility Capital</u> | | <u>Total</u> |
|------------------|------------------------|----------------------|------------------------------|---------------------|------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | |
| 2020 | \$ 210,000.00 | \$ 78,156.26 | \$ 50,000.00 | \$ 5,100.00 | \$ 343,256.26 |
| 2021 | 210,000.00 | 71,856.26 | 50,000.00 | 3,600.00 | 335,456.26 |
| 2022 | 210,000.00 | 65,556.26 | 50,000.00 | 2,100.00 | 327,656.26 |
| 2023 | 215,000.00 | 59,331.26 | 45,000.00 | 675.00 | 320,006.26 |
| 2024 | 220,000.00 | 54,131.26 | | | 274,131.26 |
| 2025 | 130,000.00 | 49,856.26 | | | 179,856.26 |
| 2026 | 130,000.00 | 46,931.26 | | | 176,931.26 |
| 2027 | 135,000.00 | 43,031.26 | | | 178,031.26 |
| 2028 | 135,000.00 | 38,981.26 | | | 173,981.26 |
| 2029 | 140,000.00 | 34,931.26 | | | 174,931.26 |
| 2030 | 140,000.00 | 30,731.26 | | | 170,731.26 |
| 2031 | 140,000.00 | 26,531.26 | | | 166,531.26 |
| 2032 | 145,000.00 | 22,331.26 | | | 167,331.26 |
| 2033 | 145,000.00 | 17,800.00 | | | 162,800.00 |
| 2034 | 150,000.00 | 12,000.00 | | | 162,000.00 |
| 2035 | 150,000.00 | 6,000.00 | | | 156,000.00 |
| Total | \$ <u>2,605,000.00</u> | \$ <u>658,156.38</u> | \$ <u>195,000.00</u> | \$ <u>11,475.00</u> | \$ <u>3,469,631.38</u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL
AND INTEREST FOR NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE TRUST LOAN AS OF DECEMBER 31, 2019

| CALENDAR YEAR | FUND PRINCIPAL | <u>WATER UTILITY CAPITAL</u> | | TOTAL |
|------------------|------------------------|------------------------------|---------------------------|------------------------|
| | | <u>TRUST PRINCIPAL</u> | <u>TRUST INTEREST</u> | |
| 2020 | \$ 107,891.76 | \$ 79,000.00 | \$ 42,230.00 | \$ 229,121.76 |
| 2021 | 108,754.96 | 88,000.00 | 38,480.00 | 235,234.96 |
| 2022 | 109,451.58 | 93,000.00 | 34,320.00 | 236,771.58 |
| 2023 | 106,952.83 | 92,000.00 | 29,920.00 | 228,872.83 |
| 2024 | 107,482.86 | 97,000.00 | 25,420.00 | 229,902.86 |
| 2025 | 108,088.62 | 100,000.00 | 20,670.00 | 228,758.62 |
| 2026 | 108,542.95 | 104,000.00 | 16,060.00 | 228,602.95 |
| 2027 | 108,845.82 | 110,000.00 | 11,650.00 | 230,495.82 |
| 2028 | 108,997.47 | 113,000.00 | 6,975.00 | 228,972.47 |
| 2029 | 45,392.85 | 24,000.00 | 2,160.00 | 71,552.85 |
| 2030 | 37,257.01 | 15,000.00 | 1,350.00 | 53,607.01 |
| 2031 | 37,257.01 | 15,000.00 | 900.00 | 53,157.01 |
| 2032 | 15,998.82 | 15,000.00 | 450.00 | 31,448.82 |
| | <u>\$ 1,110,914.54</u> | <u>\$ 945,000.00</u> | <u>\$ 230,585.00</u> | <u>\$ 2,286,499.54</u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL
AND INTEREST FOR UNITED STATES DEPARTMENT OF
AGRICULTURE LOAN AS OF DECEMBER 31, 2019**

| Calendar Year | <u>Water Utility Capital</u> | | <u>Sewer Utility Capital</u> | | <u>Total</u> |
|------------------|------------------------------|-----------------|------------------------------|-----------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | |
| 2020 | \$ 51,799.90 | \$ 116,258.81 | \$ 41,249.51 | \$ 95,763.00 | \$ 305,071.22 |
| 2021 | 53,614.56 | 114,444.67 | 42,734.07 | 94,278.55 | 305,071.85 |
| 2022 | 55,495.78 | 112,563.06 | 44,272.49 | 92,738.76 | 305,070.09 |
| 2023 | 57,447.94 | 110,611.41 | 45,870.12 | 91,141.52 | 305,070.99 |
| 2024 | 59,472.52 | 108,586.92 | 47,528.34 | 89,484.55 | 305,072.33 |
| 2025 | 61,572.97 | 106,486.79 | 49,246.52 | 87,765.54 | 305,071.82 |
| 2026 | 63,750.77 | 104,308.08 | 51,030.05 | 85,982.16 | 305,071.06 |
| 2027 | 66,011.41 | 102,047.72 | 52,880.32 | 84,131.91 | 305,071.36 |
| 2028 | 68,357.39 | 99,702.45 | 54,799.75 | 82,212.20 | 305,071.79 |
| 2029 | 70,790.22 | 97,268.97 | 56,791.76 | 80,220.35 | 305,071.30 |
| 2030 | 73,315.43 | 94,743.86 | 58,858.77 | 78,153.57 | 305,071.63 |
| 2031 | 75,935.55 | 92,123.50 | 61,003.22 | 76,008.98 | 305,071.25 |
| 2032 | 78,655.16 | 89,404.09 | 63,228.57 | 73,783.54 | 305,071.36 |
| 2033 | 81,476.81 | 86,581.79 | 65,538.31 | 71,474.12 | 305,071.03 |
| 2034 | 84,406.11 | 83,652.52 | 67,934.88 | 69,077.47 | 305,070.98 |
| 2035 | 87,446.64 | 80,612.05 | 70,421.81 | 66,590.21 | 305,070.71 |
| 2036 | 90,603.03 | 77,455.98 | 73,002.59 | 64,008.83 | 305,070.43 |
| 2037 | 93,879.91 | 74,179.70 | 75,681.74 | 61,329.69 | 305,071.04 |
| 2038 | 97,280.92 | 70,778.49 | 78,463.82 | 58,548.92 | 305,072.15 |
| 2039 | 100,811.77 | 67,247.38 | 81,349.35 | 55,662.57 | 305,071.07 |
| 2040 | 104,478.10 | 63,581.24 | 84,345.91 | 52,666.58 | 305,071.83 |
| 2041 | 108,284.65 | 59,774.67 | 87,456.09 | 49,556.63 | 305,072.04 |
| 2042 | 112,237.13 | 55,822.08 | 90,684.48 | 46,328.27 | 305,071.96 |
| 2043 | 116,341.30 | 51,717.67 | 94,035.69 | 42,976.91 | 305,071.57 |
| 2044 | 120,603.89 | 47,455.41 | 97,514.37 | 39,497.74 | 305,071.41 |
| 2045 | 125,029.72 | 43,028.95 | 101,126.16 | 35,885.77 | 305,070.60 |
| 2046 | 129,626.58 | 38,431.78 | 104,875.71 | 32,135.79 | 305,069.86 |
| 2047 | 134,402.30 | 33,657.05 | 108,769.73 | 28,242.40 | 305,071.48 |
| 2048 | 139,360.74 | 28,697.61 | 112,811.92 | 24,199.94 | 305,070.21 |
| 2049 | 144,512.75 | 23,546.14 | 117,010.00 | 20,002.59 | 305,071.48 |
| 2050 | 149,864.25 | 18,194.85 | 121,367.71 | 15,644.28 | 305,071.09 |
| 2051 | 153,184.15 | 12,635.76 | 122,658.82 | 11,118.69 | 299,597.42 |
| 2052 | 55,076.69 | 8,176.95 | 40,207.13 | 7,475.23 | 110,936.00 |
| 2053 | 43,486.24 | 6,695.40 | 41,320.42 | 6,361.94 | 97,864.00 |
| 2054 | 44,690.33 | 5,491.31 | 42,464.55 | 5,217.81 | 97,864.00 |
| 2055 | 45,927.76 | 4,253.88 | 43,640.36 | 4,042.00 | 97,864.00 |
| 2056 | 47,199.46 | 2,982.18 | 44,848.71 | 2,833.65 | 97,864.00 |
| 2057 | 48,506.37 | 1,675.27 | 46,090.53 | 1,591.83 | 97,864.00 |
| 2058 | 24,754.54 | 336.28 | 23,521.66 | 319.52 | 48,932.00 |
| Total | \$ 3,319,691.74 | \$ 2,395,212.72 | \$ 2,706,635.94 | \$ 1,984,454.01 | \$ 10,405,994.41 |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Short-Term Debt

In accordance with N.J.S.A. 40A:2-8.1, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

- (1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;
- (2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and
- (3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

| | <u>Interest Rate</u> | <u>Due Date</u> | <u>Amount</u> |
|-----------------------|--------------------------|---------------------|------------------------|
| General Capital | 3.500% | 1/15/20 | \$ <u>2,458,244.00</u> |
| Water Utility Capital | 3.500% | 1/15/20 | \$ <u>4,526,000.00</u> |
| Sewer Utility Capital | 3.500% | 1/15/20 | \$ <u>118,756.00</u> |

In accordance with N.J.S.A. 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the Borough may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year, and bear an interest rate that does not exceed 6%. The Borough did not have any Tax Anticipation Notes in 2019.

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2019 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2020 were as follows:

| | | |
|----------------------|----|------------|
| Current Fund | \$ | 401,000.00 |
| Water Operating Fund | \$ | 160,000.00 |
| Sewer Operating Fund | \$ | 890,000.00 |

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

| | BALANCE DECEMBER 31, 2019 | BALANCE DECEMBER 31, 2018 |
|---------------|---------------------------------|---------------------------------|
| Prepaid Taxes | <u>\$234,111.84</u> | <u>\$460,386.03</u> |

NOTE 6: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrprts.shtml.

NOTE 6: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP. Employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2019, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2019, the State contributed an amount less than the actuarially determined amount. During 2019, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Borough's share of pension, which is based upon the annual billings received from the state, amounted to:

| <u>YEAR</u> | | <u>PERS</u> | | <u>PFRS</u> | | <u>DCRP</u> |
|-------------|----|-------------|----|-------------|----|-------------|
| 2019 | \$ | 109,710.00 | \$ | 331,092.00 | \$ | 1,935.17 |
| 2018 | | 100,401.00 | | 327,621.00 | | 1,926.64 |
| 2017 | | 98,152.00 | | 271,061.00 | | 1,733.78 |

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Borough employees are also covered by Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2019. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2019.

Public Employees Retirement System (PERS)

At June 30, 2019, the State reported a net pension liability of \$2,492,713.00 for the Borough's proportionate share of the total net pension liability. 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. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Borough's proportion was 0.0138341984 percent, which was an increase of 0.0028149384 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the State recognized an actuarially determined pension expense of \$199,035.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2019 billing was \$109,606.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ 44,741.00 | \$ 11,012.00 |
| Changes of assumptions | 248,907.00 | 865,213.00 |
| Net difference between projected and actual earnings on pension plan investments | | 39,348.00 |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | <u>570,000.00</u> | <u>77,661.00</u> |
| | <u>\$ 863,648.00</u> | <u>\$ 993,234.00</u> |

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

| Year Ended <u>June 30,</u> | <u>Amount</u> |
|-------------------------------|-----------------------|
| 2020 | \$26,489.80 |
| 2021 | (135,028.20) |
| 2022 | (110,030.20) |
| 2023 | 566.80 |
| 2024 | <u>88,415.80</u> |
| | <u>(\$129,586.00)</u> |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

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 rolled forward to June 30, 2019. These actuarial valuations used the following assumptions:

| | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|---------------------------|----------------------|----------------------|
| Inflation | 2.75% | 2.25% |
| Salary Increases | | |
| Through 2026 | 2.00-6.00% | 1.65-4.15% |
| Thereafter | 3.00-7.00% | 2.65-5.15% |
| | Based on | Based on |
| | Years of Service | Age |
| Investment Rate of Return | 7.00% | 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 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 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2019 and June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

| <u>Assets Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| Risk Mitigation 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 Market Equity | 6.50% | 11.37% |
| Private Equity | 12.00% | 10.85% |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% and 5.66% as of June 30, 2019 and June 30, 2018, respectively. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2019 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% for June 30, 2019 and June 30, 2018 respectively 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2019 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | June 30, 2019 | | |
|---|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>5.28%</u> | At Current Discount Rate <u>6.28%</u> | 1% Increase <u>7.28%</u> |
| Borough's proportionate share of the pension liability | \$3,170,606.00 | \$2,492,713.00 | \$1,953,445.00 |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Police and Firemen's Retirement System (PFRS)

At June 30, 2019, the State reported a net pension liability of \$4,609,518.00 for the Borough's proportionate share of the total PFRS net pension liability. 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. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2019, the Borough's proportion was 0.0376661725 percent, which was an increase of 0.0037999726 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the State recognized an actuarially determined pension expense of \$685,471.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2019 billing was \$331,092.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$ 38,910.00 | \$ 29,184.00 |
| Changes of assumptions | 157,947.00 | 1,489,754.00 |
| Net difference between projected and actual earnings on pension plan investments | | 62,457.00 |
| Changes in proportion and differences between the Borough's contributions and proportionate share of contributions | <u>828,835.00</u> | <u>342,824.00</u> |
| | <u>\$1,025,692.00</u> | <u>\$1,924,219.00</u> |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended <u>June 30</u> | <u>Amount</u> |
|------------------------------|------------------------|
| 2020 | \$ (144,454.80) |
| 2021 | (410,073.80) |
| 2022 | (262,055.80) |
| 2023 | (79,887.80) |
| 2024 | <u>(2,054.80)</u> |
| | <u>\$ (898,527.00)</u> |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

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 rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

| | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|--|---|----------------------------|
| Inflation | 2.75% | 2.25% |
| Salary Increases Through All Future Years | 3.25-15.25% Based on Years of Service | 2.10-9.98% Based on Age |
| Investment Rate of Return | 7.00% | 7.00% |

Pre-retirement mortality rates were based on the Pub-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 mortality table with a 96.7% adjustment for males and 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.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2019 and June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and 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 rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

| <u>Assets Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| Risk Mitigation 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% |
| US Equity | 28.00% | 8.26% |
| Non-U.S. Developed Market Equity | 12.50% | 9.00% |
| Emerging Market Equity | 6.50% | 11.37% |
| Private Equity | 12.00% | 10.85% |

Discount Rate

The discount rate used to measure the total pension liability was 6.85% and 6.51% as of June 30, 2019 and June 30, 2018, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2019 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% as of June 30, 2019 and June 30, 2018 respectively 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.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Discount Rate (Continued)

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 the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and 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 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2019 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | June 30, 2019 | | |
|--|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>5.85%</u> | At Current Discount Rate <u>6.85%</u> | 1% Increase <u>7.85%</u> |
| Borough's proportionate share of the PFRS pension liability | \$6,230,389.00 | \$4,609,518.00 | \$3,268,014.00 |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Special Funding Situation

In accordance with 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.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough 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 Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At June 30, 2019 and 2018, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$727,852.00 and \$622,478.00, respectively.

At June 30, 2019, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

| | |
|---|-----------------------|
| Borough's Proportionate Share of Net Pension Liability | \$4,609,518.00 |
| State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough | <u>727,852.00</u> |
| | <u>\$5,337,370.00</u> |

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date. No more than five days of vacation may be accumulated in the aggregate. Unused sick pay is forfeited if the employee leaves for other than retirement. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but has been estimated to be \$167,177.66. The Borough annually appropriates the amounts that are required to be paid in that year's budget.

NOTE 8: LITIGATION

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material financial impact on the Borough.

NOTE 9: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2019. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 10: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II of the 2019 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2019, the Borough does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The Borough 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 Borough maintains commercial insurance coverage through the Statewide Insurance Fund covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

| <u>Fiscal Year</u> | <u>Interest Earned</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|------------------------|-------------------------------|--------------------------|-----------------------|
| 2019 | \$ 1,532.76 | \$ 4,539.26 | \$ 28.94 | \$ 135,733.36 |
| 2018 | 913.15 | 4,423.17 | 1,006.86 | 129,690.28 |
| 2017 | 428.93 | 4,414.81 | | 125,360.82 |

NOTE 12: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the Plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

During March 2000 and in accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by Nationwide Retirement Solutions.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities. The Borough's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

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

| <u>FUND</u> | <u>INTERFUND RECEIVABLE</u> | <u>INTERFUND PAYABLE</u> |
|------------------------------|---------------------------------|------------------------------|
| Current Fund | \$ 295,073.89 | \$ 1,384,020.62 |
| Grant Fund | 34,538.01 | |
| Animal Control Trust Fund | | 389.91 |
| Trust Other Fund | 389.91 | 298,919.53 |
| General Capital Fund | | 1,527,824.25 |
| Water Utility Operating Fund | 863,506.62 | 1,711,575.87 |
| Water Utility Capital Fund | 2,185,145.23 | |
| Sewer Utility Operating Fund | 822,283.63 | |
| Sewer Utility Capital Fund | 1,780,615.11 | 1,065,296.31 |
| Public Assistance Trust Fund | 6,474.09 | |
| | <u>\$ 5,988,026.49</u> | <u>\$ 5,988,026.49</u> |

All balances resulted from the time lag between the dates that short-term loans were disbursed and the payment between funds were made. All balances will be liquidated within one year.

NOTE 14: LENGTH OF SERVICE AWARDS PROGRAM

During 2001, the Borough of Flemington adopted an ordinance establishing a Length of Service Awards Program for the members of the volunteer Fire Department pursuant to N.J.S.A. 40A:14-183 *et seq.*

Under this program, each volunteer of the volunteer Fire Department will have an annual amount of \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. The estimated annual cost of this program is \$24,000.00.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulation.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Special Funding Situation

The Borough, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

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. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net 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.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation (Continued)

At June 30, 2019 and 2018, the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$4,077,759.00 and \$4,688,035.00 respectively.

At June 30, 2019, the Borough's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

| | |
|---|---------------------------|
| Borough's Proportionate Share of the Net OPEB Liability | \$0 |
| State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Borough | <u>4,077,759</u> |
| | <u><u>\$4,077,759</u></u> |

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:

| | <u>2019</u> | <u>2018</u> |
|--|-----------------|----------------|
| Inflation Rate | 2.50% | 2.50% |
| Salary Increases: | | |
| Public Employees Retirement System (PERS): | | |
| Initial Fiscal Year Applied | | |
| Rate Through 2026 | 2.00% to 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% | |
| All Pensions: | | |
| Rate Through 2026 | | 1.65% to 8.98% |
| Rate Thereafter | | 2.65% to 9.98% |

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

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 |

*Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to 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 is initially 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 rates for fiscal year 2020 are reflected. The assumed post-65 medical trend 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 trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 16: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEAR'S BUDGET

| | BALANCE DECEMBER 31, 2019 | 2020 BUDGET APPROPRIATION | DEFERRED TO BUDGETS OF SUCCEEDING YEARS |
|-----------------------------------|---------------------------------|------------------------------|---|
| <u>Animal Control Trust Fund:</u> | | | |
| Deficit in Reserve | \$ 389.91 | | \$ 389.91 |

NOTE 17: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through September 23, 2020 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that the following subsequent events needed to be disclosed.

