

CITY OF BORDENTOWN
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2019

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**CITY OF BORDENTOWN
COUNTY OF BURLINGTON**

PART I

**INDEPENDENT AUDITOR'S REPORT
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2019**

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Board of Commissioners
City of Bordentown
County of Burlington
Bordentown, New Jersey

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the City of Bordentown as of December 31, 2019, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating

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the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1, the financial statements are prepared by the City of Bordentown on the basis of the financial reporting provisions of 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 the State 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 Accounting Principles Generally Accepted in the United States of America

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 City, as of December 31, 2019, or the results of its operations and changes in fund balance for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City, as of December 31, 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2019 in conformity with accounting principles and practices 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 City’s basic financial statements. The supplemental schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Prior Period Financial Statements

The financial statements as of December 31, 2018, were audited by other auditors whose report dated August 5, 2019, expressed an unmodified opinion on the regulatory basis of accounting.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 9, 2020 on our consideration of the City'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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
September 9, 2020

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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

Honorable Mayor and Members
of the Board of Commissioners
City of Bordentown
County of Burlington
Bordentown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the City of Bordentown, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 9, 2020. Our report indicated that the City's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the

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accompanying schedule of findings and questioned costs that we consider to be material weaknesses as Finding's No. 2019-001, 2019-002, 2019-004 and 2019-005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as Finding No. 2019-001, 2019-002, 2019-003, 2019-004, 2019-005, 2019-006 and 2019-007.

City of Bordentown's Response to Findings

The City of Bordentown's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
September 9, 2020

CITY OF BORDENTOWN
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

| ASSETS | Ref. | Balance Dec. 31, 2019 | Balance Dec. 31, 2018 |
|---|----------|-------------------------------|-------------------------------|
| Cash | A-4 | \$ 4,401,685.55 | \$ 4,605,315.24 |
| Cash-Change Fund | A-6 | 225.00 | 225.00 |
| Subtotal | | <u>4,401,910.55</u> | <u>4,605,540.24</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-7 | 372,134.22 | 391,047.55 |
| Tax Title Liens Receivable | A-8 | 245,275.74 | 226,634.74 |
| Property Acquired for Taxes (Assessed Valuation) | A-15 | 607,500.00 | 607,500.00 |
| Revenue Accounts Receivable | A-9 | 64,570.52 | 65,476.56 |
| Due Animal Control Fund | B | 28.58 | - |
| Due Other Trust Fund | B | 3,937.79 | - |
| | | <u>1,293,446.85</u> | <u>1,290,658.85</u> |
| | | <u>5,695,357.40</u> | <u>5,896,199.09</u> |
| Federal and State Grant Fund: | | | |
| Federal and State Grants Receivable | A-16 | 843,995.55 | 571,797.31 |
| Due Current Fund | A-19 | 103,084.19 | 266,819.95 |
| | | <u>947,079.74</u> | <u>838,617.26</u> |
| TOTAL ASSETS | | <u><u>\$ 6,642,437.14</u></u> | <u><u>\$ 6,734,816.35</u></u> |
| LIABILITIES, RESERVES & FUND BALANCE | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3:A-10 | \$ 464,054.32 | \$ 677,419.04 |
| Reserve for Encumbrances | A-3 | 123,300.53 | 59,117.82 |
| Prepaid Taxes | A-5 | 79,414.20 | 90,301.87 |
| School Taxes Payable | A-14 | 1,807.66 | 6.84 |
| Tax Overpayments | A | 59,766.71 | 8,283.97 |
| Due State of New Jersey: | | | |
| Senior Citizens & Veterans | A-11 | 13,979.24 | 11,729.24 |
| Marriage License, Civil Union & Burial Fees | A | 100.00 | 125.00 |
| County Taxes Payable | A-12 | 189.08 | 189.08 |
| Due County for Added & Omitted Taxes | A-13 | 4,613.52 | 2,806.48 |
| Reserve for Land Sale Deposit | A | 413.51 | 413.51 |
| Reserve for Tax Appeal Refunds | A | 135,000.00 | 135,000.00 |
| Due Grant Fund | A | 103,084.19 | 266,819.95 |
| Due Other Trust Fund | B | - | 2,283.33 |
| Due General Capital Fund | C | 249,946.97 | 559,225.91 |
| Due Water Operating Fund | D | 22,247.21 | - |
| | | <u>1,257,917.14</u> | <u>1,813,722.04</u> |
| Reserve for Receivables & Other Assets | A | 1,293,446.85 | 1,290,658.85 |
| Fund Balance | A-1 | 3,143,993.41 | 2,791,818.20 |
| | | <u>5,695,357.40</u> | <u>5,896,199.09</u> |
| Federal and State Grant Fund: | | | |
| Reserve for Encumbrances | A-17 | 7,227.75 | 4,100.95 |
| Due to County of Burlington | A | - | 35,922.00 |
| Due to Water Capital Fund | D | 57,070.98 | - |
| Appropriated Reserves | A-17 | 882,781.01 | 798,594.31 |
| Unappropriated Reserves | A-18 | - | - |
| | | <u>947,079.74</u> | <u>838,617.26</u> |
| TOTAL LIABILITIES, RESERVES AND FUND BALANCE | | <u><u>\$ 6,642,437.14</u></u> | <u><u>\$ 6,734,816.35</u></u> |

The accompanying notes are an integral part of this statement.