The Borough issued Bonds in the amount of \$4,495,000.00 dated January 7, 2020 with interest rates of 2% to 4% maturing annually through 2040. The bonds were issued as follows: General Improvement Bonds \$2,371,000.00, Water Utility Bonds, \$2,006,000.00 and Sewer Utility Bonds \$118,000.00.

Subsequent to the date of these Financial Statements the COVID-19 Corona Virus spread across the State of New Jersey and the Nation as a whole. The impact of this virus on the Borough's operations in 2020 cannot be reasonably estimated at this time but may negatively affect revenues.

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BOROUGH OF FLEMINGTON
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2019

"A-4"

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF CASH-TREASURER

| | <u>REF.</u> | <u>CURRENT FUND</u> | <u>GRANT FUND</u> |
|---|-------------|------------------------|----------------------|
| Balance, December 31, 2018 | A | \$ 3,720,313.10 | \$ 216,077.11 |
| Increased by Receipts: | | | |
| Collector | A-5 | \$ 14,878,084.85 | \$ |
| State of New Jersey-Chapter 20, P.L. 1971 | A-8 | 12,250.00 | |
| Revenue Accounts Receivable | A-9 | 842,868.37 | |
| Miscellaneous Revenue Not Anticipated | A-2 | 100,531.03 | |
| Refunds Current Year Appropriations | A-3 | 265,927.72 | |
| Interfunds Received | A-10:A-24 | 99,417.40 | 70,000.00 |
| Grants Receivable | A-19 | | 17,216.61 |
| Grants Unappropriated | A-12 | | 5,723.74 |
| Reserve for Miscellaneous Deposits | A-23 | 5,971.00 | |
| Refunds Receivable | A | | |
| | | <u>16,205,050.37</u> | <u>92,940.35</u> |
| | | \$ 19,925,363.47 | \$ 309,017.46 |
| Decreased by Disbursements: | | | |
| Current Year Appropriations | A-3 | \$ 5,487,695.61 | \$ |
| Prior Year Appropriation Reserves | A-13 | 122,131.15 | |
| County Taxes | A-14 | 1,582,869.10 | |
| Regional School Tax | A-15 | 5,851,192.00 | |
| Regional High School Tax | A-16 | 2,238,035.00 | |
| Special Improvement District Tax | A-21 | 362,000.00 | |
| Tax Overpayments | A-18 | 2,848.26 | |
| Interfunds Payable | A-10:A-24 | 1,485,925.47 | |
| Reserve for Grants Appropriated | A-11 | | 160,425.13 |
| Reserve for Miscellaneous Deposits | A-23 | 158,421.34 | |
| Refund of Prior Year Revenues | A-1 | <u>1,560.77</u> | |
| | | <u>17,292,678.70</u> | <u>160,425.13</u> |
| Balance, December 31, 2019 | A | \$ <u>2,632,684.77</u> | \$ <u>148,592.33</u> |

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR

| | <u>REF.</u> | | |
|---|-------------|----|--------------------------|
| Balance, December 31, 2018 | A | \$ | 401,290.27 |
| Received: | | | |
| Revenue Accounts Receivable | A-9 | \$ | 87,120.13 |
| Senior Citizen Disallowed - Prior Years | A-8 | | 500.00 |
| Taxes Receivable | A-7 | | 14,099,822.43 |
| Miscellaneous Revenue | A-2 | | 6,963.34 |
| Subsequent Year Taxes Prepaid | A-17 | | 234,111.84 |
| Tax Overpayments | A-18 | | 41,057.12 |
| Reserve for Outside Liens | A-23 | | 154,486.34 |
| Due Utility Collector | A-10 | | <u>39,659.05</u> |
| | | | 14,663,720.25 |
| | | \$ | <u>15,065,010.52</u> |
| Decreased by Disbursements: | | | |
| Payments to Treasurer | A-4 | | <u>14,878,084.85</u> |
| Balance, December 31, 2019 | A | \$ | <u><u>186,925.67</u></u> |

"A-6"

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

| | BALANCE DECEMBER <u>31, 2019</u> | BALANCE DECEMBER <u>31, 2018</u> |
|-----------------|--|--|
| <u>OFFICE</u> | | |
| Police | \$ 25.00 | \$ 25.00 |
| Municipal Court | 100.00 | 100.00 |
| Tax Collector | 50.00 | 50.00 |
| Borough Clerk | 50.00 | 50.00 |
| | <u>225.00</u> | <u>225.00</u> |
| | \$ <u>225.00</u> | \$ <u>225.00</u> |
| <u>REF.</u> | A | A |

BOROUGH OF FLEMINGTONCURRENT FUNDSCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| YEAR | BALANCE DECEMBER 31, 2018 | CURRENT YEAR LEVY | COLLECTED IN | | OVERPAYMENTS APPLIED | TRANSFER TO TAX TITLE LIENS | REMITTED AND CANCELED | BALANCE DECEMBER 31, 2019 |
|--|---------------------------------|-------------------------|----------------------|-------------------------|-------------------------|-----------------------------------|-----------------------------|---------------------------------|
| | | | 2018 | 2019 | | | | |
| 2018 | \$ 253,512.07 | \$ | \$ | \$ 252,686.00 | \$ | \$ 826.07 | \$ | \$ |
| 2019 | | 14,598,554.81 | 460,386.03 | 13,860,136.43 | 22,590.90 | 4,702.32 | 3,658.63 | 247,080.50 |
| | <u>\$ 253,512.07</u> | <u>\$ 14,598,554.81</u> | <u>\$ 460,386.03</u> | <u>\$ 14,112,822.43</u> | <u>\$ 22,590.90</u> | <u>\$ 5,528.39</u> | <u>\$ 3,658.63</u> | <u>\$ 247,080.50</u> |
| REF. | A | | A-2:A-17 | A-2 | A-2:A-18 | A-25 | | A |
| Collector | A-5 | | | \$ 14,099,822.43 | | | | |
| State of New Jersey | A-8 | | | <u>13,000.00</u> | | | | |
| | | | | <u>\$ 14,112,822.43</u> | | | | |
| <u>ANALYSIS OF 2019 PROPERTY TAX LEVY</u> | | | | | | | | |
| <u>TAX YIELD</u> | | | | | | | | |
| General Purpose Tax | | \$ 14,592,304.18 | | | | | | |
| Added Taxes (54:4-63.1 et. seq) | | <u>6,250.63</u> | | | | | | |
| | | <u>\$ 14,598,554.81</u> | | | | | | |
| <u>TAX LEVY</u> | | | | | | | | |
| Regional High School Tax (Abstract) | A-16 | \$ 2,238,035.00 | | | | | | |
| Regional School Tax (Abstract) | A-15 | 5,851,192.00 | | | | | | |
| Special Improvement District Tax | A-21 | 362,483.63 | | | | | | |
| County Taxes: | | | | | | | | |
| County Tax (Abstract) | A-14 | \$ 1,442,932.52 | | | | | | |
| County Open Space Tax (Abstract) | A-14 | 137,805.46 | | | | | | |
| Due County for Added Taxes (54:4-63.1 et. seq) | A-14 | <u>694.83</u> | | | | | | |
| Total County Taxes | | \$ 1,581,432.81 | | | | | | |
| Local Tax for Municipal Purposes (Abstract) | A-2 | \$ 4,409,018.11 | | | | | | |
| Local Library Tax (Abstract) | A-2 | 150,656.89 | | | | | | |
| Add: Additional Tax Levied | | <u>5,736.37</u> | | | | | | |
| | | <u>4,565,411.37</u> | | | | | | |
| | | <u>\$ 14,598,554.81</u> | | | | | | |

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971

| | <u>REF.</u> | | |
|--|-------------|----|------------------|
| Balance, December 31, 2018 | A | \$ | 500.00 |
| Increased by: | | | |
| Deductions Per Tax Duplicate: | | | |
| Senior Citizens | | \$ | 2,000.00 |
| Veterans | | | 10,250.00 |
| Allowed by Tax Collector: | | | |
| Senior Citizens and Veterans | | | <u>750.00</u> |
| | | | 13,000.00 |
| | | \$ | <u>13,500.00</u> |
| Decreased by: | | | |
| Received From State of New Jersey | A-4 | \$ | 12,250.00 |
| Sr. Citizens Deductions Disallowed-Prior Years | | | 500.00 |
| Canceled | A-1 | | <u>750.00</u> |
| | | | <u>13,500.00</u> |
| <u>SUMMARY OF CURRENT YEAR EXEMPTIONS</u> | | | |
| Senior Citizens and Veterans Exemptions | | | |
| Per Tax Billings | | \$ | 12,250.00 |
| Senior Citizens and Veterans Exemptions | | | |
| Allowed by Tax Collector | | | <u>750.00</u> |
| | A-7 | \$ | <u>13,000.00</u> |

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2018</u> | <u>ACCRUED IN 2019</u> | <u>COLLECTED BY</u> | | <u>BALANCE DECEMBER 31, 2019</u> |
|--|-------------|--|----------------------------|---------------------|----------------------|--|
| | | | | <u>COLLECTOR</u> | <u>TREASURER</u> | |
| Clerk: | | | | | | |
| Alcoholic Beverage Licenses | A-2 | \$ | \$ 10,260.00 | \$ | \$ 10,260.00 | \$ |
| Licenses-Other | A-2 | | 18,954.00 | | 18,954.00 | |
| Fees and Permits | A-2 | | 13,455.00 | | 13,455.00 | |
| Planning Board: | | | | | | |
| Fees and Permits | A-2 | | 3,625.00 | | 3,625.00 | |
| Construction Code Official: | | | | | | |
| Fees and Permits | A-2 | | 75,854.00 | | 75,854.00 | |
| Fire: | | | | | | |
| Fees and Permits | A-2 | | 51,589.00 | | 51,589.00 | |
| Landlord Registration: | | | | | | |
| Fees and Permits | A-2 | | 29,155.00 | | 29,155.00 | |
| Police: | | | | | | |
| Fees and Permits | A-2 | | 2,412.26 | | 2,412.26 | |
| Miscellaneous: | | | | | | |
| Fees and Permits | A-2 | | 12,939.80 | | 12,939.80 | |
| Municipal Court: | | | | | | |
| Fines and Costs | A-2 | 10,584.50 | 177,128.96 | | 179,705.79 | 8,007.67 |
| Interest and Costs on Taxes | A-2 | | 87,120.13 | 87,120.13 | | |
| Uniform Fire Safety | A-2 | | 24,719.52 | | 24,719.52 | |
| P.I.L.O.T. | A-2 | | 32,225.00 | | 32,225.00 | |
| Energy Receipts Tax | A-2 | | 365,262.00 | | 365,262.00 | |
| Consolidated Municipal Property Tax Relief Act | A-2 | | 2,712.00 | | 2,712.00 | |
| Reserve for Debt Service | A-2 | | 20,000.00 | | 20,000.00 | |
| | | <u>\$ 10,584.50</u> | <u>\$ 927,411.67</u> | <u>\$ 87,120.13</u> | <u>\$ 842,868.37</u> | <u>\$ 8,007.67</u> |
| | <u>REF.</u> | <u>A</u> | | <u>A-5</u> | <u>A-4</u> | <u>A</u> |

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>GRANT FUND</u> | <u>ANIMAL CONTROL FUND</u> | <u>TRUST OTHER FUND</u> | <u>GENERAL CAPITAL FUND</u> | <u>WATER UTILITY OPERATING FUND</u> | <u>WATER UTILITY CAPITAL FUND</u> | <u>SEWER UTILITY CAPITAL FUND</u> | <u>SEWER UTILITY OPERATING FUND</u> |
|-----------------------------|-------------|----------------------|-----------------------|------------------------------------|---------------------------------|-------------------------------------|---|---|---|---|
| Balance, December 31, 2018: | | | | | | | | | | |
| Due From | A | \$ 252,653.08 | \$ | \$ 1,560.99 | \$ 251,092.09 | \$ | \$ | \$ | \$ | \$ |
| Due To | A | <u>2,688,448.83</u> | <u>34,538.01</u> | | | <u>239,563.07</u> | <u>843,194.75</u> | <u>1,570,376.00</u> | <u>777.00</u> | |
| Receipts - Treasurer | A-4 | 99,417.40 | | 1,560.99 | 1,346.65 | 31,686.77 | | 58,340.14 | 1,530.76 | 4,952.09 |
| Receipts - Collector | A-5 | 39,659.05 | | | | | 39,659.05 | | | |
| | | <u>\$ 139,076.45</u> | <u>\$</u> | <u>\$ 1,560.99</u> | <u>\$ 1,346.65</u> | <u>\$ 31,686.77</u> | <u>\$ 39,659.05</u> | <u>\$ 58,340.14</u> | <u>\$ 1,530.76</u> | <u>\$ 4,952.09</u> |
| Disbursements | A-4 | <u>1,485,925.47</u> | | | 42,700.00 | 273,878.29 | 19,347.18 | 1,150,000.00 | | |
| Balance, December 31, 2019: | | | | | | | | | | |
| Due From | A | \$ 295,073.89 | \$ | \$ | \$ 292,445.44 | \$ 2,628.45 | \$ | \$ | \$ | \$ |
| Due To | A | <u>1,384,020.62</u> | <u>34,538.01</u> | | | | <u>863,506.62</u> | <u>478,716.14</u> | <u>2,307.76</u> | <u>4,952.09</u> |

BOROUGH OF FLEMINGTON

GRANT FUND

SCHEDULE OF RESERVE
FOR GRANTS APPROPRIATED

| <u>GRANT</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u> | <u>2019</u> <u>BUDGET</u> <u>APPROPRIATION</u> | <u>EXPENDED</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u> |
|--|--|--|----------------------|--|
| Safe and Secure Communities Program | \$ 21,713.00 | \$ 96,713.00 | \$ 118,426.00 | \$ |
| Drunk Driving Enforcement Fund | 11,836.05 | | | 11,836.05 |
| Alcohol Education Rehabilitation Fund | 21,236.05 | 4,324.24 | | 25,560.29 |
| Recycling Tonnage Grant | 11,422.63 | 10,559.60 | 21,812.71 | 169.52 |
| Clean Communities Program | | 17,892.35 | 8,347.67 | 9,544.68 |
| Hunterdon County Open Space Grant | 73,540.54 | | | 73,540.54 |
| Recreation for Individuals with Disabilities Grant | 9,200.00 | | | 9,200.00 |
| Body Armor Replacement Fund | 1,971.56 | 3,624.00 | 1,105.00 | 4,490.56 |
| SLAHEOP Grant | 2,405.72 | | 2,405.72 | |
| Hunterdon County Cultural | 5,380.00 | | | 5,380.00 |
| Green Communities - Local Share | 618.03 | | 618.03 | |
| New Jersey Historic Trust Grant | 47,153.98 | | 7,710.00 | 39,443.98 |
| | <u>\$ 206,477.56</u> | <u>\$ 133,113.19</u> | <u>\$ 160,425.13</u> | <u>\$ 179,165.62</u> |
| <u>REF.</u> | A | | A-4 | A |
| Transferred From Budget | A-3 | \$ 63,113.19 | | |
| Local Share | A-24 | <u>70,000.00</u> | | |
| | | <u>\$ 133,113.19</u> | | |

"A-12"

BOROUGH OF FLEMINGTON

GRANT FUND

SCHEDULE OF RESERVE
FOR GRANTS UNAPPROPRIATED

| GRANT | BALANCE DECEMBER 31, 2018 | CASH RECEIPTS | APPLIED TO RECEIVABLE | BALANCE DECEMBER 31, 2019 |
|---------------------------------------|---------------------------------|--------------------|--------------------------|---------------------------------|
| Clean Communities Program | \$ 8,527.70 | \$ | \$ 8,527.70 | \$ |
| Safe and Secure Communities | 26,713.00 | | 26,713.00 | |
| Recycling Tonnage | 6,260.49 | 5,723.74 | 6,260.49 | 5,723.74 |
| Alcohol Education Rehabilitation Fund | 2,636.37 | | 2,636.37 | |
| | <u>\$ 44,137.56</u> | <u>\$ 5,723.74</u> | <u>\$ 44,137.56</u> | <u>\$ 5,723.74</u> |
| <u>REF.</u> | A | A-4 | A-19 | A |

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2018 | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|-------------------------------------|---------------------------------|-------------------------------|--------------------|-------------------|
| <u>SALARIES AND WAGES</u> | | | | |
| Mayor and Council | \$ 3,205.00 | \$ 3,205.00 | \$ 3,205.00 | |
| Municipal Clerk | 0.87 | 0.87 | | 0.87 |
| Financial Administration | 617.04 | 617.04 | 600.00 | 17.04 |
| Assessment of Taxes | 4.91 | 4.91 | | 4.91 |
| Collection of Taxes | 31.99 | 31.99 | | 31.99 |
| Planning Board | 60.07 | 60.07 | | 60.07 |
| Municipal Court | 1,270.96 | 1,270.96 | 534.00 | 736.96 |
| Municipal Prosecutor | 1,228.79 | 1,228.79 | 1,200.00 | 28.79 |
| Emergency Management Services | 10.00 | 10.00 | | 10.00 |
| Fire Safety & Housing Enforcement | 5,501.98 | 5,501.98 | 1,130.00 | 4,371.98 |
| Public Defender | 100.00 | 100.00 | | 100.00 |
| Building Inspector | 56.96 | 56.96 | | 56.96 |
| Electrical Inspector | 31.02 | 31.02 | | 31.02 |
| Plumbing Inspector | 291.93 | 291.93 | | 291.93 |
| Fire Inspector | 291.93 | 291.93 | | 291.93 |
| Property Maintenance Inspector | 2,920.48 | 2,920.48 | | 2,920.48 |
| Recycling | 70.00 | 70.00 | | 70.00 |
| <u>OTHER EXPENSES</u> | | | | |
| Administrative and Executive | 8.24 | 2,188.61 | | 2,188.61 |
| Mayor and Council | 175.01 | 275.01 | | 275.01 |
| Municipal Clerk | 17.15 | 17.15 | | 17.15 |
| Financial Administration | 448.32 | 448.32 | 311.55 | 136.77 |
| Assessment of Taxes | 12,318.85 | 12,318.85 | 12,255.93 | 62.92 |
| Collection of Taxes | 4,657.27 | 4,657.27 | 3,737.45 | 919.82 |
| Legal Services and Costs | 25,558.21 | 25,558.21 | 5,582.50 | 19,975.71 |
| Engineering Services and Costs | 1,759.74 | 1,759.74 | 1,759.74 | |
| Planning Board | 16,855.57 | 30,772.21 | 20,077.37 | 10,694.84 |
| Fire | 4,170.68 | 25,521.84 | 8,084.13 | 17,437.71 |
| Fire Safety and Housing Enforcement | 3,650.91 | 3,650.91 | 1,607.92 | 2,042.99 |
| Police | 7.32 | 7.32 | | 7.32 |
| Emergency Management Services | 2,343.43 | 2,343.43 | 2,343.43 | |
| Environmental Commission | 750.00 | 750.00 | | 750.00 |
| Streets and Roads | 2,381.11 | 3,433.56 | 2,411.68 | 1,021.88 |
| Public Buildings and Grounds | 299.83 | 299.83 | 184.01 | 115.82 |
| Shade Tree Commission | 5.70 | 5.70 | | 5.70 |
| Board of Health | 6,979.13 | 6,979.13 | 6,200.00 | 779.13 |
| Dog Regulation - Contractual | 11,863.03 | 11,863.03 | | 11,863.03 |
| P.E.O.S.H.A. - Fire Department | 8,000.00 | 8,000.00 | 8,000.00 | |
| Municipal Court | 8,327.81 | 8,488.06 | 327.12 | 8,160.94 |
| Rental Property Expense | 398.84 | 757.92 | 150.00 | 607.92 |
| Property Maintenance Inspector | 236.55 | 236.55 | | 236.55 |
| Building Inspector | 2,563.53 | 3,242.53 | 3,228.98 | 13.55 |

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2018 | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|-------------------------------|----------------------|----------------------|
| Telephone | \$ 11.85 | \$ 286.29 | \$ | \$ 286.29 |
| Water | 4,092.22 | 4,092.22 | | 4,092.22 |
| Natural Gas | 3,478.37 | 3,478.37 | | 3,478.37 |
| Electricity | 305.92 | 305.92 | | 305.92 |
| Gasoline | 432.35 | 432.35 | | 432.35 |
| Street Lighting | 3,391.93 | 3,391.93 | 3,005.24 | 386.69 |
| Municipal Services Act- Condo Reimbursement Law | 3,500.00 | 3,500.00 | 3,500.00 | |
| Social Security System | 6,262.87 | 6,262.87 | | 6,262.87 |
| Defined Contribution Retirement Program | 73.36 | 73.36 | | 73.36 |
| Length of Service Award Program | 23,850.00 | 23,850.00 | 16,100.00 | 7,750.00 |
| Preliminary Road Engineering | 851.96 | 851.96 | | 851.96 |
| Group Insurance for Employees | 4,104.92 | 4,104.92 | 4,102.73 | 2.19 |
| Public Employees Retirement System | 1,000.44 | 1,000.44 | | 1,000.44 |
| Maintenance of Free Public Library | 14,195.33 | 14,195.33 | 14,195.33 | |
| | <u>\$ 195,021.68</u> | <u>\$ 235,095.07</u> | <u>\$ 123,834.11</u> | <u>\$ 111,260.96</u> |

REF.