CITY OF BORDENTOWN
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

| | 2019 | 2018 |
|---|-----------------|-----------------|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | |
| Fund Balance Utilized | \$ 700,000.00 | \$ 685,500.00 |
| Miscellaneous Revenue Anticipated | 2,010,932.63 | 1,738,652.96 |
| Receipts From Delinquent Taxes | 407,566.06 | 245,020.92 |
| Receipts From Current Taxes | 11,305,202.14 | 11,130,869.81 |
| Non-Budget Revenue | 55,806.54 | 24,467.70 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 575,425.03 | 609,302.09 |
| Interfunds Cleared | - | 395,395.64 |
| | <hr/> | <hr/> |
| TOTAL INCOME | 15,054,932.40 | 14,829,209.12 |
| <u>EXPENDITURES</u> | | |
| Budget and Emergency Appropriations | | |
| Operations | | |
| Salaries and Wages | 2,232,858.42 | 2,132,050.00 |
| Other Expenses | 2,223,489.32 | 2,384,066.91 |
| Capital Improvements | 560,000.00 | 573,260.00 |
| Municipal Debt Service | 396,813.29 | 104,815.54 |
| Deferred Charges & Statutory Expenditures - Municipal | 446,580.37 | 400,141.55 |
| County Taxes | 1,405,668.58 | 1,498,331.14 |
| Due County for Added & Omitted Taxes | 4,613.52 | 2,806.48 |
| Regional School Taxes | 6,722,543.00 | 6,563,369.00 |
| Refund of Prior Year Revenue | 7,071.48 | 200.00 |
| Interfunds Created | 3,119.21 | - |
| | <hr/> | <hr/> |
| TOTAL EXPENDITURES | 14,002,757.19 | 13,659,040.62 |
| Excess in Revenue | 1,052,175.21 | 1,170,168.50 |
| Fund Balance - January 1 | 2,791,818.20 | 2,307,149.70 |
| | <hr/> | <hr/> |
| | 3,843,993.41 | 3,477,318.20 |
| Decreased By: | | |
| Utilization As Anticipated Revenue | 700,000.00 | 685,500.00 |
| | <hr/> | <hr/> |
| Fund Balance - December 31 | \$ 3,143,993.41 | \$ 2,791,818.20 |

The accompanying notes are an integral part of this statement.

CITY OF BORDENTOWN
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

| | Anticipated | | Realized | Excess Or (Deficit) |
|---|------------------------|--------------------------|------------------------|------------------------|
| | Budget | Special NJSA 40A:4-87 | | |
| Fund Balance Anticipated | \$ 700,000.00 | \$ - | \$ 700,000.00 | \$ - |
| Miscellaneous Revenues: | | | | |
| Licenses | | | | |
| Alcoholic Beverages | 17,000.00 | - | 20,376.00 | 3,376.00 |
| Other | 2,300.00 | - | 2,390.00 | 90.00 |
| Fees and Permits | 105,000.00 | - | 108,193.29 | 3,193.29 |
| Fines and Costs: | | | | |
| Municipal Court | 112,000.00 | - | 131,585.55 | 19,585.55 |
| Interest and Costs on Taxes | 54,000.00 | - | 86,961.81 | 32,961.81 |
| Interest on Investments & Deposits | 75,000.84 | - | 92,308.24 | 17,307.40 |
| Rentals - Carslake Building | 2,700.00 | - | 2,665.00 | (35.00) |
| Rentals - Burlington County Nutrition Program | 8,800.00 | - | 21,454.00 | 12,654.00 |
| Rentals - Billboards | 3,400.00 | - | 27,356.43 | 23,956.43 |
| Rentals - Cell Tower | 153,000.00 | - | 171,531.10 | 18,531.10 |
| Energy Receipts Tax | 392,762.00 | - | 392,762.00 | - |
| Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Gov't Services - Public and Private Revenues Offset with Appropriations: | | | | |
| NJ Transportation Trust Fund Authority Act | - | 260,000.00 | 260,000.00 | - |
| NJ Transportation Trust Fund Authority Act | - | 245,000.00 | 245,000.00 | - |
| Recycling Tonnage Grant | 6,247.68 | - | 6,247.68 | - |
| Clean Communities Program | - | 9,285.99 | 9,285.99 | - |
| Alcohol Education and Rehabilitation Fund | - | 241.12 | 241.12 | - |
| NJ DL&PS Division of Highway Safety: | | | | |
| 2019 Year-End holiday Crackdown-Drive Sober | - | 5,500.00 | 5,500.00 | - |
| Click It or Ticket Grant | - | 5,500.00 | 5,500.00 | - |
| ANJEC Open Space Grant/Oliver Street | - | 1,500.00 | 1,500.00 | - |
| Distracted Driving Crackdown Grant | - | 5,500.00 | 5,500.00 | - |
| Body Armor Replacement Program | 1,591.98 | - | 1,591.98 | - |
| Municipal Alliance Grant: | | | | |
| Grant Funds | 14,804.00 | - | 14,804.00 | - |
| Matching Funds - Bordentown Township | 1,850.50 | - | 1,850.50 | - |
| Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Gov't Services - Other Special Items: | | | | |
| Payment in Lieu of Taxes | 224,000.00 | - | 246,613.94 | 22,613.94 |
| Anticipated Utility Operating Surplus | 120,000.00 | - | 120,000.00 | - |
| Interlocal Service Agreement - Fieldsboro, Police Protection | 31,500.00 | - | 29,714.00 | (1,786.00) |
| TOTAL MISCELLANEOUS REVENUES | 1,325,957.00 | 532,527.11 | 2,010,932.63 | 152,448.52 |
| Receipts From Delinquent Taxes | 339,000.00 | - | 407,566.06 | 68,566.06 |
| Subtotal General Revenues | 1,664,957.00 | 532,527.11 | 2,418,498.69 | 221,014.58 |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes | 3,533,044.00 | - | 3,740,377.04 | 207,333.04 |
| BUDGET TOTALS | 5,898,001.00 | 532,527.11 | 6,858,875.73 | 428,347.62 |
| Non-Budget Totals | - | - | 55,806.54 | 55,806.54 |
| TOTAL REVENUES | \$ 5,898,001.00 | \$ 532,527.11 | \$ 6,914,682.27 | \$ 484,154.16 |
| ANALYSIS OF REALIZED REVENUE | | | | |
| <u>ALLOCATION OF CURRENT TAX COLLECTIONS</u> | | | | |
| Revenue From Collections | | \$ 11,305,202.14 | | |
| Allocated To: | | | | |
| School | 6,722,543.00 | | | |
| County | 1,410,282.10 | | | |
| | | 8,132,825.10 | | |
| Balance for Support of Municipal Budget Appropriations | | 3,172,377.04 | | |
| ADD: Appropriation "Reserve for Uncollected Taxes" | | 568,000.00 | | |
| Amount for Support of Municipal Budget Appropriations | | | \$ 3,740,377.04 | |
| Receipts From Delinquent Taxes: | | | | |
| Delinquent Tax Collections | | 396,647.64 | | |
| Tax Title Lien Collections | | 10,918.42 | | |
| | | | \$ 407,566.06 | |