A

A-1

| | | | |
|----------------------------|------|----------------------|----------------------|
| Balance, December 31, 2018 | A-13 | \$ 195,021.68 | \$ |
| Cash Disbursements | A-4 | | 122,131.15 |
| Encumbrances Payable | A-20 | <u>40,073.39</u> | <u>1,702.96</u> |
| | | <u>\$ 235,095.07</u> | <u>\$ 123,834.11</u> |

"A-14"

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

| | <u>REF.</u> | | |
|-----------------------------|-------------|----|----------------------|
| Balance, December 31, 2018 | A | \$ | 2,131.12 |
| Current Year Tax Levy: | | | |
| County Taxes | A-1:A-7 | \$ | 1,442,932.52 |
| County Open Space Taxes | A-1:A-7 | | 137,805.46 |
| County Share of Added Taxes | A-1:A-7 | | <u>694.83</u> |
| | | | 1,581,432.81 |
| | | \$ | <u>1,583,563.93</u> |
| Decreased by: | | | |
| Cash Disbursements | A-4 | | <u>1,582,869.10</u> |
| Balance, December 31, 2019 | A | \$ | <u><u>694.83</u></u> |

"A-15"

SCHEDULE OF REGIONAL SCHOOL TAX PAYABLE

| | | | |
|-----------------------|---------|----|----------------------------|
| Increased by: | | | |
| Current Year Tax Levy | A-1:A-7 | \$ | <u>5,851,192.00</u> |
| Decreased by: | | | |
| Cash Disbursements | A-4 | \$ | <u><u>5,851,192.00</u></u> |

"A-16"

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

| | | | |
|-----------------------|---------|----|----------------------------|
| Increased by: | | | |
| Current Year Tax Levy | A-1:A-7 | \$ | <u>2,238,035.00</u> |
| Decreased by: | | | |
| Cash Disbursements | A-4 | \$ | <u><u>2,238,035.00</u></u> |

"A-17"

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF PREPAID TAXES

| | <u>REF.</u> | |
|--|-------------|-----------------------------|
| Balance, December 31, 2018 | A | \$ 460,386.03 |
| Increased by: | | |
| Collection of Subsequent Year Taxes | A-5 | 234,111.84 |
| | | <u>\$ 694,497.87</u> |
| Decreased by: | | |
| Application to Current Year Taxes Receivable | A-7 | <u>460,386.03</u> |
| Balance, December 31, 2019 | A | <u><u>\$ 234,111.84</u></u> |

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

| | | |
|-----------------------------|-----|----------------------------|
| Balance, December 31, 2018 | A | \$ 29,913.19 |
| Increased by: | | |
| Cash Receipts | A-5 | 41,057.12 |
| | | <u>\$ 70,970.31</u> |
| Decreased by: | | |
| Cash Disbursements | A-4 | \$ 2,848.26 |
| Applied to Taxes Receivable | A-7 | <u>22,590.90</u> |
| | | <u>25,439.16</u> |
| Balance, December 31, 2019 | A | <u><u>\$ 45,531.15</u></u> |

BOROUGH OF FLEMINGTON

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

| <u>GRANT</u> | <u>CURRENT YEAR REVENUE ANTICIPATED</u> | <u>CASH RECEIPTS</u> | <u>UNAPPROPRIATED APPLIED</u> | <u>BALANCE DECEMBER 31, 2019</u> |
|---------------------------------------|---|--------------------------|-----------------------------------|--|
| Body Armor Replacement Fund | \$ 3,624.00 | \$ 1,864.98 | \$ | \$ 1,759.02 |
| Alcohol Education Rehabilitation Fund | 4,324.24 | 1,687.87 | 2,636.37 | |
| Recycling Tonnage Grant | 10,559.60 | 4,299.11 | 6,260.49 | |
| Clean Communities Program | 17,892.35 | 9,364.65 | 8,527.70 | |
| Safe and Secure Communities | 26,713.00 | | 26,713.00 | |
| | <u>\$ 63,113.19</u> | <u>\$ 17,216.61</u> | <u>\$ 44,137.56</u> | <u>\$ 1,759.02</u> |
| <u>REF.</u> | A-2 | A-4 | A-12 | A |

"A-20"

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

| | <u>REF.</u> | | |
|--|-------------|----|-------------------------|
| Balance, December 31, 2018 | A | \$ | 47,188.68 |
| Increased by: | | | |
| Charges to Current Year Appropriations | A-3 | \$ | 31,846.03 |
| Charges to Prior Year Appropriation Reserves | A-13 | | <u>1,702.96</u> |
| | | | 33,548.99 |
| | | \$ | <u>80,737.67</u> |
| Decreased by: | | | |
| Canceled | A-1 | \$ | 5,451.91 |
| Transferred to Appropriation Reserves | A-13 | | <u>40,073.39</u> |
| | | | 45,525.30 |
| Balance, December 31, 2019 | A | \$ | <u><u>35,212.37</u></u> |

"A-21"

SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAX PAYABLE

| | | | |
|----------------------------|---------|----|------------------------|
| Balance, December 31, 2018 | A | \$ | 1,375.17 |
| Increased by: | | | |
| Current Year Tax Levy | A-1:A-7 | | 362,483.63 |
| | | \$ | <u>363,858.80</u> |
| Decreased by: | | | |
| Cash Disbursements | A-4 | | <u>362,000.00</u> |
| Balance, December 31, 2019 | A | \$ | <u><u>1,858.80</u></u> |

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF ASSETS

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2018 | A | \$ <u>70,000.00</u> |
| Balance, December 31, 2019 | A | \$ <u><u>70,000.00</u></u> |

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF MISCELLANEOUS DEPOSITS

| GRANT | BALANCE DECEMBER 31, 2018 | CASH RECEIPTS | | CASH DISBURSEMENTS | BALANCE DECEMBER 31, 2019 |
|----------------------------|---------------------------------|--------------------|----------------------|-----------------------|---------------------------------|
| | | TREASURER | COLLECTOR | | |
| Codification of Ordinances | \$ 1,535.15 | \$ | \$ | \$ | \$ 1,535.15 |
| State Training Fees | 686.00 | 5,971.00 | | 3,935.00 | 2,722.00 |
| Outside Liens | | | 154,486.34 | 154,486.34 | |
| | <u>\$ 2,221.15</u> | <u>\$ 5,971.00</u> | <u>\$ 154,486.34</u> | <u>\$ 158,421.34</u> | <u>\$ 4,257.15</u> |

REF.

A

A-4

A-5

A-4

A

BOROUGH OF FLEMINGTON

GRANT FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> |
|---|-------------|----------------------------|----------------------------|
| Balance, December 31, 2018: Due From | A | \$ <u>34,538.01</u> | \$ <u>34,538.01</u> |
| Cash Receipts | A-4 | <u>70,000.00</u> | <u>70,000.00</u> |
| Local Share | A-11 | <u>70,000.00</u> | <u>70,000.00</u> |
| Balance, December 31, 2019: Due From | A | \$ <u><u>34,538.01</u></u> | \$ <u><u>34,538.01</u></u> |

"A-25"

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

| | <u>REF.</u> | | |
|---------------------------------|-------------|----|-------------------------|
| Balance, December 31, 2018 | A | \$ | 11,106.74 |
| Increased by: | | | |
| Transfers from Taxes Receivable | A-7 | \$ | 5,528.39 |
| Interest and Costs on Taxes | | | <u>456.22</u> |
| | | | <u>5,984.61</u> |
| Balance, December 31, 2019 | A | \$ | <u><u>17,091.35</u></u> |

"A-26"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES -ASSESSED VALUATION

| | | | |
|----------------------------|---|----|--------------------------|
| Balance, December 31, 2018 | A | \$ | <u>380,000.00</u> |
| Balance, December 31, 2019 | A | \$ | <u><u>380,000.00</u></u> |

"B-1"

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF CASH-TREASURER

| | <u>REF.</u> | <u>ANIMAL CONTROL</u> | <u>OTHER FUNDS</u> |
|------------------------------------|-------------|-----------------------|-------------------------------|
| Balance, December 31, 2018 | B | \$ -0- | \$ 1,093,615.10 |
| Increased by Receipts: | | | |
| Dog License Fees | B-2 | \$ 3,386.60 | \$ |
| Unemployment Insurance | B-3 | | 6,072.02 |
| Various Reserves and Deposits | B-4 | | 4,273,724.10 |
| Interfunds | B-5:B-6 | <u>11,315.50</u> | <u>53,909.95</u> |
| | | <u>14,702.10</u> | <u>4,333,706.07</u> |
| | | \$ <u>14,702.10</u> | \$ <u>5,427,321.17</u> |
| Decreased by Disbursements: | | | |
| Expenditures Under R.S. 4:19-15.11 | B-2 | \$ 9,754.51 | \$ |
| Unemployment Insurance | B-3 | | 28.94 |
| Various Reserves and Deposits | B-4 | | 4,318,063.05 |
| Interfunds | B-5:B-6 | <u>4,947.59</u> | <u>20,235.50</u> |
| | | <u>14,702.10</u> | <u>4,338,327.49</u> |
| Balance, December 31, 2019 | B | \$ <u><u>-0-</u></u> | \$ <u><u>1,088,993.68</u></u> |

"B-2"

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

| | <u>REF.</u> | | |
|-------------------------------------|-------------|----|------------------------|
| Balance, December 31, 2018 | B | \$ | 5,978.00 |
| Increased by: | | | |
| Animal License Fees Collected | B-1 | \$ | 3,386.60 |
| Deficit to be Raised | B | | <u>389.91</u> |
| | | \$ | <u>3,776.51</u> |
| | | | 9,754.51 |
| Decreased by: | | | |
| Expenditures Under R.S. 4:19-15.11: | | | |
| Cash Disbursements | B-1 | | <u><u>9,754.51</u></u> |

| <u>LICENSE FEES COLLECTED</u> | |
|-------------------------------|---------------------------|
| <u>YEAR</u> | <u>AMOUNT</u> |
| 2018 | \$ 2,598.80 |
| 2017 | <u>2,344.20</u> |
| | \$ <u><u>4,943.00</u></u> |

"B-3"

SCHEDULE OF RESERVE FOR UNEMPLOYMENT INSURANCE FUND

| | | | |
|----------------------------|-----|----|--------------------------|
| Balance, December 31, 2018 | B | \$ | 129,690.28 |
| Increased by: | | | |
| Cash Receipts | B-1 | | <u>6,072.02</u> |
| | | \$ | <u>135,762.30</u> |
| Decreased by: | | | |
| Cash Disbursements | B-1 | | <u>28.94</u> |
| Balance, December 31, 2019 | B | \$ | <u><u>135,733.36</u></u> |

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

| | BALANCE DECEMBER 31, 2018 | CASH RECEIPTS | CASH DISBURSEMENTS | BALANCE DECEMBER 31, 2019 |
|--|---------------------------------|------------------------|------------------------|---------------------------------|
| Municipal Court - P.O.A.A. | \$ 268.17 | \$ 70.00 | \$ | \$ 338.17 |
| Tax Sale Premiums | 61,100.00 | | 42,700.00 | 18,400.00 |
| Planning/Zoning Boards - Escrow Deposits | 157,556.17 | 91,042.80 | 110,919.63 | 137,679.34 |
| Recycling | 89.05 | | | 89.05 |
| Public Defender | 28,272.86 | 15,625.00 | 13,842.00 | 30,055.86 |
| Fire Prevention | 32,702.72 | 28,025.00 | 8,654.59 | 52,073.13 |
| Tree Fund | 9,825.37 | | | 9,825.37 |
| Historic Commission | 10,593.12 | 210.00 | 100.00 | 10,703.12 |
| Road Openings | | 250.00 | | 250.00 |
| Police Equipment Donations | 460.92 | | | 460.92 |
| Police Private Duty | 2,577.00 | 103,370.10 | 104,399.10 | 1,548.00 |
| Fire Department Penalties | 19,850.00 | 600.00 | 4,066.78 | 16,383.22 |
| Police Donations - K9 Unit | 2,028.50 | 7,120.72 | 9,149.22 | |
| C.O.A.H. | 153,892.17 | 1,932.80 | 219.20 | 155,605.77 |
| Clarence H. Bodine Jr. Donation | 171,302.58 | | | 171,302.58 |
| Good Neighbor Ordinance | 500.00 | | 500.00 | |
| Sick/Vacation Reserve | 2,186.46 | | | 2,186.46 |
| Green Team Donations | 82.94 | | | 82.94 |
| Payroll Agency | 45,781.62 | 4,025,477.68 | 4,023,512.53 | 47,746.77 |
| | <u>\$ 699,069.65</u> | <u>\$ 4,273,724.10</u> | <u>\$ 4,318,063.05</u> | <u>\$ 654,730.70</u> |
| | <u>REF.</u> | <u>B-1</u> | <u>B-1</u> | <u>B</u> |
| Balance, December 31, 2018 | B \$ 689,697.67 | | | |
| Encumbrances Payable | B <u>9,371.98</u> | | | |
| | <u>\$ 699,069.65</u> | | | |

An analysis of the various reserves and deposits is on file in the Office of the Borough Treasurer.

"B-5"

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF INTERFUNDS - TRUST OTHER FUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>ANIMAL CONTROL TRUST FUND</u> | <u>PUBLIC ASSISTANCE TRUST FUND</u> |
|-----------------------------|-------------|----------------------|-------------------------|--|---|
| Balance, December 31, 2018: | | | | | |
| Due To | B | \$ <u>264,855.17</u> | \$ <u>251,092.09</u> | \$ <u>7,538.99</u> | \$ <u>6,224.09</u> |
| Receipts | B-1 | 53,909.95 | 50,273.35 | 3,386.60 | 250.00 |
| Disbursements | B-1 | <u>20,235.50</u> | <u>8,920.00</u> | <u>11,315.50</u> | |
| Balance, December 31, 2019: | | | | | |
| Due From | B | \$ 389.91 | \$ | \$ 389.91 | \$ |
| Due To | B | <u>298,919.53</u> | <u>292,445.44</u> | <u></u> | <u>6,474.09</u> |

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF INTERFUNDS - ANIMAL CONTROL TRUST FUND

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>TRUST OTHER FUND</u> |
|-----------------------------|-------------|------------------|-------------------------|---------------------------------|
| Balance, December 31, 2018: | | | | |
| Due From | B | \$ 7,538.99 | \$ | \$ 7,538.99 |
| Due To | B | <u>1,560.99</u> | <u>1,560.99</u> | <u></u> |
| Receipts | B-1 | 11,315.50 | | 11,315.50 |
| Disbursements | B-1 | <u>4,947.59</u> | <u>1,560.99</u> | <u>3,386.60</u> |
| Balance, December 31, 2019: | | | | |
| Due To | B | <u>\$ 389.91</u> | <u>\$</u> | <u>\$ 389.91</u> |

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | | |
|--|-------------|---------------------|-----------------------|
| Balance, December 31, 2018 | C | | \$ 153,143.14 |
| Increased by Receipts: | | | |
| Budget Appropriations: | | | |
| Capital Improvement Fund | C-9 | \$ 60,000.00 | |
| Premium on Sale of Notes | C-1 | 31,686.77 | |
| Bond Anticipation Notes | C-8 | 2,458,244.00 | |
| Interfunds | C-4 | <u>1,423,878.29</u> | |
| | | | <u>3,973,809.06</u> |
| | | | \$ 4,126,952.20 |
| Decreased by Disbursements: | | | |
| Bond Anticipation Notes | C-8 | \$ 2,458,244.00 | |
| Miscellaneous Deposits | C-10 | 20,000.00 | |
| Contracts Payable | C-6 | 1,683,835.14 | |
| Interfunds | C-4 | <u>31,686.77</u> | |
| | | | <u>4,193,765.91</u> |
| Balance, December 31, 2019 (Overdraft) | C:C-3 | | \$ <u>(66,813.71)</u> |

"C-3"

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

ANALYSIS OF CASH

| | BALANCE DECEMBER <u>31, 2019</u> |
|--|--|
| Fund Balance | \$ 120,110.58 |
| Capital Improvement Fund | 456,711.81 |
| Grants Receivable | (1,000,159.00) |
| Interfunds Payable | 1,527,824.25 |
| Reserve For: | |
| Contracts Payable | 653,385.43 |
| Miscellaneous Deposits | 41,022.31 |
| Improvement Authorizations Funded as Set Forth on "C-7" | 54,238.87 |
| Improvement Authorizations Expended as Set Forth on "C-5" | (1,985,378.94) |
| Cash on Hand to Pay Notes | 13,242.67 |
| Unexpended Proceeds of Bond Anticipation Notes Issued as Set Forth on "C-5" | <u>52,188.31</u> |
| | <u>\$ (66,813.71)</u> |

REF.