CITY OF BORDENTOWN
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

| | | |
|---|----|-------------------|
| Licenses - Other: | | |
| Amusement, Raffle and Bingo Licenses | \$ | 2,000.00 |
| Marriage Licenses | | 50.00 |
| Raffle Licenses | | 340.00 |
| | | <u>340.00</u> |
| | \$ | <u>2,390.00</u> |
| Fees and Permits - Other: | | |
| Boat Ramp Fees | \$ | 13,775.00 |
| Certificates of Occupancy | | 6,030.00 |
| Towing Application Fees | | 400.00 |
| Registrar of Vital Statistics | | 9,534.00 |
| Planning and Zoning Fees | | 1,450.00 |
| Comcast - Municipal Right of Way | | 27,847.48 |
| Verizon Franchise Fee | | 33,602.49 |
| Miscellaneous - Police Reports, Dumpster, Farmers Market, Vacant Property | | 15,554.32 |
| | | <u>15,554.32</u> |
| | \$ | <u>108,193.29</u> |
| ANALYSIS OF NON-BUDGET REVENUE | | |
| <u>MISCELLANEOUS REVENUE NOT ANTICIPATED</u> | | |
| Treasurer: | | |
| Motor Vehicles Inspection Fines | \$ | 750.00 |
| Senior Citizen & Veterans' Administrative Fees | | 455.00 |
| Homestead Rebate Mail Reimbursement | | 306.00 |
| Sale of Scrap Metal | | 526.90 |
| JIF Safety Reimbursement | | 353.61 |
| Municipal Court Reimbursement | | 678.47 |
| Sale of Municipal Assets | | 601.00 |
| Canceled Grant | | 37,718.24 |
| Reimbursements | | 2,088.00 |
| Other Miscellaneous | | 12,159.32 |
| | | <u>12,159.32</u> |
| | | 55,636.54 |
| Tax Collector: | | |
| Duplicate Bill Fees | | 170.00 |
| | | <u>170.00</u> |
| | | 170.00 |
| | \$ | <u>55,806.54</u> |

The accompanying notes are an integral part of this statement.

CITY OF BORDENTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

| | Appropriations | | Expended | | | Balance Canceled |
|---|----------------|------------------------------|--------------------|------------|-----------|---------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | |
| DEPARTMENT OF PUBLIC AFFAIRS & PUBLIC SAFETY | | | | | | |
| Director's Office | | | | | | |
| Salaries and Wages | \$ 3,000.00 | \$ 3,000.00 | \$ 3,000.00 | \$ - | \$ - | \$ - |
| Other Expenses | 1,200.00 | 1,200.00 | 1,200.00 | - | - | - |
| Administration of Public Assistance | | | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | 490.00 | - | 1,510.00 | - |
| Legal Services and Costs | | | | | | |
| Other Expenses | 120,000.00 | 120,000.00 | 95,823.20 | - | 24,176.80 | - |
| Police | | | | | | |
| Salaries and Wages | 1,322,637.00 | 1,322,637.00 | 1,317,360.87 | - | 5,276.13 | - |
| Other Expenses | 89,500.00 | 89,500.00 | 48,523.37 | 13,654.54 | 27,322.09 | - |
| Other Expenses- Acquisition of Police Vehicle | 45,000.00 | 45,000.00 | - | 45,000.00 | - | - |
| Office of Emergency Management Services | | | | | | |
| Salaries and Wages | 5,000.00 | 5,000.00 | 5,000.00 | - | - | - |
| Aid to Volunteer Fire Companies | 80,000.00 | 80,000.00 | 80,000.00 | - | - | - |
| Aid to Volunteer Fire Companies-Board of Fire Engineers | 15,000.00 | 15,000.00 | - | - | 15,000.00 | - |
| First Aid Organization Contribution | 5,000.00 | 5,000.00 | 5,000.00 | - | - | - |
| Beach Maintenance | | | | | | |
| Salaries and Wages | 6,625.00 | 6,625.00 | 4,128.00 | - | 2,497.00 | - |
| Other Expenses | 6,500.00 | 6,500.00 | 4,261.28 | - | 2,238.72 | - |
| DEPARTMENT OF REVENUE & FINANCE | | | | | | |
| Insurance | | | | | | |
| Liability Insurance | 58,000.00 | 58,000.00 | 58,000.00 | - | - | - |
| Other Insurance Premiums | 5,000.00 | 5,000.00 | - | - | 5,000.00 | - |
| Workers Compensation Insurance | 209,500.00 | 209,500.00 | 197,464.24 | - | 12,035.76 | - |
| Group Insurance for Employees | 421,300.00 | 421,300.00 | 381,717.22 | - | 39,582.78 | - |
| Unemployment Insurance | 8,000.00 | 8,000.00 | 7,282.49 | 710.29 | 7.22 | - |
| Disability Insurance | 2,000.00 | 2,000.00 | 996.82 | 101.47 | 901.71 | - |
| Director's Office | | | | | | |
| Salaries and Wages | 2,500.00 | 2,500.00 | 2,500.00 | - | - | - |
| Other Expenses | 1,200.00 | 1,200.00 | 1,200.00 | - | - | - |
| Municipal Clerk | | | | | | |
| Salaries and Wages | 82,500.00 | 82,629.06 | 82,629.06 | - | - | - |
| Other Expenses | 50,500.00 | 50,500.00 | 20,822.18 | 4,390.23 | 25,287.59 | - |
| Financial Administration | | | | | | |
| Salaries and Wages | 60,000.00 | 68,065.50 | 68,065.50 | - | - | - |
| Other Expenses | 50,200.00 | 50,200.00 | 32,965.22 | 920.00 | 16,314.78 | - |
| Assessment of Taxes | | | | | | |
| Salaries and Wages | 24,000.00 | 24,000.00 | 23,199.00 | - | 801.00 | - |
| Other Expenses | 10,500.00 | 10,500.00 | 4,960.20 | 907.36 | 4,632.44 | - |
| Collection of Taxes | | | | | | |
| Salaries and Wages | 33,000.00 | 34,444.02 | 34,444.02 | - | - | - |
| Other Expenses | 14,500.00 | 14,500.00 | 8,997.68 | - | 5,502.32 | - |
| Audit Services | | | | | | |
| Other Expenses | 35,000.00 | 35,000.00 | 26,995.00 | - | 8,005.00 | - |
| DEPARTMENT OF PUBLIC WORKS & PUBLIC PROPERTY | | | | | | |
| Director's Office | | | | | | |
| Salaries and Wages | - | - | - | - | - | - |
| Other Expenses | 100.00 | 100.00 | 100.00 | - | - | - |
| Road Repairs and Maintenance | | | | | | |
| Salaries and Wages | 184,000.00 | 190,957.84 | 190,957.84 | - | - | - |
| Other Expenses | 85,400.00 | 67,569.55 | 40,997.34 | 2,128.33 | 24,443.88 | - |
| Parks and Playgrounds | | | | | | |
| Other Expenses | 45,000.00 | 45,000.00 | 33,338.42 | 134.50 | 11,527.08 | - |
| Public Buildings and Grounds | | | | | | |
| Salaries and Wages | 240,000.00 | 240,000.00 | 212,897.43 | - | 27,102.57 | - |
| Other Expenses | 125,000.00 | 125,000.00 | 85,241.81 | 4,829.94 | 34,928.25 | - |
| Shade Tree Committee | | | | | | |
| Other Expenses | 17,000.00 | 17,000.00 | 11,106.24 | 2,100.00 | 3,793.76 | - |
| Environmental Commission | | | | | | |
| Other Expenses | 7,200.00 | 7,200.00 | 5,328.64 | 1,100.00 | 771.36 | - |
| Historic Preservation Commission | | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | - | - | 1,000.00 | - |

CITY OF BORDENTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

| | Appropriations | | Expended | | | Balance Canceled |
|--|---------------------|------------------------------|---------------------|------------------|-------------------|---------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | |
| Economic Development | | | | | | |
| Other Expenses | 1,500.00 | 1,500.00 | 563.58 | - | 936.42 | - |
| Garbage and Trash | | | | | | |
| Salaries and Wages | 233,000.00 | 233,000.00 | 207,667.78 | - | 25,332.22 | - |
| Sanitary Landfill Fees | 182,748.00 | 182,748.00 | 167,326.59 | - | 15,421.41 | - |
| Engineering Services and Costs | | | | | | |
| Other Expenses | 100,000.00 | 100,000.00 | 79,718.77 | 19,806.36 | 474.87 | - |
| Municipal Land Use Law (N.J. 40:55D-1) | | | | | | |
| Planning Board | | | | | | |
| Salaries and Wages | 20,000.00 | 20,000.00 | 18,422.02 | - | 1,577.98 | - |
| Other Expenses | 25,000.00 | 25,000.00 | 7,549.94 | 33.58 | 17,416.48 | - |
| Fire Hydrant Service | 2,500.00 | 2,500.00 | 2,500.00 | - | - | - |
| UNCLASSIFIED: | | | | | | |
| Electricity | 45,000.00 | 30,000.00 | 17,804.46 | - | 12,195.54 | - |
| Street Lighting | 57,000.00 | 72,000.00 | 60,387.88 | - | 11,612.12 | - |
| Telecommunications | 38,000.00 | 38,000.00 | 37,895.68 | - | 104.32 | - |
| Natural Gas | 15,000.00 | 15,000.00 | 12,334.31 | - | 2,665.69 | - |
| Fuel Oil | - | - | - | - | - | - |
| Sewerage | 2,100.00 | 2,100.00 | 1,935.91 | - | 164.09 | - |
| Gasoline | 65,000.00 | 65,000.00 | 40,288.91 | - | 24,711.09 | - |
| Vehicle Maintenance | | | | | | |
| Other Expenses | 53,000.00 | 53,000.00 | 22,452.73 | 2,860.43 | 27,686.84 | - |
| TOTAL OPERATIONS WITHIN "CAPS" | 4,313,710.00 | 4,312,475.97 | 3,773,841.63 | 98,677.03 | 439,957.31 | - |
| DETAIL: | | | | | | |
| Salaries and Wages | 2,216,262.00 | 2,232,858.42 | 2,170,271.52 | - | 62,586.90 | - |
| Other Expenses (Including Contingent) | 2,097,448.00 | 2,079,617.55 | 1,603,570.11 | 98,677.03 | 377,370.41 | - |
| STATUTORY EXPENDITURES | | | | | | |
| Contribution To: | | | | | | |
| Public Employees Retirement System | 92,320.00 | 92,320.00 | 92,316.62 | - | 3.38 | - |
| Social Security System (O.A.S.I.) | 95,000.34 | 96,234.37 | 96,234.37 | - | - | - |
| Police and Firemen's Retirement System of N.J. | 257,026.00 | 257,026.00 | 257,026.00 | - | - | - |
| Defined Contribution Retirement Program | 1,000.00 | 1,000.00 | - | - | 1,000.00 | - |
| TOTAL DEFERRED CHARGES & STATUTORY EXPENDITURES WITHIN "CAPS" | 445,346.34 | 446,580.37 | 445,576.99 | - | 1,003.38 | - |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | 4,759,056.34 | 4,759,056.34 | 4,219,418.62 | 98,677.03 | 440,960.69 | - |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | | |
| Interlocal Municipal Services Agreement: | | | | | | |
| Borough of Fieldsboro - Municipal Court | 75,000.00 | 75,000.00 | 67,856.37 | - | 7,143.63 | - |
| Township of Bordentown - Ambulance Services | 15,000.00 | 15,000.00 | - | - | 15,000.00 | - |
| Public & Private Programs Offset By Revenues: | | | | | | |
| Clean Communities Grant | | | | | | |
| (NJSA 40A:4-87 \$9,285.99) | - | 9,285.99 | 9,285.99 | - | - | - |
| Alcohol Education Rehabilitation Fund | | | | | | |
| (NJSA 40A:4-87 \$241.12) | - | 241.12 | 241.12 | - | - | - |
| Municipal Alliance on Alcoholism and Drug Abuse: | | | | | | |
| Grant Funds | 14,804.00 | 14,804.00 | 14,804.00 | - | - | - |
| Local Share | 3,701.00 | 3,701.00 | 3,701.00 | - | - | - |
| Body Armor Replacement Program | | | | | | |
| Recycling Grant | 6,247.68 | 6,247.68 | 6,247.68 | - | - | - |
| Body Armor Replacement Program | | | | | | |
| (NJSA 40A:4-87 \$1,591.98) | 1,591.98 | 1,591.98 | 1,591.98 | - | - | - |
| NJDL&PS 2019 Year-End Holiday Crackdown | | | | | | |
| (NJSA 40A:4-87 \$5,500) | - | 5,500.00 | 5,500.00 | - | - | - |
| Click It or Ticket Seatbelt Grant | | | | | | |
| (NJSA 40A:4-87 \$5,500) | - | 5,500.00 | 5,500.00 | - | - | - |
| ANJEC Open Space Grant/Oliver Street | | | | | | |
| (NJSA 40A:4-87 \$1,500) | - | 1,500.00 | 1,500.00 | - | - | - |
| Distracted Driving Crackdown Grant | | | | | | |
| (NJSA 40A:4-87 \$5,500) | - | 5,500.00 | 5,500.00 | - | - | - |
| TOTAL OPERATIONS - EXCLUDED FROM "CAPS" | 116,344.66 | 143,871.77 | 121,728.14 | - | 22,143.63 | - |
| DETAIL: | | | | | | |
| Salaries and Wages | - | - | - | - | - | - |
| Other Expenses | 116,344.66 | 143,871.77 | 121,728.14 | - | 22,143.63 | - |