C-2

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>WATER CAPITAL FUND</u> | <u>SEWER CAPITAL FUND</u> |
|-----------------------------|-------------|------------------------|-------------------------|-----------------------------------|-----------------------------------|
| Balance, December 31, 2018: | | | | | |
| Due From | C | \$ 239,563.07 | \$ 239,563.07 | \$ | \$ |
| Due To | C | <u>375,195.80</u> | <u></u> | <u>11,473.45</u> | <u>363,722.35</u> |
| Increased by: | | | | | |
| Receipts | C-2 | \$ <u>1,423,878.29</u> | \$ <u>273,878.29</u> | \$ <u>1,150,000.00</u> | \$ <u></u> |
| Decreased by: | | | | | |
| Disbursements | C-2 | \$ <u>31,686.77</u> | \$ <u>31,686.77</u> | \$ <u></u> | \$ <u></u> |
| Balance, December 31, 2019: | | | | | |
| Due To | C | <u>\$ 1,527,824.25</u> | <u>\$ 2,628.45</u> | <u>\$ 1,161,473.45</u> | <u>\$ 363,722.35</u> |

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

| ORDINANCE NUMBER | | IMPROVEMENT DESCRIPTION | BALANCE | | BAN PAID BY BUDGET | BALANCE | | ANALYSIS OF BALANCE, DECEMBER 31, 2019 | |
|-------------------------------------|---|-------------------------|----------------------|----------------|-----------------------|----------------------|-------------------------------|---|---|
| | | | DECEMBER 31, 2018 | AUTHORIZATIONS | | DECEMBER 31, 2019 | BOND ANTICIPATION NOTES | EXPENDITURES | UNEXPENDED IMPROVEMENT AUTHORIZATIONS |
| 2002-21 | Purchase of Various Equipment and a Dump Truck | \$ 47,500.00 | \$ | \$ | \$ 47,500.00 | \$ | \$ 47,500.00 | \$ | |
| 2003-09 | General Road Resurfacing and Rehabilitation - Broad Street Section I | 7,112.00 | | | 7,112.00 | | 48.78 | | 7,063.22 |
| 2003-32 | Purchase of an Ambulance | 55,000.00 | | | 55,000.00 | | 55,000.00 | | |
| 2005-10 | Acquisition of Various Office and Computer Equipment | 47,500.00 | | | 47,500.00 | | 47,500.00 | | |
| 2005-11 | Various Public Works Improvements and Equipment | 47,500.00 | | | 47,500.00 | | 47,500.00 | | |
| 2005-23 | Various Improvements to Borough Buildings and Properties | 436,533.00 | | 15,884.00 | 420,649.00 | 420,649.00 | | | |
| 2006-03 | Acquisition of Various Fire Department Equipment | 19,000.00 | | | 19,000.00 | | 19,000.00 | | |
| 2008-17 | Improvements to Main Street Sidewalks | 112,500.00 | | 6,300.00 | 106,200.00 | 106,200.00 | | | |
| 2008-19 | Pennsylvania Avenue Road Improvement | 19,915.00 | | | 19,915.00 | | 19,915.00 | | |
| 2010-11 | Refurbishment of a Fire Truck | 38,000.00 | | | 38,000.00 | | 38,000.00 | | |
| 2011-04 | Acquisition of Police Equipment | 95,000.00 | | | 95,000.00 | | 95,000.00 | | |
| 2012-09 | Storm Drain Improvement Project | 115,900.00 | | 3,100.00 | 112,800.00 | 112,800.00 | | | |
| 2012-17 | Fire, Police and Road Equipment | 41,562.50 | | | 41,562.50 | | 41,562.50 | | |
| 2013-13 | Acquisition of Fire, Emergency Management, Police and Shade Tree Imp. | 128,145.00 | | 17,100.00 | 111,045.00 | 111,045.00 | | | |
| 2013-21 | Various Road Repairs | 811,000.00 | | 22,000.00 | 789,000.00 | 789,000.00 | | | |
| 2014-25 | Improvement to Capner and Allen Street | 323,900.00 | | 8,600.00 | 315,300.00 | 315,300.00 | | | |
| 2015-05 | Acquisition of DPW Equipment | 75,000.00 | | | 75,000.00 | 75,000.00 | | | |
| 2015-15 | Acquisition of Fire/Police Equipment and Shade Tree Improvement | 186,000.00 | | | 186,000.00 | 186,000.00 | | | |
| 2016-03 | Main Street Streetscape (Amended Ord 2018-20) | 571,250.00 | | | 571,250.00 | 71,250.00 | 439,556.02 | | 60,443.98 |
| 2017-04 | East Main Street Improvement Project | 257,757.33 | | | 257,757.33 | 257,757.33 | | | |
| 2017-16 | Acquisition of Various Equipment | 209,000.00 | | | 209,000.00 | | 97,463.46 | | 111,536.54 |
| 2018-09 | Various 2018 Capital Improvements | 452,379.00 | | | 452,379.00 | | 329,975.06 | | 122,403.94 |
| 2018-11 | Improvements to Free Public Library and Borough Hall | 265,000.00 | | | 265,000.00 | | 265,000.00 | | |
| 2019-04 | Various Building Improvements | | 47,500.00 | | 47,500.00 | | 23,889.96 | | 23,610.04 |
| 2019-05 | Highland and Elwood Road Improvements | | 522,500.00 | | 522,500.00 | | 375,579.61 | | 146,920.39 |
| 2019-13 | Roadway Improvements Hopewell Avenue | | 521,000.00 | | 521,000.00 | | | | 521,000.00 |
| 2019-18 | Police and Fire Equipment | | 133,000.00 | | 133,000.00 | | 42,888.55 | | 90,111.45 |
| | | \$ 4,362,453.83 | \$ 1,224,000.00 | \$ 72,984.00 | \$ 5,513,469.83 | \$ 2,445,001.33 | \$ 1,985,378.94 | \$ 1,083,089.56 | |
| REF. | | C | C-7 | C-8 | C | | C-3 | | |
| Bond Anticipation Notes | C-8 | | | | | \$ 2,458,244.00 | | | |
| Cash on Hand to Pay Notes - Various | C-3 | | | | | 13,242.67 | | | |
| | | | | | | \$ 2,445,001.33 | | | |
| Improvement Authorizations-Unfunded | C-7 | | | | | | | \$ 1,135,277.87 | |
| Less: Unexpended Proceeds of Bond | | | | | | | | | |
| Anticipation Notes -Various | C-3 | | | | | | | 52,188.31 | |
| | | | | | | | | \$ 1,083,089.56 | |

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

| | <u>REF.</u> | |
|---------------------------------------|-------------|-----------------------------|
| Balance, December 31, 2018 | C | \$ 90,782.30 |
| Increased by: | | |
| Charges to Improvement Authorizations | C-7 | <u>2,246,438.27</u> |
| | | \$ <u>2,337,220.57</u> |
| Decreased by: | | |
| Cash Disbursements | C-2 | <u>1,683,835.14</u> |
| Balance, December 31, 2019 | C | \$ <u><u>653,385.43</u></u> |

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | ORDINANCE | | BALANCE DECEMBER 31, 2018 | | 2019 AUTHORIZATIONS | PAID OR CHARGED | BALANCE DECEMBER 31, 2019 | |
|-----------------------|---|-----------|---------------|------------------------------|-----------------|------------------------|--------------------|------------------------------|-----------------|
| | | DATE | AMOUNT | FUNDED | UNFUNDED | | | FUNDED | UNFUNDED |
| General Improvements: | | | | | | | | | |
| 1996-13 | Improvements to Public Works Facilities | 05/13/96 | \$ 150,000.00 | \$ 58,237.47 | \$ | \$ | \$ 4,458.30 | \$ 53,779.17 | \$ |
| 2003-32 | Purchase of an Ambulance | 10/27/03 | 130,000.00 | | 7,063.22 | | | | 7,063.22 |
| | Various Improvements to Borough Buildings and | | | | | | | | |
| 2005-23 | Properties | 09/26/05 | 1,500,000.00 | | 47,725.13 | | 24,099.55 | | 23,625.58 |
| 2008-19 | Pennsylvania Avenue Road Improvements | 10/14/08 | 600,000.00 | | | | | | |
| 2012-09 | Storm Drain Improvement Project | 05/29/12 | 125,000.00 | | 11,498.38 | | 11,427.00 | | 71.38 |
| | Acq. of Fire, Emergency Management, Police and | | | | | | | | |
| 2013-13 | Shade Tree Imp. | 07/29/13 | 162,045.00 | | 2,436.29 | | | | 2,436.29 |
| | Acquisition of Fire/Police Equipment and Shade Tree | | | | | | | | |
| 2015-15 | Improvement | 09/14/15 | 196,000.00 | | 33,568.88 | | 7,513.82 | | 26,055.06 |
| 2016-03 and | Main Street Streetscape | 02/22/16 | 1,075,000.00 | | | | | | |
| 2018-20 | | 11/19/18 | 500,000.00 | 866,855.57 | 571,250.00 | | 1,377,661.59 | | 60,443.98 |
| 2017-16 | Acquisition of Various Equipment | 10/23/17 | 220,000.00 | | 117,436.72 | | 5,900.18 | | 111,536.54 |
| 2018-09 | Various 2018 Capital Improvements | 06/25/18 | 475,000.00 | | 161,841.84 | | 39,437.90 | | 122,403.94 |
| 2018-11 | Improvements to Free Public Library & Borough Hall | 11/19/18 | 300,000.00 | 20,541.51 | 265,000.00 | | 285,541.51 | | |
| 2019-04 | Various Building Improvements | 02/25/19 | 50,000.00 | | | 50,000.00 | 26,389.96 | | 23,610.04 |
| 2019-05 | Highland & Elwood Road Improvements | 03/11/19 | 550,000.00 | | | 550,000.00 | 403,079.61 | | 146,920.39 |
| 2019-13 | Roadway Improvements Hopewell Ave | | 521,000.00 | | | 521,000.00 | | | 521,000.00 |
| 2019-18 | Police & Fire Equipment | 08/26/19 | 140,000.00 | | | 140,000.00 | 49,888.55 | | 90,111.45 |
| 2019-23 | Technology Equipment | 10/15/19 | 11,500.00 | | | 11,500.00 | 11,040.30 | 459.70 | |
| | | | | \$ 945,634.55 | \$ 1,217,820.46 | \$ 1,272,500.00 | \$ 2,246,438.27 | \$ 54,238.87 | \$ 1,135,277.87 |
| | | REF. | | C | C | | C-6 | C:C-3 | C:C-5 |
| | Capital Improvement Fund | | C-9 | | | \$ 48,500.00 | | | |
| | Deferred Charges to Future Taxation - Unfunded | | C-5 | | | 1,224,000.00 | | | |
| | | | | | | \$ 1,272,500.00 | | | |

"C-8"

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

| <u>ORDINANCE</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ISSUE OF ORIGINAL NOTE</u> | <u>DATE OF ISSUE</u> | <u>DATE OF MATURITY</u> | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2018</u> | <u>INCREASED</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2019</u> |
|------------------|---|---|--------------------------|-----------------------------|--------------------------|--|------------------------|------------------------|--|
| 2005-23 | Various Borough Property Improvements | 04/11/08 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | \$ 436,533.00 | \$ 420,649.00 | \$ 436,533.00 | \$ 420,649.00 |
| 2008-17 | Improvements to Main Street Sidewalks | 04/01/15 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 112,500.00 | 106,200.00 | 112,500.00 | 106,200.00 |
| 2012-09 | Mine St. Storm Drainage Improvements | 04/01/15 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 115,900.00 | 112,800.00 | 115,900.00 | 112,800.00 |
| 2013-13 | Acquisition of Equipment - Fire/Police/Shade Tree | 04/03/14 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 128,145.00 | 111,045.00 | 128,145.00 | 111,045.00 |
| 2013-21 | Various Road Improvements | 04/03/14 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 811,000.00 | 789,000.00 | 811,000.00 | 789,000.00 |
| 2014-26 | Capner and Allen St. Improvement | 04/01/15 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 323,900.00 | 315,300.00 | 323,900.00 | 315,300.00 |
| 2015-05 | Acquisition of Public Works Equipment | 03/29/17 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 |
| 2015-15 | Acquisition of Fire & Police Equip. & Shade Tree Imp. | 03/29/17 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 186,000.00 | 186,000.00 | 186,000.00 | 186,000.00 |
| 2016-03 | Main St. Streetscape | 03/29/17 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 71,250.00 | 71,250.00 | 71,250.00 | 71,250.00 |
| 2017-04 | East Main Street Improvement | 03/29/17 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 271,000.00 | 271,000.00 | 271,000.00 | 271,000.00 |
| | | | | | | <u>\$ 2,531,228.00</u> | <u>\$ 2,458,244.00</u> | <u>\$ 2,531,228.00</u> | <u>\$ 2,458,244.00</u> |
| | | | | | | C | C-2 | | C: C-5 |
| | | | | | | | | \$ 72,984.00 | |
| | | | | | | | | <u>2,458,244.00</u> | |
| | | | | | | | | <u>\$ 2,531,228.00</u> | |

REF.

Paid by Budget C-5
Cash Disbursements C-2

BOROUGH OF FLEMINGTON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | |
|-----------------------------------|-------------|-----------------------------|
| Balance, December 31, 2018 | C | \$ 445,211.81 |
| Increased by: | | |
| Current Year Budget Appropriation | C-2 | 60,000.00 |
| | | <u>\$ 505,211.81</u> |
| Decreased by: | | |
| Appropriation to Finance | | |
| Improvement Authorizations | C-7 | <u>48,500.00</u> |
| Balance, December 31, 2019 | C | <u><u>\$ 456,711.81</u></u> |

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF MISCELLANEOUS DEPOSITS

| | BALANCE DECEMBER 31, 2018 | CASH DISBURSEMENTS | BALANCE DECEMBER 31, 2019 |
|------------------------------|---------------------------------|-----------------------|---------------------------------|
| State Aid: | | | |
| Park Avenue | \$ 7,830.45 | \$ | \$ 7,830.45 |
| Preliminary Expenses: | | | |
| Renovation to Borough Hall | 220.39 | | 220.39 |
| Reserve to Pay Debt | 22,257.47 | 20,000.00 | 2,257.47 |
| FEMA - Drainage Improvements | 30,714.00 | | 30,714.00 |
| | <u>\$ 61,022.31</u> | <u>\$ 20,000.00</u> | <u>\$ 41,022.31</u> |
| <u>REF.</u> | C | C-2 | C |

"C-11"

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

| | <u>REF.</u> | |
|----------------------------|-------------|-------------------------------|
| Balance, December 31, 2018 | C | \$ <u>1,000,159.00</u> |
| Balance, December 31, 2019 | C | \$ <u><u>1,000,159.00</u></u> |

"C-12"

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

| | | |
|-----------------------------|------|-------------------------------|
| Balance, December 31, 2018 | C | \$ 2,805,000.00 |
| Decreased by: | | |
| Serial Bonds Paid by Budget | C-13 | <u>200,000.00</u> |
| Balance, December 31, 2019 | C | \$ <u><u>2,605,000.00</u></u> |

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>MATURITIES OF BONDS</u> | | <u>INTEREST RATE</u> | <u>BALANCE</u> | <u>DECREASED</u> | <u>BALANCE</u> |
|--------------------|--------------------------|---|----------------------------|---------------|-------------------------------|------------------------|----------------------|------------------------|
| | | | <u>OUTSTANDING</u> | | | <u>DECEMBER</u> | | <u>DECEMBER</u> |
| | | | <u>DATE</u> | <u>AMOUNT</u> | | <u>31, 2018</u> | | <u>31, 2019</u> |
| Refunding Bonds | 5/30/14 | \$ 1,615,000.00 | 1/15/20-22 | \$ 95,000.00 | 3.00% | \$ | \$ | \$ |
| | | | 1/15/23-24 | 90,000.00 | 3.00% | 565,000.00 | 100,000.00 | 465,000.00 |
| General Obligation | 12/15/2015 | 2,500,000.00 | 12/15/20-22 | 115,000.00 | 3.000% | | | |
| | | | 12/15/23 | 125,000.00 | 2.000% | | | |
| | | | 12/15/24-25 | 130,000.00 | 2.250% | | | |
| | | | 12/15/2026 | 130,000.00 | 3.000% | | | |
| | | | 12/15/27-28 | 135,000.00 | 3.000% | | | |
| | | | 12/15/29-31 | 140,000.00 | 3.000% | | | |
| | | | 12/15/1932 | 145,000.00 | 3.125% | | | |
| | | | 12/15/1933 | 145,000.00 | 4.000% | | | |
| | | | 12/15/34-35 | 150,000.00 | 4.000% | 2,240,000.00 | 100,000.00 | 2,140,000.00 |
| | | | | | | <u>\$ 2,805,000.00</u> | <u>\$ 200,000.00</u> | <u>\$ 2,605,000.00</u> |
| | | | | | | C | C-12 | C |

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2019</u> |
|-----------------------------|--|--|
| 2002-21 | Purchase of Various Equipment and a Dump Truck | \$ 47,500.00 |
| 2003-09 | General Road Resurfacing and Rehabilitation - Broad Street Section I | 7,112.00 |
| 2003-32 | Purchase of an Ambulance | 55,000.00 |
| 2005-10 | Acquisition of Various Office and Computer Equipment | 47,500.00 |
| 2005-11 | Various Public Works Improvements and Equipment | 47,500.00 |
| 2006-03 | Acquisition of Various Fire Department Equipment | 19,000.00 |
| 2008-19 | Pennsylvania Avenue - Road Improvements | 19,915.00 |
| 2010-11 | Refurbishment of a Fire Truck | 38,000.00 |
| 2011-04 | Acquisition of Police Equipment | 95,000.00 |
| 2012-17 | Fire, Police and Road Equipment | 41,562.50 |
| 2017-16 | Acquisition of Various Equipment | 209,000.00 |
| 2018-09 | Various 2018 Capital Improvements | 452,379.00 |
| 2018-11 | Improvements to Free Public Library and Borough Hall | 265,000.00 |
| 2018-20 | Main Street Streetscape Improvements | 500,000.00 |
| 2019-04 | Various Building Improvements | 47,500.00 |
| 2019-05 | Highland and Elwood Road Improvements | 522,500.00 |
| 2019-13 | Roadway Improvements Hopewell Avenue | 521,000.00 |
| 2019-18 | Police and Fire Equipment | 133,000.00 |
| | | <hr/> |
| | | \$ 3,068,468.50 |

BOROUGH OF FLEMINGTON

WATER UTILITY FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | <u>OPERATING</u> | <u>CAPITAL</u> |
|------------------------------------|-------------|------------------------|---------------------|
| Balance, December 31, 2018 | D | \$ 910,298.13 | \$ 344,445.78 |
| Increased by Receipts: | | | |
| Collector | D-6 | \$ 1,227,904.90 | \$ |
| Miscellaneous | D-3 | 107,987.62 | |
| Appropriation Refunds | D-4 | 1,124.64 | |
| Bond Anticipation Notes | D-27 | | 4,526,000.00 |
| Interfunds | D-12:D-22 | 354,517.18 | 1,150,000.00 |
| Loans Receivable | D-23 | | 198,672.76 |
| Ban Premium | D-2 | | 58,340.14 |
| | | <u>1,691,534.34</u> | <u>5,933,012.90</u> |
| | | \$ 2,601,832.47 | \$ 6,277,458.68 |
| Decreased by Disbursements: | | | |
| Current Year Budget Appropriations | D-4 | \$ 1,019,024.35 | \$ |
| Prior Year Appropriation Reserves | D-10 | 34,345.07 | |
| Encumbrances Payable | D-11 | 31,867.00 | |
| Bond Anticipation Notes | D-27 | | 4,526,000.00 |
| Contracts Payable | D-14 | | 322,407.72 |
| Refund of Prior Year Revenue | D-1 | 2,168.65 | |
| Accrued Interest | D-9 | 282,784.84 | |
| Interfunds | D-22 | <u>0.00</u> | <u>1,407,012.90</u> |
| | | <u>1,370,189.91</u> | <u>6,255,420.62</u> |
| Balance, December 31, 2019 | D | \$ <u>1,231,642.56</u> | \$ <u>22,038.06</u> |