CITY OF BORDENTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

| | Appropriations | | Expended | | | Balance Canceled |
|--|------------------------|------------------------------|------------------------|----------------------|----------------------|----------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | |
| CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS" | | | | | | |
| Capital Improvement Fund | 20,000.00 | 20,000.00 | 20,000.00 | - | - | - |
| Sidewalk and Tree Improvements | 35,000.00 | 35,000.00 | 9,426.50 | 24,623.50 | 950.00 | - |
| Public & Private Programs Offset by Revenues: | | | | | | |
| New Jersey Transportation Trust Fund Authority Act | | | | | | |
| West Street Overlay (NJSA 40A:4-87 \$260,000) | - | 260,000.00 | 260,000.00 | - | - | - |
| Oliver Street Overlay (NJSA 40A:4-87 \$245,000) | - | 245,000.00 | 245,000.00 | - | - | - |
| TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS" | 55,000.00 | 560,000.00 | 534,426.50 | 24,623.50 | 950.00 | - |
| MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | | | | | | |
| Payment of Bond Principal | 280,000.00 | 280,000.00 | 280,000.00 | - | - | - |
| Interest on Bonds | 119,600.00 | 119,600.00 | 116,813.29 | - | 0.00 | (2,786.71) |
| TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | 399,600.00 | 399,600.00 | 396,813.29 | - | 0.00 | (2,786.71) |
| TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAP" | 570,944.66 | 1,103,471.77 | 1,052,967.93 | 24,623.50 | 23,093.63 | (2,786.71) |
| SUBTOTAL GENERAL APPROPRIATIONS | 5,330,001.00 | 5,862,528.11 | 5,272,386.55 | 123,300.53 | 464,054.32 | (2,786.71) |
| RESERVE FOR UNCOLLECTED TAXES | 568,000.00 | 568,000.00 | 568,000.00 | - | - | - |
| TOTAL GENERAL APPROPRIATIONS | \$ 5,898,001.00 | \$ 6,430,528.11 | \$ 5,840,386.55 | \$ 123,300.53 | \$ 464,054.32 | \$ (2,786.71) |
| Budget | | \$ 5,898,001.00 | | | | |
| Appropriated by N.J.S. 40A:4-87 | | 532,527.11 | | | | |
| | | <u>\$ 6,430,528.11</u> | | | | |

ANALYSIS OF PAID OR CHARGED

| | |
|--------------------------------------|------------------------|
| Due General Capital Fund | \$ 20,000.00 |
| Reserve for Federal and State Grants | 558,871.77 |
| Reserve for Uncollected Taxes | 568,000.00 |
| Cash Disbursed | <u>4,693,514.78</u> |
| | <u>\$ 5,840,386.55</u> |

The accompanying notes are an integral part of this statement.

CITY OF BORDENTOWN
TRUST FUND
STATEMENTS OF ASSETS, RESERVES AND LIABILITIES - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

| ASSETS | Ref. | Balance Dec. 31, 2019 | Balance Dec. 31, 2018 |
|--|------|--------------------------|--------------------------|
| Animal Control Fund | | | |
| Cash | B-1 | \$ 4,452.26 | \$ 3,868.68 |
| Cash - Change Fund - Dog Registrar | B | 25.00 | 25.00 |
| | | <u>4,477.26</u> | <u>3,893.68</u> |
| Other Trust Funds | | | |
| Cash | B-1 | 584,012.56 | 521,053.09 |
| Due From Current Fund | B-3 | - | 2,283.33 |
| | | <u>584,012.56</u> | <u>523,336.42</u> |
| | | <u>\$ 588,489.82</u> | <u>\$ 527,230.10</u> |
| LIABILITIES, RESERVES AND FUND BALANCE | | | |
| Animal Control Fund: | | | |
| Reserve for Animal Control Fund Expenditures | B-2 | \$ 4,448.68 | \$ 3,893.68 |
| Due to Current Fund | A | 28.58 | - |
| | | <u>4,477.26</u> | <u>3,893.68</u> |
| Other Trust Funds: | | | |
| Due to Current Fund | B-3 | 3,937.79 | - |
| Miscellaneous Reserves | B-4 | 580,074.77 | 523,336.42 |
| | | <u>584,012.56</u> | <u>523,336.42</u> |
| | | <u>\$ 588,489.82</u> | <u>\$ 527,230.10</u> |

The accompanying notes are an integral part of this statement.