"D-6"

BOROUGH OF FLEMINGTON
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR

| | <u>REF.</u> | <u>OPERATING</u> | |
|---------------------------------|-------------|------------------|-------------------------|
| Balance, December 31, 2018 | D | \$ | 39,227.06 |
| Increased by Receipts: | | | |
| Consumer Accounts Receivable | D-7 | \$ | 1,225,386.57 |
| Interest on Delinquent Accounts | D-3 | | 12,241.49 |
| Miscellaneous Water Charges | D-3 | | 73,943.73 |
| Interest on Investments | D-3 | | 5,532.08 |
| | | | <u>1,317,103.87</u> |
| | | \$ | <u>1,356,330.93</u> |
| Decreased by Disbursements: | | | |
| Payment to Treasurer: | | | |
| Water Operating Fund | D-5 | \$ | 1,227,904.90 |
| Current Fund | D-12 | | 39,659.05 |
| | | | <u>1,267,563.95</u> |
| Balance, December 31, 2019 | D | \$ | <u><u>88,766.98</u></u> |

"D-7"

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

| | | | |
|----------------------------|----------|----|--------------------------|
| Balance, December 31, 2018 | D | \$ | 186,071.27 |
| Increased by: | | | |
| Water Rents Levied - Net | | | <u>1,155,267.80</u> |
| | | \$ | <u>1,341,339.07</u> |
| Decreased by: | | | |
| Collection | D-3:D-6 | \$ | 1,225,386.57 |
| Overpayments Applied | D-3:D-13 | | 832.01 |
| | | | <u>1,226,218.58</u> |
| Balance, December 31, 2019 | D | \$ | <u><u>115,120.49</u></u> |

"D-8"

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

SCHEDULE OF INVENTORY

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2018 | D | \$ <u>24,416.01</u> |
| Balance, December 31, 2019 | D | \$ <u><u>24,416.01</u></u> |

BOROUGH OF FLEMINGTON
WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST

| | <u>REF.</u> | |
|----------------------------------|-------------|-----------------------------|
| Balance, December 31, 2018 | D | \$ 98,975.06 |
| Increased by: | | |
| Charges to Budget Appropriations | D-4 | 297,089.79 |
| | | <u>\$ 396,064.85</u> |
| Decreased by: | | |
| Cash Disbursements | D-5 | <u>282,784.84</u> |
| Balance, December 31, 2019 | D | <u><u>\$ 113,280.01</u></u> |

"D-10"

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

| | | BALANCE DECEMBER 31, 2018 | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|----------------------------|-------------|---------------------------------|-------------------------------|---------------------|--------------------|
| Other Expenses | | \$ 48,697.72 | \$ 60,369.57 | \$ 54,345.07 | \$ 6,024.50 |
| Social Security | | <u>2,168.51</u> | <u>2,168.51</u> | | <u>2,168.51</u> |
| | | <u>\$ 50,866.23</u> | <u>\$ 62,538.08</u> | <u>\$ 54,345.07</u> | <u>\$ 8,193.01</u> |
| | <u>REF.</u> | D | | | D-1 |
| Balance, December 31, 2018 | D-10 | | \$ 50,866.23 | \$ | |
| Encumbrances Payable | D-11 | | 11,671.85 | 20,000.00 | |
| Cash Disbursements | D-5 | | | <u>34,345.07</u> | |
| | | | <u>\$ 62,538.08</u> | <u>\$ 54,345.07</u> | |

BOROUGH OF FLEMINGTON
WATER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

| | <u>REF.</u> | | |
|--|-------------|------------------|----------------------------|
| Balance, December 31, 2018 | D | | \$ 57,083.93 |
| Increased by: | | | |
| Charges to Current Year Appropriations | D-4 | \$ 12,048.05 | |
| Charges to Prior Year Appropriation Reserves | D-10 | <u>20,000.00</u> | |
| | | | <u>32,048.05</u> |
| | | | \$ <u>89,131.98</u> |
| Decreased by: | | | |
| Canceled | D-1 | \$ 13,545.08 | |
| Transferred to Appropriation Reserves | D-10 | 11,671.85 | |
| Cash Disbursements | D-5 | <u>31,867.00</u> | |
| | | | <u>57,083.93</u> |
| Balance, December 31, 2019 | D | | \$ <u><u>32,048.05</u></u> |

"D-12"

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>WATER CAPITAL FUND</u> | <u>SEWER OPERATING FUND</u> | <u>SEWER CAPITAL FUND</u> |
|--------------------------------|-------------|----------------------------|-------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Balance, December 31, 2018: | | | | | | |
| Due From | D | \$ 843,194.75 | \$ 843,194.75 | \$ | \$ | \$ |
| Due To | D | <u>1,376,405.87</u> | <u></u> | <u>81,282.88</u> | <u>17,035.23</u> | <u>1,278,087.76</u> |
| Increased by: | | | | | | |
| Receipts | D-5 | <u>354,517.18</u> | <u>19,347.18</u> | <u>198,672.76</u> | <u></u> | <u>136,497.24</u> |
| Decreased by: | | | | | | |
| Cash Disbursements - Collector | D-6 | <u>39,659.05</u> | <u>39,659.05</u> | <u></u> | <u></u> | <u></u> |
| Balance, December 31, 2019: | | | | | | |
| Due From | D | \$ 863,506.62 | \$ 863,506.62 | \$ | \$ | \$ |
| Due To | D | <u><u>1,711,575.87</u></u> | <u><u></u></u> | <u><u>279,955.64</u></u> | <u><u>17,035.23</u></u> | <u><u>1,414,585.00</u></u> |

"D-13"

BOROUGH OF FLEMINGTON
WATER UTILITY OPERATING FUND
SCHEDULE OF OVERPAYMENTS

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------------|
| Balance, December 31, 2018 | D | \$ 3,124.45 |
| Decreased by: | | |
| Applied to Receivable | D-7 | <u>832.01</u> |
| Balance, December 31, 2019 | D | \$ <u><u>2,292.44</u></u> |

"D-14"

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

| | | |
|---------------------------------------|------|-----------------------------|
| Balance, December 31, 2018 | D | \$ 682.94 |
| Increased by: | | |
| Charges to Improvement Authorizations | D-15 | <u>321,724.78</u> |
| | | \$ <u><u>322,407.72</u></u> |
| Decreased by: | | |
| Cash Disbursements | D-5 | \$ <u><u>322,407.72</u></u> |

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | ORDINANCE | | BALANCE DECEMBER 31, 2018 | | PAID OR CHARGED | BALANCE DECEMBER 31, 2019 | |
|------------------------------|---|-----------|---------------|------------------------------|-----------------|--------------------|------------------------------|-----------------|
| | | DATE | AMOUNT | FUNDED | UNFUNDED | | FUNDED | UNFUNDED |
| <u>General Improvements:</u> | | | | | | | | |
| 1999-13 | Replacement of Water Mains and Fire Hydrants on Park Ave. | 06/14/99 | \$ 200,000.00 | \$ | \$ 12,173.68 | \$ | \$ | \$ 12,173.68 |
| 2008-08/2009-13 | Improvements to Wells 1, 4, 5, 7 | 04/28/08 | 2,520,000.00 | 247,550.89 | 72,749.00 | 14,879.00 | 233,671.89 | 71,749.00 |
| 2008-18 | Various Water Infrastructure Repairs | 10/14/08 | 150,000.00 | 1,030.00 | | 1,030.00 | | |
| 2011-01 | Various Improvements - Well # 6 | 03/14/11 | 1,758,850.00 | 258,308.04 | | 49,851.40 | 208,456.64 | |
| 2012-10/2012-20 | Improvements to Water System Firm Capacity | 12/18/12 | 2,300,000.00 | | 1,364,780.77 | | 9,735.77 | 1,355,045.00 |
| 2015-12 | Water Improvements Walters Lane | 07/27/15 | 1,052,699.00 | 106,611.35 | | 67,951.70 | 38,659.65 | |
| 2015-03 | Acquisition of Water Dept. Equipment | 06/08/15 | 40,000.00 | | | | | |
| 2015-09 | Installation of a New Water Well | 06/08/15 | 765,000.00 | | 39,150.85 | 32,879.57 | | 6,271.28 |
| 2015-11 | Water Main Extension Project | 07/27/15 | 200,000.00 | | | | | |
| 2016-10 | Purchase & Installation of New Meters | 06/13/16 | 780,000.00 | | | | | |
| 2017-11 | New Water Storage Tanks & Other Water System Imp. | 09/26/17 | 4,500,000.00 | | 4,399,392.07 | 45,390.43 | | 4,354,001.64 |
| 2017-14 | Drilling of Test Water Wells | 09/26/17 | 215,000.00 | | 137,083.35 | 23,975.00 | | 113,108.35 |
| 2018-14 | Water Utility Improvements | 08/27/18 | 455,000.00 | | 415,437.98 | 85,767.68 | | 329,670.30 |
| | | | | \$ 613,500.28 | \$ 6,440,767.70 | \$ 321,724.78 | \$ 490,523.95 | \$ 6,242,019.25 |
| | | REF. | D | D | D-14 | D | D | D |

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ORDINANCE</u> | <u>BALANCE DECEMBER 31, 2018</u> | <u>PAID BY BUDGET</u> | <u>BALANCE DECEMBER 31, 2019</u> |
|-----------------------------|---|------------------------------|--|---------------------------|--|
| General Improvements: | | | | | |
| 1999-13 | Replacement of Water Mains and Fire Hydrants on Park Avenue | 03/09/99 | \$ 192,600.00 | \$ | \$ 192,600.00 |
| 2008-08 | Improvements to Wells 1,4,5,7 | 04/28/08 | 1,232,717.51 | 142,701.89 | 1,375,419.40 |
| 2011-01 | Various Improvements - Well # 6 | 03/14/11 | 1,443,569.05 | 6,406.13 | 1,449,975.18 |
| 2012-10/20 | Improvements to Water System Firm Capacity | 12/28/12 | 218,915.05 | 60,257.01 | 279,172.06 |
| 2014-09 | Refunding Bonds (Not to Exceed \$490,000) | 06/25/14 | 12,700.00 | | 12,700.00 |
| 2014-13 & 2015-12 | Water Improvements - Walters Lane | 06/25/14 | 8,117.90 | 17,181.18 | 25,299.08 |
| 2015-03 | Acquisition of Water Department Equipment | 06/08/15 | 2,000.00 | | 2,000.00 |
| 2015-12 | Supplemental Ord 2014-13 | 07/27/15 | 400,000.00 | | 400,000.00 |
| | | | <u>\$ 3,510,619.51</u> | <u>\$ 226,546.21</u> | <u>\$ 3,737,165.72</u> |
| | | <u>REF.</u> | <u>D</u> | | <u>D</u> |
| | U.S.D.A. Loans Payable | D-24 | | \$ 23,587.31 | |
| | Bond Anticipation Notes | D-27 | | 14,000.00 | |
| | N.J.E.I.T. Loan Payable | D-26 | | 188,958.90 | |
| | | | | <u>\$ 226,546.21</u> | |

"D-17"

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

| | <u>REF.</u> | | |
|----------------------------|-------------|----|----------------------------|
| Balance, December 31, 2018 | D | \$ | 4,364,867.53 |
| Increased by: | | | |
| Payment of Bonds | D-25 | \$ | 50,000.00 |
| Payment of U.S.D.A. Loans | D-24 | | <u>26,464.00</u> |
| | | | <u>76,464.00</u> |
| Balance, December 31, 2019 | D | \$ | <u><u>4,441,331.53</u></u> |

"D-18"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | | | |
|----------------------------|---|----|-------------------------|
| Balance, December 31, 2018 | D | \$ | <u>16,357.38</u> |
| Balance, December 31, 2019 | D | \$ | <u><u>16,357.38</u></u> |

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2018 | D | \$ <u>21,500.00</u> |
| Balance, December 31, 2019 | D | \$ <u><u>21,500.00</u></u> |

ANALYSIS OF BALANCE

| | |
|----------------------------|----------------------------|
| Improvement to Water Tower | \$ 20,000.00 |
| Reserve to Pay Debt | <u>1,500.00</u> |
| | \$ <u><u>21,500.00</u></u> |

BOROUGH OF FLEMINGTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

| <u>ACCOUNT</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31,2019</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u> |
|--|---|--|
| Acquisition and Construction of a Water Distribution System | \$ 428,554.46 | \$ 428,554.46 |
| River Intake Projects - Corcoran Street | 7,000.00 | 7,000.00 |
| Construction of Water Lines - East Main Street Garden Apartments | 2,379.02 | 2,379.02 |
| Reservoir to Bonnell Street | 10,269.81 | 10,269.81 |
| Water Meters | 35,286.85 | 35,286.85 |
| Fire Hydrants | 7,874.42 | 7,874.42 |
| Water Lines | 69,338.09 | 69,338.09 |
| General Equipment and Materials | 35,024.70 | 35,024.70 |
| Replacement of Buildings and Equipment | 4,437.45 | 4,437.45 |
| Engineering Costs | 4,000.00 | 4,000.00 |
| Improvement to Water System | 625,863.86 | 625,863.86 |
| Up-to-Date Map of All Water Lines | 1,948.50 | 1,948.50 |
| Chain Link Fences | 385.00 | 385.00 |
| Repair of Dam - Raritan River | 5,268.18 | 5,268.18 |
| Water Pumps | 6,572.76 | 6,572.76 |
| Construction of Water Lines - Court Street and Memorial Field | 88,164.61 | 88,164.61 |
| Purchase of Ductile Pipe | 4,062.59 | 4,062.59 |
| Purchase of Water Meters | 8,956.68 | 8,956.68 |
| Improvement and Installation of Water Main on Broad Street | 28,491.71 | 28,491.71 |
| Extension of Water Main on Emery Avenue | 3,162.78 | 3,162.78 |
| Purchase of a Pick-Up Truck | 38,015.00 | 38,015.00 |
| Replacement of the Existing Water Main From Church Street to the Circle at Route 12 | 75,000.00 | 75,000.00 |
| Drilling of Well and Construction of Pump Facilities | 21,805.19 | 21,805.19 |
| Installation of New Fire Hydrants | 37,938.06 | 37,938.06 |
| Replacement of Water Mains and Fire Hydrants - Allen Street | 86,250.00 | 86,250.00 |
| Replacement of Water Mains and Fire Hydrants - Mine Street | 105,000.00 | 105,000.00 |
| Installation of Air Stripper | 165,000.00 | 165,000.00 |
| Installation of Air Stripper | 85,000.00 | 85,000.00 |
| Replacement of Water Main and Fire Hydrants- Mine Street and Grant Avenue | 230,000.00 | 230,000.00 |
| Replacement of Water Main and Fire Hydrant - Park Avenue | 200,000.00 | 200,000.00 |
| Replacement of Water Pumps | 40,000.00 | 40,000.00 |
| Construction and Engineering Fees for Rt. 12 Well Air Stripper | 20,000.00 | 20,000.00 |
| Replacement of Water Mains and Fire Hydrants on Mine Street | 150,000.00 | 150,000.00 |
| Route 31 Water Main Upgrades | 45,000.00 | 45,000.00 |
| Bonnell Street Water Improvements | 160,000.00 | 160,000.00 |
| Improvements to Municipal Water Tower | 60,000.00 | 60,000.00 |
| General Water Improvements and Rehab.- Broad Street Section I | 238,000.00 | 238,000.00 |
| General Water Improvements and Rehabilitation | 50,000.00 | 50,000.00 |
| Generators in Certain Pump Stations | 70,000.00 | 70,000.00 |
| Improvements for Various Water Mains | 50,000.00 | 50,000.00 |
| Water Improvement for Bonnell Street | 250,000.00 | 250,000.00 |
| Acquisition of a Mason Dump Truck | 40,000.00 | 40,000.00 |
| Memorial Field Air Stripper - Ord. 04-11 | 325,000.00 | 325,000.00 |
| Mason Dump Truck - Ord. 06-04 | 40,000.00 | 40,000.00 |
| Improvements to Water Mains - Ord. 06-11 | 100,000.00 | 100,000.00 |
| Water Infrastructure Repairs/Improvements - Ord. 08-18 | 150,000.00 | 150,000.00 |
| Refunding Bonds Ord 2014-09 | 445,000.00 | 445,000.00 |
| Water System Improvements Ord. 2001-21 | 2,111,000.00 | 2,111,000.00 |
| Various Water Equipment Ord. 2010-01 | 80,000.00 | 80,000.00 |
| Various Water Infrastructure Improvements & Equip. Ord. 2013-10 | 180,000.00 | 180,000.00 |
| | <u>\$ 7,025,049.72</u> | <u>\$ 7,025,049.72</u> |

REF.

D

D

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | ORDINANCE | | BALANCE | BALANCE |
|-----------------------|---|-----------|---------------|-------------------------|-------------------------|
| | | DATE | AMOUNT | DECEMBER 31, 2019 | DECEMBER 31, 2018 |
| General Improvements: | | | | | |
| 1999-13 | Replacement of Water Mains and Fire Hydrants on Park Avenue | 06/14/99 | \$ 220,000.00 | \$ 220,000.00 | \$ 220,000.00 |
| 2008-08 and | Improvements to Wells 1, 4, 5, 7 | 04/28/08 | 2,520,000.00 | | |
| 2009-13 | | 07/01/09 | 330,000.00 | 2,850,000.00 | 2,850,000.00 |
| 2011-01 | Various Improvements - Well # 6 | 03/14/11 | 1,758,850.00 | 1,758,850.00 | 1,758,850.00 |
| 2012-10/20 | Improvements to Water System Firm Capacity | 12/28/12 | 2,300,000.00 | 2,300,000.00 | 2,300,000.00 |
| 2014-13 | Water System Improvements-Walters Lane | 06/25/14 | 560,000.00 | 560,000.00 | 560,000.00 |
| 2015-03 | Acquisition of Water Dept. Equipment | 06/08/15 | 40,000.00 | 40,000.00 | 40,000.00 |
| 2015-09 | Installation of a New Water Well | 06/08/15 | 765,000.00 | 765,000.00 | 765,000.00 |
| 2015-11 | Water Main Extension Project | 07/27/15 | 200,000.00 | 200,000.00 | 200,000.00 |
| 2015-12 | Supplemental Ord 2014-13 | 07/27/15 | 1,052,699.00 | 1,052,699.00 | 1,052,699.00 |
| 2016-10 | Purchase & Installation of New Meters | 06/13/16 | 780,000.00 | 780,000.00 | 780,000.00 |
| 2017-11 | New Water Storage Tanks & Other Water System Improvements | 09/26/17 | 4,500,000.00 | 4,500,000.00 | 4,500,000.00 |
| 2017-14 | Drilling of Test Water Wells | 09/26/17 | 215,000.00 | 215,000.00 | 215,000.00 |
| 2018-14 | Water Utility Improvements | 08/27/18 | 455,000.00 | 455,000.00 | 455,000.00 |
| | | | | <u>\$ 15,696,549.00</u> | <u>\$ 15,696,549.00</u> |
| REF. | | | | D | D |

"D-22"

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>GENERAL CAPITAL FUND</u> | <u>WATER OPERATING FUND</u> | <u>SEWER CAPITAL FUND</u> |
|-----------------------------|-------------|-------------------------------|-----------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Balance, December 31, 2018: | | | | | | |
| Due From | D | \$ <u>1,928,132.33</u> | \$ <u>1,570,376.00</u> | \$ <u>11,473.45</u> | \$ <u>81,282.88</u> | \$ <u>265,000.00</u> |
| Increased by: | | | | | | |
| Cash Receipts | D-5 | <u>1,150,000.00</u> | <u>1,150,000.00</u> | <u> </u> | <u> </u> | <u> </u> |
| Decreased by: | | | | | | |
| Disbursements | D-5 | <u>1,407,012.90</u> | <u>58,340.14</u> | <u>1,150,000.00</u> | <u>198,672.76</u> | <u> </u> |
| Balance, December 31, 2019: | | | | | | |
| Due From | D | \$ <u><u>2,185,145.23</u></u> | \$ <u><u>478,716.14</u></u> | \$ <u><u>1,161,473.45</u></u> | \$ <u><u>279,955.64</u></u> | \$ <u><u>265,000.00</u></u> |

"D-23"

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF GRANTS/ LOANS RECEIVABLE

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2018 | D | \$ 403,259.93 |
| Decreased by: | | |
| Cash Receipts | D-5 | <u>198,672.76</u> |
| Balance, December 31, 2019 | D | \$ <u><u>204,587.17</u></u> |

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF USDA LOANS PAYABLE

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2019</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|----------------------------|--------------------------|---------------------------|--|---------------|--------------------------|--|------------------|--|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Water Utility Improvements | 07/13/11 | \$ 2,007,000.00 | 2020 | \$ 27,600.00 | 4.125% | \$ | \$ | \$ |
| | | | 2021 | 28,786.00 | 4.125% | | | |
| | | | 2022 | 30,022.00 | 4.125% | | | |
| | | | 2023 | 31,312.00 | 4.125% | | | |
| | | | 2024 | 32,657.00 | 4.125% | | | |
| | | | 2025 | 34,060.00 | 4.125% | | | |
| | | | 2026 | 35,522.00 | 4.125% | | | |
| | | | 2027 | 37,048.00 | 4.125% | | | |
| | | | 2028 | 38,640.00 | 4.125% | | | |
| | | | 2029 | 40,299.00 | 4.125% | | | |
| | | | 2030 | 42,030.00 | 4.125% | | | |
| | | | 2031 | 43,835.00 | 4.125% | | | |
| | | | 2032 | 45,718.00 | 4.125% | | | |
| | | | 2033 | 47,681.00 | 4.125% | | | |
| | | | 2034 | 49,729.00 | 4.125% | | | |
| | | | 2035 | 51,865.00 | 4.125% | | | |
| | | | 2036 | 54,093.00 | 4.125% | | | |
| | | | 2037 | 56,417.00 | 4.125% | | | |
| | | | 2038 | 58,840.00 | 4.125% | | | |
| | | | 2039 | 61,367.00 | 4.125% | | | |
| | | | 2040 | 64,003.00 | 4.125% | | | |
| | | | 2041 | 66,752.00 | 4.125% | | | |
| | | | 2042 | 69,619.00 | 4.125% | | | |
| | | | 2043 | 72,609.00 | 4.125% | | | |
| | | | 2044 | 75,728.00 | 4.125% | | | |
| | | | 2045 | 78,980.00 | 4.125% | | | |
| | | | 2046 | 82,372.00 | 4.125% | | | |
| | | | 2047 | 85,911.00 | 4.125% | | | |
| | | | 2048 | 89,600.00 | 4.125% | | | |
| | | | 2049 | 93,449.00 | 4.125% | | | |
| | | | 2050 | 97,463.00 | 4.125% | | | |
| | | | 2051 | 99,410.00 | 4.125% | 1,849,881.00 | 26,464.00 | 1,823,417.00 |

BOROUGH OF FLEMINGTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF USDA LOANS PAYABLE

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2019</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|----------------------------|--------------------------|---------------------------|--|---------------|--------------------------|--|------------------|--|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Water Utility Improvements | 3/13/2018 | \$ 1,212,699.00 | 2020 | \$ 17,656.91 | 2.750% | \$ | \$ | \$ |
| | | | 2021 | 18,145.80 | | | | |
| | | | 2022 | 18,648.25 | | | | |
| | | | 2023 | 19,164.60 | | | | |
| | | | 2024 | 19,695.25 | | | | |
| | | | 2025 | 20,240.60 | | | | |
| | | | 2026 | 20,801.04 | | | | |
| | | | 2027 | 21,377.00 | | | | |
| | | | 2028 | 21,968.91 | | | | |
| | | | 2029 | 22,577.20 | | | | |
| | | | 2030 | 23,202.35 | | | | |
| | | | 2031 | 23,844.80 | | | | |
| | | | 2032 | 24,505.04 | | | | |
| | | | 2033 | 25,183.56 | | | | |
| | | | 2034 | 25,880.87 | | | | |
| | | | 2035 | 26,597.49 | | | | |
| | | | 2036 | 27,333.95 | | | | |
| | | | 2037 | 28,090.80 | | | | |
| | | | 2038 | 28,868.60 | | | | |
| | | | 2039 | 29,667.95 | | | | |
| | | | 2040 | 30,489.43 | | | | |
| | | | 2041 | 31,333.65 | | | | |
| | | | 2042 | 32,201.25 | | | | |
| | | | 2043 | 33,092.88 | | | | |
| | | | 2044 | 34,009.19 | | | | |
| | | | 2045 | 34,950.87 | | | | |
| | | | 2046 | 35,918.63 | | | | |
| | | | 2047 | 36,913.18 | | | | |
| | | | 2048 | 37,935.27 | | | | |
| | | | 2049 | 38,985.66 | | | | |
| | | | 2050 | 40,065.14 | | | | |
| | | | 2051 | 41,174.51 | | | | |
| | | | 2052 | 42,314.59 | | | | |
| | | | 2053 | 43,486.24 | | | | |
| | | | 2054 | 44,690.33 | | | | |
| | | | 2055 | 45,927.76 | | | | |
| | | | 2056 | 47,199.46 | | | | |
| | | | 2057 | 48,506.37 | | | | |
| | | | 2058 | 24,754.54 | | | | |
| | | | | | | 1,204,581.10 | 17,181.18 | 1,187,399.92 |

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF USDA LOANS PAYABLE

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2019</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|----------------------------|--------------------------|---------------------------|--|---------------|--------------------------|--|---------------------|--|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Water Utility Improvements | 12/20/12 | \$ 351,000.00 | 2020 | \$ 6,542.99 | 2.125% | \$ | \$ | \$ |
| | | | 2021 | 6,682.76 | 2.125% | | | |
| | | | 2022 | 6,825.53 | 2.125% | | | |
| | | | 2023 | 6,971.34 | 2.125% | | | |
| | | | 2024 | 7,120.27 | 2.125% | | | |
| | | | 2025 | 7,272.37 | 2.125% | | | |
| | | | 2026 | 7,427.73 | 2.125% | | | |
| | | | 2027 | 7,586.41 | 2.125% | | | |
| | | | 2028 | 7,748.48 | 2.125% | | | |
| | | | 2029 | 7,914.02 | 2.125% | | | |
| | | | 2030 | 8,083.08 | 2.125% | | | |
| | | | 2031 | 8,255.75 | 2.125% | | | |
| | | | 2032 | 8,432.12 | 2.125% | | | |
| | | | 2033 | 8,612.25 | 2.125% | | | |
| | | | 2034 | 8,796.24 | 2.125% | | | |
| | | | 2035 | 8,984.15 | 2.125% | | | |
| | | | 2036 | 9,176.08 | 2.125% | | | |
| | | | 2037 | 9,372.11 | 2.125% | | | |
| | | | 2038 | 9,572.32 | 2.125% | | | |
| | | | 2039 | 9,776.82 | 2.125% | | | |
| | | | 2040 | 9,985.67 | 2.125% | | | |
| | | | 2041 | 10,199.00 | 2.125% | | | |
| | | | 2042 | 10,416.88 | 2.125% | | | |
| | | | 2043 | 10,639.42 | 2.125% | | | |
| | | | 2044 | 10,866.70 | 2.125% | | | |
| | | | 2045 | 11,098.85 | 2.125% | | | |
| | | | 2046 | 11,335.95 | 2.125% | | | |
| | | | 2047 | 11,578.12 | 2.125% | | | |
| | | | 2048 | 11,825.47 | 2.125% | | | |
| | | | 2049 | 12,078.09 | 2.125% | | | |
| | | | 2050 | 12,336.11 | 2.125% | | | |
| | | | 2051 | 12,599.64 | 2.125% | | | |
| | | | 2052 | 12,762.10 | 2.125% | | | |
| | | | | | | 315,280.95 | 6,406.13 | 308,874.82 |
| | | | | | | <u>\$ 3,369,743.05</u> | <u>\$ 50,051.31</u> | <u>\$ 3,319,691.74</u> |
| | | | | | <u>REF.</u> | D | | D |
| | | | Deferred Reserve for Amortization | | D-16 | | \$ 23,587.31 | |
| | | | Reserve for Amortization | | D-17 | | 26,464.00 | |
| | | | | | | | <u>\$ 50,051.31</u> | |

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2019</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|---------------------|--------------------------|---|--|---------------|--------------------------|--|------------------|--|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Water Utility Bonds | 7/14/04 | \$ 750,000.00 | 1/15/20 | \$ 50,000.00 | 3.00% | \$ 245,000.00 | \$ 50,000.00 | \$ 195,000.00 |
| | | | 1/15/21 | 50,000.00 | 3.00% | | | |
| | | | 1/15/22 | 50,000.00 | 3.00% | | | |
| | | | 1/15/23 | 45,000.00 | 3.00% | | | |
| | | | | | <u>REF.</u> | D | D-17 | D |

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FUND LOANS PAYABLE

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2019</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|-------------------------------|-----------------------------|--|--|---------------|--------------------------|--|------------------|--|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Trust Loan (W1009001-003/004) | 2009 Savings Credit 2018 | \$ 1,245,000.00 (81,000.00) 1,164,000.00 | 2020 | \$ 59,000.00 | 5.50% | \$ 719,000.00 | \$ 59,000.00 | \$ 660,000.00 |
| | | | 2021 | 64,000.00 | 5.50% | | | |
| | | | 2022 | 68,000.00 | 5.50% | | | |
| | | | 2023 | 67,000.00 | 5.50% | | | |
| | | | 2024 | 72,000.00 | 5.00% | | | |
| | | | 2025 | 76,000.00 | 5.00% | | | |
| | | | 2026 | 80,000.00 | 5.00% | | | |
| | | | 2027 | 85,000.00 | 5.00% | | | |
| | | | 2028 | 89,000.00 | 5.00% | | | |
| | | | | | | | | |
| Fund Loan (W1009001-003/004) | 2009 | 1,230,500.00 | 2020 | 62,499.17 | | 631,041.85 | 64,566.31 | 566,475.54 |
| | | | 2021 | 63,362.37 | | | | |
| | | | 2022 | 64,058.99 | | | | |
| | | | 2023 | 61,560.24 | | | | |
| | | | 2024 | 62,090.27 | | | | |
| | | | 2025 | 62,696.03 | | | | |
| | | | 2026 | 63,150.36 | | | | |
| | | | 2027 | 63,453.23 | | | | |
| | | | 2028 | 63,604.88 | | | | |
| | | | | | | | | |
| Trust Loan (W1009001-003/004) | 2010 Savings Credit 2018 | 155,000.00 (5,000.00) 150,000.00 | 2020 | 10,000.00 | 5.00% | 105,000.00 | 10,000.00 | 95,000.00 |
| | | | 2021 | 9,000.00 | 3.00% | | | |
| | | | 2022 | 10,000.00 | 4.00% | | | |
| | | | 2023 | 10,000.00 | 4.00% | | | |
| | | | 2024 | 10,000.00 | 4.00% | | | |
| | | | 2025 | 9,000.00 | 4.00% | | | |
| | | | 2026 | 9,000.00 | 3.50% | | | |
| | | | 2027 | 10,000.00 | 4.00% | | | |
| | | | 2028 | 9,000.00 | 4.00% | | | |
| | | | 2029 | 9,000.00 | 4.00% | | | |
| Fund Loan (W1009001-003/004) | 2010 | 160,000.00 | 2020-2028 | 8,135.58 | | 89,491.64 | 8,135.58 | 81,356.06 |
| | | | 2029 | 8,135.84 | | | | |

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FUND LOANS PAYABLE

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2019</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|-------------------------------|--------------------------|---------------------------|--|---------------|--------------------------|--|------------------|--|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Trust Loan (W1009001-006/007) | 2013 | \$ 230,000.00 | 2020 | \$ 10,000.00 | 4.00% | \$ | \$ | \$ |
| | | | 2021 | 15,000.00 | 4.00% | | | |
| | | | 2022 | 15,000.00 | 4.00% | | | |
| | | | 2023 | 15,000.00 | 5.00% | | | |
| | | | 2024 | 15,000.00 | 5.00% | | | |
| | | | 2025 | 15,000.00 | 3.00% | | | |
| | | | 2026 | 15,000.00 | 3.00% | | | |
| | | | 2027 | 15,000.00 | 3.00% | | | |
| | | | 2028 | 15,000.00 | 3.00% | | | |
| | | | 2029 | 15,000.00 | 3.00% | | | |
| | | | 2030 | 15,000.00 | 3.00% | | | |
| | | | 2031 | 15,000.00 | 3.00% | | | |
| | | | 2032 | 15,000.00 | 3.00% | | | |
| | | | | | | 200,000.00 | 10,000.00 | 190,000.00 |
| Fund Loan (W1009001-006/007) | 2013 | 689,255.00 | 2020-2031 | 37,257.01 | | | | |
| | Defeased 2015 | (15,049.00) | 2032 | 15,998.82 | | 500,339.95 | 37,257.01 | 463,082.94 |
| | | \$ 674,206.00 | | | | \$ 2,244,873.44 | \$ 188,958.90 | \$ 2,055,914.54 |
| | | | | | <u>REF.</u> | D | D-16 | D |

"D-27"

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

| <u>ORDINANCE</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ISSUE OF ORIGINAL NOTE</u> | <u>DATE OF ISSUE</u> | <u>DATE OF MATURITY</u> | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>INCREASED</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|---------------------|--|---|--------------------------|-----------------------------|--------------------------|--|------------------------|------------------------|--|
| 2008-08/ 2009-13 | Improvements to Wells 1,4,5 and 7 | 4/4/2013 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | \$ 57,700.00 | \$ 56,700.00 | \$ 57,700.00 | \$ 56,700.00 |
| 2012-10/ 2012-20 | Improvements to Water System Phase I | 04/01/15 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 987,300.00 | 974,300.00 | 987,300.00 | 974,300.00 |
| 2016-10 | Purchase & Installation of New Water Meters | 03/29/17 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 780,000.00 | 780,000.00 | 780,000.00 | 780,000.00 |
| 2017-11 | New Water Storage Tank & Other Water System Improvements | 01/16/18 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 2,500,000.00 | 2,500,000.00 | 2,500,000.00 | 2,500,000.00 |
| 2017-14 | Drilling of Test Water Wells | 01/16/18 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | 215,000.00 | 215,000.00 | 215,000.00 | 215,000.00 |
| | | | | | | <u>\$ 4,540,000.00</u> | <u>\$ 4,526,000.00</u> | <u>\$ 4,540,000.00</u> | <u>\$ 4,526,000.00</u> |
| | | | | | | REF. D | D-5:D-28 | | D |
| | | | | | | Cash Disbursements | | \$ 4,526,000.00 | |
| | | | | | | Notes Paid by Budget | | 14,000.00 | |
| | | | | | | | | <u>\$ 4,540,000.00</u> | |

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>NOTES PAID IN BUDGET</u> | <u>NOTES ISSUED</u> | <u>BALANCE DECEMBER 31, 2018</u> |
|-----------------------------|---|--|-------------------------------------|-------------------------|--|
| 1995-36 & 1997-4 | Installation of Air Stripper | \$ 951.19 | \$ | \$ | \$ 951.19 |
| 1997-17 | Replacement of Water Mains and Fire Hydrants on Park Ave. | 10,850.00 | | | 10,850.00 |
| 1999-13 | Replacement of Water Mains and Fire Hydrants on Park Ave. | 27,400.00 | | | 27,400.00 |
| 1999-23 | Replacement of Water Mains and Fire Hydrants on Mine St. | 122,000.00 | | | 122,000.00 |
| 2004-11 | Memorial Field Air Stripper | 240,500.00 | | | 240,500.00 |
| 2004-13 | Improvements for Various Water Mains | 45,000.00 | | | 45,000.00 |
| 2006-11 | Improvements for Various Water Mains and Wells | 70,000.00 | | | 70,000.00 |
| 2008-08 | Improvements to Wells 1,4,5,7 | 72,749.00 | 1,000.00 | 56,700.00 | 15,049.00 |
| 2010-01 | Various Water Department Equipment | 76,000.00 | | | 76,000.00 |
| 2012-10/20 | Improvements to Water System Firm Capacity Phase I | 1,368,045.00 | 13,000.00 | 974,300.00 | 380,745.00 |
| 2015-03 | Acquisition of Water Dept. Equipment | 38,000.00 | | | 38,000.00 |
| 2015-09 | Installation of a New Water Well | 765,000.00 | | | 765,000.00 |
| 2015-11 | Water Main Extension Project | 200,000.00 | | | 200,000.00 |
| 2016-10 | Purchase & Installation of New Water Meters | 780,000.00 | | 780,000.00 | |
| 2017-11 | New Water Storage Tanks & Other Water System Improvements | 4,500,000.00 | | 2,500,000.00 | 2,000,000.00 |
| 2017-14 | Drilling of Test Water Wells | 215,000.00 | | 215,000.00 | |
| 2018-14 | Water Utility Improvements | 455,000.00 | | | 455,000.00 |
| | | <u>\$ 8,986,495.19</u> | <u>\$ 14,000.00</u> | <u>\$ 4,526,000.00</u> | <u>\$ 4,446,495.19</u> |
| | | REF. | D-27 | D-27 | |
| | Bond Anticipation Notes | \$ 4,540,000.00 | | | |
| | Authorized but Not Issued | <u>4,446,495.19</u> | | | |
| | | <u>\$ 8,986,495.19</u> | | | |

BOROUGH OF FLEMINGTON

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | <u>OPERATING</u> | <u>CAPITAL</u> |
|------------------------------------|-------------|------------------------|----------------------|
| Balance, December 31, 2018 | E | \$ <u>987,011.46</u> | \$ <u>53,224.35</u> |
| Increased by Receipts: | | | |
| Collector | E-5 | \$ 1,864,182.29 | \$ |
| Miscellaneous | E-2 | 13,064.12 | |
| Budget Appropriation: | | | |
| Capital Improvement Fund | E-14 | | 10,000.00 |
| Bond Anticipation Notes | E-22 | | 118,756.00 |
| Grants Receivable | E-19 | | 136,497.24 |
| Appropriation Refunds | E-3 | 165.42 | |
| Reserve for Payment of Debt | E-13 | | 1,530.76 |
| | | \$ <u>1,877,411.83</u> | \$ <u>266,784.00</u> |
| | | \$ <u>2,864,423.29</u> | \$ <u>320,008.35</u> |
| Decreased by Disbursements: | | | |
| Current Year Budget Appropriations | E-3 | \$ 1,623,085.81 | \$ |
| Prior Year Appropriation Reserves | E-10 | 74,416.62 | |
| Contracts Payable | E-12 | | 7,700.60 |
| Interfunds | E-7:E-17 | 4,952.09 | 138,028.00 |
| Bond Anticipation Notes | E-22 | | 118,756.00 |
| Refund of Prior Year Revenues | E-1 | 933.24 | |
| Accrued Interest | E-8 | 101,530.44 | |
| | | \$ <u>1,804,918.20</u> | \$ <u>264,484.60</u> |
| Balance, December 31, 2019 | E | \$ <u>1,059,505.09</u> | \$ <u>55,523.75</u> |