CITY OF BORDENTOWN
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

| | <u>Ref.</u> | Balance Dec. 31, 2019 | Balance Dec. 31, 2018 |
|---|-------------|--------------------------|--------------------------|
| ASSETS | | | |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-3 | \$ 2,420,000.00 | \$ 2,700,000.00 |
| Unfunded | C-4 | 1,744,157.22 | 1,244,457.22 |
| Due from Current Fund | C-7 | 249,946.97 | 559,225.91 |
| Grant Receivable | C-2 | 60,000.00 | - |
| | | <u>\$ 4,474,104.19</u> | <u>\$ 4,503,683.13</u> |
| LIABILITIES, RESERVES AND FUND BALANCE | | | |
| General Serial Bonds | C-8 | \$ 2,420,000.00 | \$ 2,700,000.00 |
| Reserve for Encumbrances | C-5 | 134,160.37 | 333,590.80 |
| Improvement Authorizations: | | | |
| Funded | C-5 | 431,426.07 | 527,380.48 |
| Unfunded | C-5 | 1,256,160.83 | 784,143.37 |
| Capital Improvement Fund | C-6 | 43,100.00 | 49,400.00 |
| Due to Water Capital Fund | C-2 | 80,088.44 | - |
| Reserve to Pay Debt Service | C | 6,854.37 | 6,854.37 |
| Reserve for Improvements to Carslake/Gilder Complex | C | 36,981.28 | 36,981.28 |
| Reserve for Fire Insurance Proceeds | C | 16,853.51 | 16,853.51 |
| Fund Balance | C-1 | 48,479.32 | 48,479.32 |
| | | <u>\$ 4,474,104.19</u> | <u>\$ 4,503,683.13</u> |

There were bonds and notes authorized but not issued at December 31, 2019 amounting to \$1,744,157.22 and at December 31, 2018 amounting to \$1,244,457.22.

The accompanying notes are an integral part of this statement.

CITY OF BORDENTOWN
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Balance - December 31, 2019 and December 31, 2018

\$ 48,479.32

CITY OF BORDENTOWN
WATER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

| | Ref. | Balance Dec. 31, 2019 | Balance Dec. 31, 2018 |
|---|------|--------------------------|--------------------------|
| ASSETS | | | |
| Operating Fund: | | | |
| Cash | D-5 | \$ 2,995,728.84 | \$ 2,267,058.09 |
| Cash - Change Fund - Collector | | 100.00 | 100.00 |
| | | <u>2,995,828.84</u> | <u>2,267,158.09</u> |
| Due from Water Capital Fund | D-9 | 403,427.47 | 282,778.92 |
| Due from Current Fund | A | 22,247.21 | - |
| | | <u>425,674.68</u> | <u>282,778.92</u> |
| Receivables with Full Reserves: | | | |
| Consumer Accounts Receivable | D-8 | 18,182.26 | 14,011.24 |
| | | <u>18,182.26</u> | <u>14,011.24</u> |
| Total Operating Fund | | <u>3,439,685.78</u> | <u>2,563,948.25</u> |
| Capital Fund: | | | |
| Cash Held by NJEIT | D-18 | 1,035,791.00 | 1,035,791.00 |
| Fixed Capital | D-11 | 16,955,788.41 | 16,912,395.19 |
| Fixed Capital Authorized & Uncompleted | D-12 | 7,181,330.00 | 7,140,630.00 |
| Due from Grant Fund | A | 57,070.98 | - |
| Due from General Capital Fund | C | 80,088.44 | - |
| Total Capital Fund | | <u>25,310,068.83</u> | <u>25,088,816.19</u> |
| | | <u>\$ 28,749,754.61</u> | <u>\$ 27,652,764.44</u> |
| LIABILITIES, RESERVES AND FUND BALANCE | | | |
| Operating Fund: | | | |
| Appropriation Reserves | D-4 | \$ 107,740.57 | \$ 347,740.33 |
| Reserve for Encumbrances | D-4 | 109,109.73 | 28,190.71 |
| Overpayments | D-6 | 20,120.15 | 23,060.09 |
| Accrued Interest on Bonds & Notes | D-14 | 71,617.88 | 67,110.18 |
| Escrow Deposits | D-23 | 126,553.36 | 111,212.44 |
| | | <u>435,141.69</u> | <u>577,313.75</u> |
| Reserve for Receivables | D | 18,182.26 | 14,011.24 |
| Fund Balance | D-1 | 2,986,361.83 | 1,972,623.26 |
| Total Operating Fund | | <u>3,439,685.78</u> | <u>2,563,948.25</u> |
| Capital Fund: | | | |
| Bond Anticipation Notes | D-21 | - | - |
| Serial Bonds | D-19 | 3,681,000.00 | 4,067,460.00 |
| NJ Agency Bonds and Loans | D-20 | 3,526,681.71 | 3,701,362.23 |
| Due To Water Utility Operating Fund | D-9 | 403,427.47 | 282,778.92 |
| Improvement Authorizations: | | | |
| Funded | D-15 | 544,022.26 | 539,811.39 |
| Unfunded | D-15 | 328,840.90 | 328,840.90 |
| Capital Improvement Fund | D-16 | - | 40,700.00 |
| Reserve for Capital Improvements | D | 132,000.00 | 132,000.00 |
| Reserve for Amortization | D-17 | 16,276,931.35 | 15,672,397.61 |
| Deferred Reserve for Amortization | D-10 | 135,450.00 | 41,750.00 |
| Reserve To Pay Debt Service | D-7 | 4,335.60 | 4,335.60 |
| Fund Balance | D-2 | 277,379.54 | 277,379.54 |
| Total Capital Fund | | <u>25,310,068.83</u> | <u>25,088,816.19</u> |
| | | <u>\$ 28,749,754.61</u> | <u>\$ 27,652,764.44</u> |

There were bonds and notes authorized but not issued at December 31, 2019 amounting to \$517,055.35 and at December 31, 2018 amounting to \$1,252,599.35.

The accompanying notes are an integral part of this statement.

CITY OF BORDENTOWN
WATER UTILITY FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

| | 2019 | 2018 |
|--|-----------------|-----------------|
| <u>REVENUES AND OTHER INCOME REALIZED</u> | | |
| Fund Balance Utilized | \$ 187,444.00 | \$ 438,900.00 |
| Rents | 2,788,612.16 | 2,673,151.21 |
| Fire Hydrant Service | 2,500.00 | 2,500.00 |
| Miscellaneous | 823,697.23 | 194,191.26 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 296,009.44 | 131,236.32 |
| | 4,098,262.83 | 3,439,978.79 |
| <u>EXPENDITURES</u> | | |
| Operating | 1,760,200.00 | 1,710,500.00 |
| Capital Improvements | 75,000.00 | 75,000.00 |
| Debt Service | 782,136.26 | 883,729.91 |
| Deferred Charges and Statutory Expenditures | 159,744.00 | 130,400.00 |
| Current Year Surplus to General Budget | 120,000.00 | 120,000.00 |
| | 2,897,080.26 | 2,919,629.91 |
| Excess (Deficit) In Revenue | 1,201,182.57 | 520,348.88 |
| Fund Balance - January 1 | 1,972,623.26 | 1,891,174.38 |
| | 3,173,805.83 | 2,411,523.26 |
| Decreased By: | | |
| Utilization as Anticipated Revenue | 187,444.00 | 438,900.00 |
| Fund Balance - December 31 | \$ 2,986,361.83 | \$ 1,972,623.26 |

The accompanying notes are an integral part of this statement.

CITY OF BORDENTOWN
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Balance - December 31, 2018 and 2019

\$ 277,379.54

CITY OF BORDENTOWN
 WATER UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

| | Anticipated Budget | Realized | Excess Or (Deficit) |
|-----------------------|----------------------------|----------------------------|--------------------------|
| Fund Balance Utilized | \$ 187,444.00 | \$ 187,444.00 | \$ - |
| Rents | 2,673,000.00 | 2,788,612.16 | 115,612.16 |
| Fire Hydrant Service | 2,500.00 | 2,500.00 | - |
| Miscellaneous | 175,000.00 | 823,697.23 | 648,697.23 |
| | <u>3,037,944.00</u> | <u>3,802,253.39</u> | <u>764,309.39</u> |
| TOTAL REVENUES | <u>\$ 3,037,944.00</u> | <u>\$ 3,802,253.39</u> | <u>\$ 764,309.39</u> |

ANALYSIS OF REALIZED REVENUES

Rents:

| | |
|--|------------------------|
| Consumer Accounts Receivable Collected | \$ 2,765,552.07 |
| Overpayments Applied | <u>23,060.09</u> |
| | <u>\$ 2,788,612.16</u> |

Miscellaneous:

Collector:

| | |
|---------------------|------------|
| Returned Check Fees | \$ 280.00 |
| Penalties | 1,229.98 |
| Sale of Meters | 16,239.44 |
| Administrative Fees | 9,235.00 |
| Application Fees | 2,200.00 |
| Turn On/Off Fees | 833.34 |
| Connection Fees | 727,794.47 |

Miscellaneous:

| | |
|----------------------------|-------------------|
| Sale of Consumption Report | 4,000.00 |
| Other | <u>9,862.67</u> |
| | <u>771,674.90</u> |

Treasurer:

| | |
|-------------------------|------------------|
| Interest on Investments | <u>52,022.33</u> |
| | <u>52,022.33</u> |

| | |
|---------------------|----------------------|
| Total Miscellaneous | <u>\$ 823,697.23</u> |
|---------------------|----------------------|

The accompanying notes are an integral part of this statement.

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

| | APPROPRIATIONS | | EXPENDED | | Balance Canceled |
|--|-----------------|------------------------------|--------------------|---------------|---------------------|
| | Budget | Budget After Modification | Paid Or Charged | Reserved | |
| Operating | | | | | |
| Salaries and Wages | \$ 592,000.00 | \$ 596,184.47 | \$ 596,184.47 | \$ - | \$ - |
| Other Expenses | 1,168,200.00 | 1,164,015.53 | 1,091,728.29 | 72,287.24 | - |
| Total Operating | 1,760,200.00 | 1,760,200.00 | 1,687,912.76 | 72,287.24 | - |
| Capital Improvements: | | | | | |
| Capital Outlay | 75,000.00 | 75,000.00 | 43,493.22 | 31,506.78 | - |
| Total Capital Improvements | 75,000.00 | 75,000.00 | 43,493.22 | 31,506.78 | - |
| Debt Service: | | | | | |
| Payment of Bond Principal | 584,000.00 | 584,000.00 | 561,140.52 | - | 22,859.48 |
| Interest on Bonds | 224,000.00 | 224,000.00 | 220,995.74 | - | 3,004.26 |
| Interest on Notes | 115,000.00 | 115,000.00 | - | - | 115,000.00 |
| Total Debt Service | 923,000.00 | 923,000.00 | 782,136.26 | - | 140,863.74 |
| Deferred Charges & Statutory Expenditures: | | | | | |
| Deferred Charges: | | | | | |
| Costs of Improvements Authorized: | | | | | |
| Ordinance 2013-11 | 28,000.00 | 28,000.00 | 28,000.00 | - | - |
| Ordinance 2015-10 | 25,000.00 | 25,000.00 | 25,000.00 | - | - |
| Statutory Expenditures: | | | | | |
| Contribution To: | | | | | |
| Public Employees' Retirement System | 58,444.00 | 58,444.00 | 58,443.38 | 0.62 | - |
| Social Security System (OASI) | 46,000.00 | 46,000.00 | 44,277.88 | 1,722.12 | - |
| Unemployment Compensation Insurance | 2,300.00 | 2,300.00 | 76.19 | 2,223.81 | - |
| Total Deferred Charges and Statutory Expenditures | 159,744.00 | 159,744.00 | 155,797.45 | 3,946.55 | - |
| Surplus - General Budget | 120,000.00 | 120,000.00 | 120,000.00 | - | - |
| Total Budget | \$ 3,037,944.00 | \$ 3,037,944.00 | \$ 2,789,339.69 | \$ 107,740.57 | \$ 140,863.74 |
| Budget | | \$ 3,037,944.00 | | | |
| | | \$ 3,037,944.00 | | | |
| <u>Analysis of Paid or Charged</u> | | | | | |
| Accrued Interest | | | \$ 218,517.95 | | |
| Due Water Utility Capital Fund | | | 53,000.00 | | |
| Reserve for Encumbrances | | | 109,109.73 | | |
| Cash Disbursed | | | 2,408,712.01 | | |
| | | | \$ 2,789,339.69 | | |

The accompanying notes are an integral part of this statement

CITY OF BORDENTOWN
 GENERAL FIXED ASSETS ACCOUNT GROUP
 STATEMENTS OF GENERAL FIXED ASSETS - REGULATORY BASIS
 DECEMBER 31, 2019 AND 2018

| | <u>Balance</u> <u>Dec. 31, 2019</u> | <u>Balance</u> <u>Dec. 31, 2018</u> |
|------------------------------------|--|--|
| General Fixed Assets: | | |
| Land | 1,248,410.00 | 1,248,410.00 |
| Buildings | 3,870,127.00 | 3,870,127.00 |
| Machinery and Equipment | <u>4,614,132.27</u> | <u>3,713,270.51</u> |
| Total General Fixed Assets | <u>\$ 9,732,669.27</u> | <u>\$ 8,831,807.51</u> |
| Investment in General Fixed Assets | <u>\$ 9,732,669.27</u> | <u>\$ 8,831,807.51</u> |

The accompanying notes are an integral part of this statement.