"E-5"

BOROUGH OF FLEMINGTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR

| | <u>REF.</u> | | <u>OPERATING</u> |
|---------------------------------|-------------|----|--------------------------|
| Increased by Receipts: | | | |
| Consumer Accounts Receivable | E-6 | \$ | 2,016,150.39 |
| Miscellaneous Sewer Charges | E-2 | | 1,275.00 |
| Interest on Investments | E-2 | | 5,532.08 |
| Interest on Delinquent Accounts | E-2 | | <u>15,494.83</u> |
| | | | <u>2,038,452.30</u> |
| | | \$ | <u>2,038,452.30</u> |
| Decreased by Disbursements: | | | |
| Payment to Treasurer: | | | |
| Sewer Operating Fund | E-4 | | <u>1,864,182.29</u> |
| Balance, December 31, 2019 | E | \$ | <u><u>174,270.01</u></u> |

"E-6"

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

| | | | |
|----------------------------|---------|----|--------------------------|
| Balance, December 31, 2018 | E | \$ | 294,054.42 |
| Increased by: | | | |
| Sewer Rents Levied-Net | | | <u>1,894,818.26</u> |
| | | \$ | <u>2,188,872.68</u> |
| Decreased by: | | | |
| Collection | E-2:E-5 | \$ | 2,016,150.39 |
| Applied | E-2:E-9 | | <u>34.95</u> |
| | | | <u>2,016,185.34</u> |
| Balance, December 31, 2019 | E | \$ | <u><u>172,687.34</u></u> |

"E-7"

BOROUGH OF FLEMINGTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>WATER OPERATING FUND</u> | <u>SEWER CAPITAL FUND</u> |
|---|-------------|-----------------------------|--------------------------------|-------------------------------------|-----------------------------------|
| Balance, December 31, 2018: Due From | E | \$ <u>817,331.54</u> | \$ <u> </u> | \$ <u>17,035.23</u> | \$ <u>800,296.31</u> |
| Decreased by: Cash Disbursements | E-4 | <u>4,952.09</u> | <u>4,952.09</u> | <u> </u> | <u> </u> |
| Balance, December 31, 2019: Due From | E | \$ <u><u>822,283.63</u></u> | \$ <u><u>4,952.09</u></u> | \$ <u><u>17,035.23</u></u> | \$ <u><u>800,296.31</u></u> |

"E-8"

BOROUGH OF FLEMINGTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2018 | E | \$ | 35,610.49 |
| Increased by: | | | |
| Budget Appropriation | E-3 | | 106,482.53 |
| | | \$ | <u>142,093.02</u> |
| Decreased by: | | | |
| Cash Disbursements | E-4 | \$ | 101,530.44 |
| Cancelled | E-1 | | <u>5,591.08</u> |
| | | | <u>107,121.52</u> |
| Balance, December 31, 2019 | E | \$ | <u><u>34,971.50</u></u> |

"E-9"

SCHEDULE OF SEWER OVERPAYMENTS

| | | | |
|----------------------------|-----|----|--------------------|
| Balance, December 31, 2018 | E | \$ | 38.45 |
| Decreased by: | | | |
| Overpayments Applied | E-6 | | <u>34.95</u> |
| Balance, December 31, 2019 | E | \$ | <u><u>3.50</u></u> |

BOROUGH OF FLEMINGTON

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2018 | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|-----------------------------------|---------------------------------|-------------------------------|---------------------|----------------------|
| Operating: | | | | |
| Salaries and Wages | \$ 1,555.02 | \$ 1,555.02 | \$ | \$ 1,555.02 |
| Other Expenses: | | | | |
| Administration | 44,204.82 | 103,674.86 | 64,694.58 | 38,980.28 |
| RTMUA - Share of Costs | 544,140.92 | 551,439.65 | | 551,439.65 |
| Purchases of Equipment | 2,990.56 | 2,990.56 | 2,915.29 | 75.27 |
| Capital Outlay | 8,509.34 | 10,640.59 | 6,806.75 | 3,833.84 |
| Social Security System (O.A.S.I.) | 5,871.27 | 5,871.27 | | 5,871.27 |
| | <u>\$ 607,271.93</u> | <u>\$ 676,171.95</u> | <u>\$ 74,416.62</u> | <u>\$ 601,755.33</u> |

REF.

E

E-1

Balance, December 31, 2018

E-10

\$ 607,271.93 \$

Cash Disbursements

E-4

74,416.62

Encumbrances Payable

E-11

68,900.02

\$ 676,171.95 \$ 74,416.62

"E-11"

BOROUGH OF FLEMINGTON

SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

| | <u>REF.</u> | | |
|--|-------------|----|-------------------------|
| Balance, December 31, 2018 | E | \$ | 71,457.32 |
| Increased by: | | | |
| Charges to Current Year Appropriations | E-3 | | 18,828.13 |
| | | \$ | <u>90,285.45</u> |
| Decreased by: | | | |
| Canceled | E-1 | \$ | 2,557.30 |
| Transferred to Appropriation Reserves | E-10 | | <u>68,900.02</u> |
| | | | <u>71,457.32</u> |
| Balance, December 31, 2019 | E | \$ | <u><u>18,828.13</u></u> |

"E-12"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

| | | | |
|---------------------------------------|------|----|------------------------|
| Increased by: | | | |
| Charges to Improvement Authorizations | E-15 | \$ | <u>7,700.60</u> |
| Decreased by: | | | |
| Cash Disbursements | E-4 | \$ | <u><u>7,700.60</u></u> |

"E-13"

BOROUGH OF FLEMINGTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------|
| Balance, December 31, 2018 | E | \$ 17,404.70 |
| Increased by: | | |
| Premiums on Sale of Notes | E-4 | <u>1,530.76</u> |
| Balance, December 31, 2019 | E | <u>\$ 18,935.46</u> |

"E-14"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | | |
|--|-----------|----------------------|
| Balance, December 31, 2018 | E | \$ 187,492.00 |
| Increased by: | | |
| Budget Appropriation | E-4 | <u>10,000.00</u> |
| | | \$ <u>197,492.00</u> |
| Decreased by: | | |
| Appropriation to Finance Improvement Authorizations | E-15:E-20 | <u>130,000.00</u> |
| Balance, December 31, 2019 | E | <u>\$ 67,492.00</u> |

BOROUGH OF FLEMINGTONSEWER UTILITY CAPITAL FUNDSCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | DATE | ORDINANCE AMOUNT | BALANCE DECEMBER 31, 2018 | | 2019 AUTHORIZATIONS | PAID OR CHARGED | BALANCE DECEMBER 31, 2019 | |
|---------------------|---|----------|---------------------|------------------------------|----------------------|------------------------|--------------------|------------------------------|----------------------|
| | | | | FUNDED | UNFUNDED | | | FUNDED | UNFUNDED |
| 1996-16 | Improvements to Sanitary Sewer System | 06/10/96 | \$ 1,584,586.00 | \$ 25,930.22 | \$ | \$ | \$ 195.00 | \$ 25,735.22 | \$ |
| 2002-10 | Installation of Sanitary Sewer and Laterals Along Bonnell Street and Park Avenue | 05/13/02 | 184,236.00 | | 9,785.25 | | | | 9,785.25 |
| 2004-17 | Sewer Improvements - Bonnell Street | 05/10/04 | 300,000.00 | | 66,538.56 | | | | 66,538.56 |
| 2013-09 | Various Sewer Infrastructure Improvements and Equipment | 05/29/13 | 35,000.00 | 7,155.27 | | | 6,792.60 | 362.67 | |
| 2015-10 | Amending Ord. 2014-12 | 07/27/15 | 1,282,301.00 | 1,087,239.39 | | | 713.00 | 1,086,526.39 | |
| 2015-04 | Acquisition of Sewer Dept. Equipment | 06/08/15 | 30,000.00 | | 3,000.00 | | | | 3,000.00 |
| 2018-15 | Sewer Utility Improvements | 08/27/18 | 150,000.00 | | 150,000.00 | | | | 150,000.00 |
| 2019-14 | Various Sewer Improvements | 6/24/19 | 130,000.00 | | | 130,000.00 | | 130,000.00 | |
| | | | | <u>\$ 1,120,324.88</u> | <u>\$ 229,323.81</u> | <u>\$ 130,000.00</u> | <u>\$ 7,700.60</u> | <u>\$ 1,242,624.28</u> | <u>\$ 229,323.81</u> |
| | | | | REF. | E | | E-12 | E | E |
| | Capital Improvement Fund | | | E-14 | | \$ 130,000.00 | | | |
| | | | | E-16 | | \$ 130,000.00 | | | |

"E-16"

BOROUGH OF FLEMINGTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | ORDINANCE | | BALANCE DECEMBER 31, 2018 | AUTHORIZED | BALANCE DECEMBER 31, 2019 |
|-----------------------|---|-----------|-----------------|---------------------------------|---------------|---------------------------------|
| | | DATE | AMOUNT | | | |
| General Improvements: | | | | | | |
| 1996-16 | Improvements to Sanitary Sewer System | 06/10/96 | \$ 1,584,586.00 | \$ 1,584,586.00 | \$ | \$ 1,584,586.00 |
| 2002-10 | Installation of Sanitary Sewer and Laterals Along Bonnell Street and Park Avenue | 05/13/02 | 184,236.00 | 184,236.00 | | 184,236.00 |
| 2004-17 | Sewer Improvements-Bonnell Street | 05/10/04 | 300,000.00 | 300,000.00 | | 300,000.00 |
| 2013-09 | Various Sewer Infrastructure Improvements and Equipment | 05/29/13 | 35,000.00 | 35,000.00 | | 35,000.00 |
| 2014-12 | Sewer Improvements-Walters Lane | 06/25/14 | 270,000.00 | 270,000.00 | | 270,000.00 |
| 2015-04 | Acquisition of Sewer Dept. Equipment | 06/08/15 | 30,000.00 | 30,000.00 | | 30,000.00 |
| 2015-10 | Amending Ord. 2014-12 | 07/27/15 | 1,282,301.00 | 1,282,301.00 | | 1,282,301.00 |
| 2018-15 | Sewer Utility Improvements | 08/27/18 | 150,000.00 | 150,000.00 | | 150,000.00 |
| 2019-14 | Various Sewer Improvements | 6/24/2019 | 130,000.00 | | 130,000.00 | 130,000.00 |
| | | | | \$ 3,836,123.00 | \$ 130,000.00 | \$ 3,966,123.00 |
| | | REF. | E | E-15 | E | |

BOROUGH OF FLEMINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>GENERAL CAPITAL FUND</u> | <u>WATER OPERATING FUND</u> | <u>SEWER OPERATING FUND</u> | <u>WATER CAPITAL FUND</u> |
|-----------------------------|-------------|----------------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Balance, December 31, 2018: | | | | | | | |
| Due From | E | \$ 1,642,587.11 | \$ 777.00 | \$ 363,722.35 | \$ 1,278,087.76 | \$ | \$ |
| Due To | E | <u>1,065,296.31</u> | <u> </u> | <u> </u> | <u> </u> | <u>800,296.31</u> | <u>265,000.00</u> |
| Decreased by: | | | | | | | |
| Disbursements | E-4 | \$ <u>138,028.00</u> | \$ <u>1,530.76</u> | \$ <u> </u> | \$ <u>136,497.24</u> | \$ <u> </u> | \$ <u> </u> |
| Balance, December 31, 2019: | | | | | | | |
| Due From | E | \$ 1,780,615.11 | \$ 2,307.76 | \$ 363,722.35 | \$ 1,414,585.00 | \$ | \$ |
| Due To | E | <u><u>1,065,296.31</u></u> | <u><u> </u></u> | <u><u> </u></u> | <u><u> </u></u> | <u><u>800,296.31</u></u> | <u><u>265,000.00</u></u> |

BOROUGH OF FLEMINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

| <u>ACCOUNT</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u> |
|--|--|--|
| Rehabilitation of Sewer System Piping | \$ 868,479.35 | \$ 868,479.35 |
| Purchase of a Dump Truck | 50,000.00 | 50,000.00 |
| Purchase of Pickup Truck | 25,000.00 | 25,000.00 |
| Purchase of a Four Wheel Drive Pickup Truck | 30,000.00 | 30,000.00 |
| Various Sewer Improvements - Ord. 2003-20 | 75,000.00 | 75,000.00 |
| Various Sewer Improvements - Ord. 2004-09 | 50,000.00 | 50,000.00 |
| Broad St. Sections I and II - Sewer Rehabilitation - Ord. 2003-29 | 246,000.00 | 246,000.00 |
| Various Sewer Improvements - Ord. 2006-02 | 50,000.00 | 50,000.00 |
| Various Sewer Improvements - Ord. 2012-18 | 120,000.00 | 120,000.00 |
| Various Sewer Improvements to Williams, Spring & Maple St. - Ord. 2013-20 | 180,002.00 | 180,002.00 |
| Various Sewer Improvements - Ord. 2007-12 | 2,338,000.00 | 2,338,000.00 |
| | <u>\$ 4,032,481.35</u> | <u>\$ 4,032,481.35</u> |
| <u>REF.</u> | E | E |

BOROUGH OF FLEMINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2018 | E | \$ 274,213.24 |
| Decreased by: | | |
| Cash Receipts | E-4 | <u>136,497.24</u> |
| Balance, December 31, 2019 | E | \$ <u><u>137,716.00</u></u> |

"E-20"

BOROUGH OF FLEMINGTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ORDINANCE</u> | <u>BALANCE DECEMBER 31, 2018</u> | <u>PAID BY BUDGET</u> | <u>INCREASED BY ORDINANCE</u> | <u>BALANCE DECEMBER 31, 2019</u> |
|-----------------------------|---|------------------------------|--|---------------------------|-----------------------------------|--|
| General Improvements: | | | | | | |
| 1996-16 | Improvements to Sanitary Sewer System | 06/10/96 | \$ 1,584,586.00 | \$ | \$ | \$ 1,584,586.00 |
| 2002-10 | Installation of Sanitary Sewer and Laterals along Bonnell Street and Park Avenue | 05/13/02 | 18,561.00 | | | 18,561.00 |
| 2004-17 | Sewer Improvements - Bonnell Street | 05/10/04 | 110,102.00 | 3,500.00 | | 113,602.00 |
| 2007-12 | Various Sewer Improvements | 06/25/07 | | | | |
| 2013-09 | Various Sewer Infrastructure Improvements and Equipment | 05/29/13 | 35,000.00 | | | 35,000.00 |
| 2015-04 | Acquisition of Sewer Dept. Equipment | 06/08/15 | 2,000.00 | | | 2,000.00 |
| 2015-10 | Amending Ord. 2014-12 | 07/27/15 | 407,713.59 | 16,325.47 | | 424,039.06 |
| 2019-14 | Various Sewer Improvements | 6/24/19 | | | 130,000.00 | 130,000.00 |
| | | | <u>\$ 2,157,962.59</u> | <u>\$ 19,825.47</u> | <u>\$ 130,000.00</u> | <u>\$ 2,307,788.06</u> |
| | | | E | | E-14 | E |
| | U.S.D.A. Loans Payable | E-23 | | \$ 16,325.47 | | |
| | Bond Anticipation Notes | E-22 | | <u>3,500.00</u> | | |
| | | | | <u>\$ 19,825.47</u> | | |

BOROUGH OF FLEMINGTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

| | <u>REF.</u> | |
|----------------------------|-------------|------------------------|
| Balance, December 31, 2018 | E | \$ 2,192,115.35 |
| Increased by: | | |
| U.S.D.A. Loans Paid | E-23 | <u>23,492.00</u> |
| Balance, December 31, 2019 | E | <u>\$ 2,215,607.35</u> |

"E-22"

BOROUGH OF FLEMINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

| <u>ORDINANCE</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ISSUE OF ORIGINAL NOTE</u> | <u>DATE OF ISSUE</u> | <u>DATE OF MATURITY</u> | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2018</u> | <u>INCREASED</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2019</u> |
|------------------|-----------------------------------|---|--------------------------|-----------------------------|--------------------------------|--|----------------------|----------------------|--|
| 2004-17 | Bonnell Street Sewer Improvements | 4/4/2013 | 01/16/18 01/15/19 | 01/15/19 01/15/20 | 2.50% 3.50% | \$ 122,256.00 | \$ 118,756.00 | \$ 122,256.00 | \$ 118,756.00 |
| | | | | | | <u>\$ 122,256.00</u> | <u>\$ 118,756.00</u> | <u>\$ 122,256.00</u> | <u>\$ 118,756.00</u> |
| | | | | | <u>REF.</u> | E | E-4;E-24 | | E |
| | | | | | Cash Disbursements E-4 | | | \$ 118,756.00 | |
| | | | | | Notes Paid by Budget E-20;E-24 | | | <u>3,500.00</u> | |
| | | | | | | | | <u>\$ 122,256.00</u> | |

BOROUGH OF FLEMINGTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF USDA LOANS PAYABLE

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2019</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2018</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2019</u> |
|---------------------------|--------------------------|---------------------------|--|---------------|--------------------------|--|------------------|--|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Rural Development - Sewer | 7/13/11 | \$ 1,742,000.00 | 2020 | \$ 24,472.00 | 4.125% | \$ | \$ | \$ |
| | | | 2021 | 25,492.00 | 4.125% | | | |
| | | | 2022 | 26,553.00 | 4.125% | | | |
| | | | 2023 | 27,660.00 | 4.125% | | | |
| | | | 2024 | 28,814.00 | 4.125% | | | |
| | | | 2025 | 30,014.00 | 4.125% | | | |
| | | | 2026 | 31,265.00 | 4.125% | | | |
| | | | 2027 | 32,568.00 | 4.125% | | | |
| | | | 2028 | 33,925.00 | 4.125% | | | |
| | | | 2029 | 35,339.00 | 4.125% | | | |
| | | | 2030 | 36,812.00 | 4.125% | | | |
| | | | 2031 | 38,346.00 | 4.125% | | | |
| | | | 2032 | 39,944.00 | 4.125% | | | |
| | | | 2033 | 41,609.00 | 4.125% | | | |
| | | | 2034 | 43,343.00 | 4.125% | | | |
| | | | 2035 | 45,149.00 | 4.125% | | | |
| | | | 2036 | 47,030.00 | 4.125% | | | |
| | | | 2037 | 48,990.00 | 4.125% | | | |
| | | | 2038 | 51,033.00 | 4.125% | | | |
| | | | 2039 | 53,159.00 | 4.125% | | | |
| | | | 2040 | 55,375.00 | 4.125% | | | |
| | | | 2041 | 57,683.00 | 4.125% | | | |
| | | | 2042 | 60,087.00 | 4.125% | | | |
| | | | 2043 | 62,591.00 | 4.125% | | | |
| | | | 2044 | 65,199.00 | 4.125% | | | |
| | | | 2045 | 67,918.00 | 4.125% | | | |
| | | | 2046 | 70,746.00 | 4.125% | | | |
| | | | 2047 | 73,695.00 | 4.125% | | | |
| | | | 2048 | 76,766.00 | 4.125% | | | |
| | | | 2049 | 79,966.00 | 4.125% | | | |
| | | | 2050 | 83,298.00 | 4.125% | | | |
| | | | 2051 | 83,535.00 | 4.125% | | | |
| | | | | | | <u>1,601,866.00</u> | <u>23,492.00</u> | <u>1,578,374.00</u> |

BOROUGH OF FLEMINGTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF USDA LOANS PAYABLE

| PURPOSE | DATE OF ISSUE | ORIGINAL ISSUE | MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2019 | | INTEREST RATE | BALANCE DECEMBER 31, 2018 | DECREASED | BALANCE DECEMBER 31, 2019 |
|---------------------------|------------------|-------------------|---|-----------------------------------|------------------|---------------------------------|---------------------|---------------------------------|
| | | | DATE | AMOUNT | | | | |
| Rural Development - Sewer | 03/13/18 | \$ 1,152,301.00 | 2020 | \$ 16,777.51 | 2.750% | \$ | \$ | \$ |
| | | | 2021 | 17,242.07 | 2.750% | | | |
| | | | 2022 | 17,719.49 | 2.750% | | | |
| | | | 2023 | 18,210.12 | 2.750% | | | |
| | | | 2024 | 18,714.34 | 2.750% | | | |
| | | | 2025 | 19,232.52 | 2.750% | | | |
| | | | 2026 | 19,765.05 | 2.750% | | | |
| | | | 2027 | 20,312.32 | 2.750% | | | |
| | | | 2028 | 20,874.75 | 2.750% | | | |
| | | | 2029 | 21,452.76 | 2.750% | | | |
| | | | 2030 | 22,046.77 | 2.750% | | | |
| | | | 2031 | 22,657.22 | 2.750% | | | |
| | | | 2032 | 23,284.57 | 2.750% | | | |
| | | | 2033 | 23,929.31 | 2.750% | | | |
| | | | 2034 | 24,591.88 | 2.750% | | | |
| | | | 2035 | 25,272.81 | 2.750% | | | |
| | | | 2036 | 25,972.59 | 2.750% | | | |
| | | | 2037 | 26,691.74 | 2.750% | | | |
| | | | 2038 | 27,430.82 | 2.750% | | | |
| | | | 2039 | 28,190.35 | 2.750% | | | |
| | | | 2040 | 28,970.91 | 2.750% | | | |
| | | | 2041 | 29,773.09 | 2.750% | | | |
| | | | 2042 | 30,597.48 | 2.750% | | | |
| | | | 2043 | 31,444.69 | 2.750% | | | |
| | | | 2044 | 32,315.37 | 2.750% | | | |
| | | | 2045 | 33,210.16 | 2.750% | | | |
| | | | 2046 | 34,129.71 | 2.750% | | | |
| | | | 2047 | 35,074.73 | 2.750% | | | |
| | | | 2048 | 36,045.92 | 2.750% | | | |
| | | | 2049 | 37,044.00 | 2.750% | | | |
| | | | 2050 | 38,069.71 | 2.750% | | | |
| | | | 2051 | 39,123.82 | 2.750% | | | |
| | | | 2052 | 40,207.13 | 2.750% | | | |
| | | | 2053 | 41,320.42 | 2.750% | | | |
| | | | 2054 | 42,464.55 | 2.750% | | | |
| | | | 2055 | 43,640.36 | 2.750% | | | |
| | | | 2056 | 44,848.71 | 2.750% | | | |
| | | | 2057 | 46,090.53 | 2.750% | | | |
| | | | 2058 | 23,521.66 | 2.750% | | | |
| | | | | | | 1,144,587.41 | 16,325.47 | 1,128,261.94 |
| | | | | | | <u>\$ 2,746,453.41</u> | <u>\$ 39,817.47</u> | <u>\$ 2,706,635.94</u> |
| | | | | | REF. | E | | E |
| | | | | Deferred Reserve for Amortization | E-20 | | \$ 16,325.47 | |
| | | | | Reserve for Amortization | E-21 | | 23,492.00 | |
| | | | | | | | <u>\$ 39,817.47</u> | |

BOROUGH OF FLEMINGTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2018</u> | <u>NOTES PAID IN BUDGET</u> | <u>NOTES ISSUED</u> | <u>BALANCE DECEMBER 31, 2019</u> |
|-----------------------------|---|--|-------------------------------------|-------------------------|--|
| 2002-10 | Installation of Sanitary Sewer and Laterals Along Bonnell Street and Park Avenue | \$ 165,675.00 | \$ | \$ | \$ 165,675.00 |
| 2002-20 | Purchase of a Dump Truck Park Avenue | 45,000.00 | | | 45,000.00 |
| 2003-29 | Broad Street Sections I and II Sewer Rehabilitation | 146,000.00 | | | 146,000.00 |
| 2004-17 | Sewer Improvements for Bonnell Street | 189,898.00 | 3,500.00 | 118,756.00 | 67,642.00 |
| 2006-02 | Various Sewer Improvements | 47,500.00 | | | 47,500.00 |
| 2015-04 | Acquisition of Sewer Dept. Equipment | 28,000.00 | | | 28,000.00 |
| 2018-15 | Sewer Utility Improvements | <u>150,000.00</u> | | | <u>150,000.00</u> |
| | | <u>\$ 772,073.00</u> | <u>\$ 3,500.00</u> | <u>\$ 118,756.00</u> | <u>\$ 649,817.00</u> |
| | | REF. | E-22 | E-22 | |
| | Bond Anticipation Notes Authorized but Not Issued | \$ 122,256.00 | | | |
| | | <u>649,817.00</u> | | | |
| | | <u>\$ 772,073.00</u> | | | |

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PART II

BOROUGH OF FLEMINGTON

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

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

| | YEAR 2019 | | YEAR 2018 | |
|--|-------------------------|----------------|-------------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 189,139.00 | 1.18% | \$ 85,000.00 | 0.55% |
| Miscellaneous-From Other Than Local | | | | |
| Property Tax Levies | 1,217,308.93 | 7.61% | 1,078,628.56 | 6.97% |
| Collection of Delinquent Taxes and | | | | |
| Tax Title Liens | 252,686.00 | 1.58% | 289,576.15 | 1.87% |
| Collection of Current Tax Levy | 14,343,113.36 | 89.62% | 14,016,147.21 | 90.61% |
| <u>TOTAL INCOME</u> | <u>\$ 16,002,247.29</u> | <u>100.00%</u> | <u>\$ 15,469,351.92</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | \$ 5,513,487.36 | 35.36% | \$ 5,269,880.24 | 34.35% |
| County Taxes | 1,581,432.81 | 10.14% | 1,576,318.35 | 10.28% |
| School Taxes | 8,089,227.00 | 51.88% | 7,953,399.00 | 51.85% |
| Other | 407,215.21 | 2.61% | 539,893.42 | 3.52% |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 15,591,362.38</u> | <u>100.00%</u> | <u>\$ 15,339,491.01</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 410,884.91 | | \$ 129,860.91 | |
| Fund Balance, January 1 | 625,642.52 | | 580,781.61 | |
| | \$ 1,036,527.43 | | \$ 710,642.52 | |
| Less: Utilization as Anticipated Revenue | 189,139.00 | | 85,000.00 | |
| Fund Balance, December 31 | <u>\$ 847,388.43</u> | | <u>\$ 625,642.52</u> | |

**COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE-WATER UTILITY FUND**

| | YEAR 2019 | | YEAR 2018 | |
|---|-------------------------------|-----------------------|-------------------------------|-----------------------|
| | <u>AMOUNT</u> | <u>%</u> | <u>AMOUNT</u> | <u>%</u> |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 210,000.00 | 12.67% | \$ 291,000.00 | 19.45% |
| Collection of Water Rents | 1,226,218.58 | 73.97% | 955,599.14 | 63.88% |
| Miscellaneous-From Other Than Water Rents | <u>221,443.01</u> | <u>13.36%</u> | <u>249,415.66</u> | <u>16.67%</u> |
| <u>TOTAL INCOME</u> | <u>\$ 1,657,661.59</u> | <u>100.00%</u> | <u>\$ 1,496,014.80</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Operating | \$ 839,000.00 | 56.91% | \$ 819,000.00 | 60.26% |
| Deferred Charges and Statutory Expenditures | 32,900.00 | 2.23% | 33,000.00 | 2.43% |
| Debt Service | 600,100.00 | 40.71% | 507,000.00 | 37.31% |
| Other | <u>2,168.65</u> | <u>0.15%</u> | | |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 1,474,168.65</u> | <u>100.00%</u> | <u>\$ 1,359,000.00</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 183,492.94 | | \$ 137,014.80 | |
| Fund Balance, January 1 | <u>206,264.40</u> | | <u>360,249.60</u> | |
| | \$ 389,757.34 | | \$ 497,264.40 | |
| Less: Utilization as Anticipated Revenue | <u>210,000.00</u> | | <u>291,000.00</u> | |
| Fund Balance, December 31 | <u>\$ 179,757.34</u> | | <u>\$ 206,264.40</u> | |

**COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE-SEWER UTILITY FUND**

| | YEAR 2019 | | YEAR 2018 | |
|---|------------------------|----------------|------------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 879,300.00 | 24.83% | \$ 839,750.00 | 27.12% |
| Collection of Sewer Rents | 2,016,185.34 | 56.94% | 1,696,744.67 | 54.80% |
| Miscellaneous - From Other Than Sewer Rents | 645,269.74 | 18.22% | 559,883.21 | 18.08% |
| <u>TOTAL INCOME</u> | \$ 3,540,755.08 | 100.00% | \$ 3,096,377.88 | 100.00% |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Operating | \$ 2,276,500.00 | 88.37% | \$ 2,189,100.00 | 89.49% |
| Deferred Charges and Statutory Expenditures | 39,000.00 | 1.51% | 41,000.00 | 1.68% |
| Capital Improvements | 110,000.00 | 4.27% | 85,000.00 | 3.47% |
| Debt Service | 149,800.00 | 5.81% | 124,650.00 | 5.10% |
| <u>TOTAL EXPENDITURES</u> | \$ 2,576,233.24 | 100.00% | \$ 2,446,286.00 | 100.00% |
| Excess in Revenue | \$ 964,521.84 | | \$ 650,091.88 | |
| Fund Balance, January 1 | 1,089,964.81 | | 1,279,622.93 | |
| | \$ 2,054,486.65 | | \$ 1,929,714.81 | |
| Less: Utilization as Anticipated Revenue | 879,300.00 | | 839,750.00 | |
| Fund Balance, December 31 | \$ 1,175,186.65 | | \$ 1,089,964.81 | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--------------------------|----------------|----------------|----------------|
| Tax Rate | <u>\$3.110</u> | <u>\$3.061</u> | <u>\$3.086</u> |
| Appointment of Tax Rate: | | | |
| Municipal | \$0.964 | \$0.928 | \$0.924 |
| Municipal Library | 0.033 | 0.033 | 0.033 |
| County | 0.315 | 0.316 | 0.312 |
| County Open Space | 0.030 | 0.031 | 0.031 |
| Regional School | 1.279 | 1.309 | 1.351 |
| Regional High School | <u>0.489</u> | <u>0.444</u> | <u>0.435</u> |

Assessed Valuations:

| | | | |
|------|--------------------------|--------------------------|--------------------------|
| 2019 | <u>\$ 457,550,500.00</u> | | |
| 2018 | | <u>\$ 453,914,600.00</u> | |
| 2017 | | | <u>\$ 450,771,400.00</u> |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

| <u>YEAR</u> | <u>TAX LEVY</u> | <u>CURRENTLY</u> | |
|-------------|-----------------|-----------------------------|-------------------------------------|
| | | <u>CASH COLLECTIONS</u> | <u>PERCENTAGE OF COLLECTION</u> |
| 2019 | \$14,598,554.81 | \$14,343,113.36 | 98.25% |
| 2018 | 14,276,789.40 | 14,016,147.21 | 98.17% |
| 2017 | 14,285,140.25 | 13,976,338.69 | 97.83% |

DELINQUENT TAXES AND TAX TITLE LIENS

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

| <u>DECEMBER</u> <u>31, YEAR</u> | | <u>TAX</u> <u>TITLE</u> <u>LIENS</u> | <u>AMOUNT OF</u> <u>DELINQUENT</u> <u>TAXES</u> | <u>TOTAL</u> <u>DELINQUENT</u> | <u>PERCENTAGE</u> <u>OF TAX</u> <u>LEVY</u> |
|------------------------------------|----|--|---|-----------------------------------|---|
| 2019 | \$ | 17,091.35 | \$ 247,080.50 | \$ 264,171.85 | 1.81% |
| 2018 | | 11,106.74 | 253,512.07 | 264,618.81 | 1.85% |
| 2017 | | 20,837.99 | 278,424.60 | 299,262.59 | 2.09% |

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 2019 | \$380,000.00 |
| 2018 | \$380,000.00 |
| 2017 | \$380,000.00 |

COMPARISON OF WATER UTILITY LEVIES

| <u>YEAR</u> | | <u>LEVY</u> | <u>CASH</u> <u>COLLECTIONS *</u> |
|-------------|----|--------------|-------------------------------------|
| 2019 | \$ | 1,155,267.80 | \$ 1,226,218.58 |
| 2018 | | 1,041,899.42 | 955,599.14 |
| 2017 | | 890,801.36 | 1,068,571.69 |

* Includes Collection of Prior Year Levies

COMPARISON OF SEWER UTILITY LEVIES

| <u>YEAR</u> | | <u>LEVY</u> | <u>CASH</u> <u>COLLECTIONS *</u> |
|-------------|----|--------------|-------------------------------------|
| 2019 | \$ | 1,894,818.26 | \$ 2,016,185.34 |
| 2018 | | 1,796,099.43 | 1,696,744.67 |
| 2017 | | 1,702,332.50 | 1,787,662.71 |

* Includes Collection of Prior Year Levies

COMPARATIVE SCHEDULE OF FUND BALANCES

| | <u>YEAR</u> | <u>BALANCE</u> <u>DECEMBER 31</u> | <u>UTILIZED</u> <u>IN BUDGET OF</u> <u>SUCCEEDING YEAR</u> |
|------------------------------|-------------|--------------------------------------|--|
| Current Fund | 2019 | \$ 847,388.43 | \$ 401,000.00 |
| | 2018 | 625,642.52 | 189,139.00 |
| | 2017 | 580,781.61 | 85,000.00 |
| | 2016 | 452,459.00 | 85,000.00 |
| | 2015 | 163,204.74 | 62,682.00 |
| Water Utility Operating Fund | 2019 | \$ 179,757.34 | \$ 160,000.00 |
| | 2018 | 206,264.40 | 210,000.00 |
| | 2017 | 360,249.60 | 291,000.00 |
| | 2016 | 335,746.27 | 159,700.00 |
| | 2015 | 278,046.25 | 144,300.00 |
| Sewer Utility Operating Fund | 2019 | \$ 1,175,186.65 | \$ 890,000.00 |
| | 2018 | 1,089,964.81 | 879,300.00 |
| | 2017 | 1,279,622.93 | 839,750.00 |
| | 2016 | 1,028,219.31 | 771,000.00 |
| | 2015 | 1,001,938.21 | 692,000.00 |

OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>NAME</u> | <u>TITLE</u> | <u>AMOUNT OF BOND</u> | <u>NAME OF SURETY</u> |
|-------------------------|--|---------------------------|--------------------------------------|
| Betsy Driver | Mayor | ** | |
| Michael Harris | Councilman and President of Council | ** | |
| Christopher Runion | Councilman and Vice President of Council | ** | |
| Susan Peterson | Councilwoman | ** | |
| Caitlin Giles-McCormick | Councilwoman | ** | |
| Jeffrey Doshna | Councilman | ** | |
| John Gorman | Councilman | ** | |
| Sallie Graziano | Borough Clerk | ** | |
| Rebecca Newman | Tax and Utility Collector and Registrar of Vital Statistics | \$150,000.00 | Selective Risks Insurance Company |
| William Hance | Chief Financial Officer, Treasurer, Deputy Tax Collector | \$50,000.00 | Selective Risks Insurance Company |
| Jeffrey Klein | Construction/Zoning Official | ** | |
| Richard Jones | Fire Sub-Code Official | ** | |
| Jerry Rotella | Chief of Police | ** | |
| Eric Perkins | Municipal Court Judge | ** | |
| Susan Fleming | Court Administrator, Violations Clerk | ** | |
| Jayne Parsons | Deputy Court Administrator, Deputy Violations Clerk | ** | |
| Edward Kerwin | Tax Assessor | ** | |
| Robert Martucci | Borough Engineer | ** | |
| Frank Whittlesey | Borough Attorney | ** | |

** Faithful performance position bond with automatic coverage - \$1,000,000.00
through the Statewide Insurance Fund

All bonds were examined and properly executed.

GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00. In accordance with N.J.S.A. 40A:11-3 and authorized by a resolution of the governing body, the bid threshold for all purchases made by the Borough's qualified purchasing agent is increased to \$40,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

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

Highland and Elwood Avenue Water and Sewer Improvements
Highland and Elwood Avenue Road Improvement Project
Main Street Streetscape Improvements
Sewer Replacement Project - Reaville Avenue

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. Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$40,000.00 "for the performance of any work or the furnishing or hiring of any material or supplies," other than those where bids had been previously sought by public advertisement or where resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 were awarded during 2019 for the following professional services:

Borough Attorney
Borough Auditor
Borough Engineer
Borough Planner
Borough Bond Counsel

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 2, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes.

BE IT RESOLVED by the Mayor and Common Council of the Borough of Flemington County of Hunterdon, State of New Jersey, as follows:

1. Taxes shall be collected quarterly on February 1, May 1, August 1 and November 1, 2019.
2. Interest shall be charged and calculated at the rate of 8% per annum on the first \$1,500.00 of the delinquency, and 18% per annum on any amount in excess of \$1,500.00 to be calculated from the date the tax was payable until the date the actual payment is received.
3. If a delinquency is over \$10,000.00 at year end an additional 6% flat penalty will be included.
4. Redemption fee for Tax Sale Certificates to the Municipality as follows:

2% on Certificates \$200.00 to \$5,000.00
4% on Certificates \$5,000.01 to \$10,000.00
6% on Certificates on \$10,000.01
5. There shall be a 10-day grace period, after which unpaid taxes will then be charged interest from the due date.

It appears from an examination of the records that interest was collected in accordance with the forgoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

A tax sale was held on October 22, 2019 and was complete.

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

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

| <u>YEAR</u> | <u>NUMBER OF LIENS</u> |
|-------------|------------------------|
| 2019 | 3 |
| 2018 | 1 |
| 2017 | 3 |

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

A confirmation 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:

| <u>TYPE</u> | <u>NUMBER</u> |
|--|---------------|
| Delinquent Tax Positive Confirmation | 10 |
| Delinquent Utility Rent Positive Confirmation | 10 |
| Information Tax Current Positive Confirmation | 10 |
| Information Utility Rent Positive Confirmation | 10 |

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

Segregation of Duties

During our audit, we noted that the Borough does not maintain an adequate segregation of duties due to the limited size of the entity. Various financial functions such as bank reconciliations and maintaining of receipt and disbursement books are performed by a single individual. This is not unusual in operations the size of the Borough, but the Borough should constantly be aware of this condition and realize the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. It is suggested that the Borough review and monitor incompatible functions on an ongoing basis in order to achieve a minimum level of control over the various financial operations of the municipality.

RECOMMENDATIONS

NONE