**CITY OF BORDENTOWN
COUNTY OF BURLINGTON**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

In 1825, the City of Bordentown was established, and separated from Bordentown Township in 1868 when the City was chartered as a City. The City is located in the center of New Jersey along the Delaware River, approximately seven miles from Trenton. Philadelphia is thirty miles away and New York City is approximately sixty miles from the City of Bordentown. The present population, according to the 2010 census, is 3,924.

The City of Bordentown operates under a Commission form of government. There are three Commissioners, one of whom is Mayor. Each Commissioner is selected to be the director of one of the three departments comprising the government. The City Clerk monitors the daily administrative responsibilities.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the City are not presented in accordance with GAAP (as discussed below). Therefore, the City had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the City contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the City accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Utility Operating and Capital Funds – These funds accounts for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the City.

Budgets and Budgetary Accounting - The City must adopt an annual budget for its Current and Utility Funds in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the City requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The City has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The City is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the City's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the City to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Fund Balance – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the City’s budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City’s Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the City, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Utility Revenues – Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City’s utility operating fund.

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the City’s annual budget, but also the amounts required in support of the budgets of the County of Burlington and Bordentown Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Bordentown Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the regional school district July 1 to June 30.

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

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

Reserve for Uncollected Taxes – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the City’s annual budget protects the City from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the City’s financial statements.

Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended December 31, 2019:

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

Adopted Accounting Pronouncements (continued)

of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following effective dates have been updated to reflect the implementation of Statement No. 95.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 83, Certain Asset Retirement Obligations. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. Management does not expect this Statement to have a material impact on the City's financial statements.

Statement No. 84, Fiduciary Activities. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the City's financial statements.

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the City's financial statements.

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. This statement had no material impact on the City's financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management does not expect this Statement to have a material impact on the City's financial statements.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the City's financial statements.

Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2021. Management has not yet determined the potential impact on the City's financial statements.

Note 2. Deposits and Investments

The City is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. Although the City does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the City in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the City relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 2. Deposits and Investments (continued)

As of December 31, 2019, the City's bank balance of \$8,002,896.35 was insured or collateralized as follows:

| | |
|--------------------------------|------------------------|
| Insured under FDIC and GUDPA | \$ 7,414,096.98 |
| Uninsured and Uncollateralized | <u>588,799.37</u> |
| | <u>\$ 8,002,896.35</u> |

Investments

The City had no investments as of December 31, 2019.

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|----------------------------|-----------------|-----------------|-----------------|
| Tax Rate | <u>\$ 3.516</u> | <u>\$ 3.464</u> | <u>\$ 3.363</u> |
| Apportionment of Tax Rate: | | | |
| Municipal | 1.065 | 1.045 | 1.021 |
| County Total | 0.425 | 0.451 | 0.427 |
| Regional School | 2.026 | 1.968 | 1.915 |

Assessed Valuation

| <u>Year</u> | <u>Amount</u> |
|-------------|-------------------|
| 2019 | \$ 331,725,057.00 |
| 2018 | 333,339,998.00 |
| 2017 | 330,019,547.00 |

Comparison of Tax Levies and Collections

| <u>Year</u> | <u>Tax Levy</u> | <u>Cash Collections</u> | <u>Percentage Of Collection</u> |
|-------------|------------------|-------------------------|---------------------------------|
| 2019 | \$ 11,708,415.92 | \$ 11,305,202.14 | 96.55% |
| 2018 | 11,568,494.11 | 11,130,869.81 | 96.21% |
| 2017 | 11,180,383.39 | 10,901,712.47 | 97.50% |

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 3. Property Taxes (continued)

Delinquent Taxes and Tax Title Liens

| <u>Year</u> | <u>Tax Title Liens</u> | <u>Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage Of Tax Levy</u> |
|-------------|------------------------|-------------------------|-------------------------|-------------------------------|
| 2019 | \$ 245,275.74 | \$ 372,134.22 | \$ 617,409.96 | 5.27% |
| 2018 | 226,634.74 | 391,047.55 | 617,682.29 | 5.34% |
| 2017 | 209,044.70 | 227,110.51 | 436,155.21 | 3.90% |

Number of Tax Title Liens

| <u>Year</u> | <u>Number</u> |
|-------------|---------------|
| 2019 | 11 |
| 2018 | 13 |
| 2017 | 12 |

The last tax sale was held on November 15, 2019.

Note: 4: Property Acquired By Tax Title Lien Liquidation

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2019 | \$ 607,500.00 |
| 2018 | 607,500.00 |
| 2017 | 607,500.00 |

Note: 5: Water Utility Service Charges

The following is a three-year comparison of Water utility charges (rents) and collections for the current and previous two years.

| <u>Year</u> | <u>Beginning Balance</u> | <u>Levy</u> | <u>Total</u> | <u>Cash Collections</u> | <u>Percentage Of Collection</u> |
|-------------|--------------------------|-----------------|-----------------|-------------------------|---------------------------------|
| 2019 | \$ 14,011.25 | \$ 2,792,783.18 | \$ 2,806,794.43 | \$ 2,788,612.16 | 99.35% |
| 2018 | 17,040.23 | 2,670,122.22 | 2,687,162.45 | 2,673,151.21 | 99.47% |
| 2017 | 25,096.78 | 2,298,199.36 | 2,323,296.14 | 2,306,255.91 | 99.26% |

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 6: Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and two previous years and the amounts utilized in the subsequent year's budgets:

| <u>Year</u> | <u>Balance December 31,</u> | <u>Utilized in Budget of Succeeding Year</u> | <u>Percentage of Fund Balance Used</u> |
|------------------------------------|---------------------------------|--|--|
| Current Fund: | | | |
| 2019 | \$ 3,143,993.41 | \$ 995,000.00 | 31.65% |
| 2018 | 2,791,818.20 | 700,000.00 | 25.07% |
| 2017 | 2,307,149.70 | 685,500.00 | 29.71% |
| Utility Operating Fund: | | | |
| 2019 | \$ 2,986,361.83 | \$ 267,100.00 | 8.94% |
| 2018 | 1,972,623.26 | 187,444.00 | 9.50% |
| 2017 | 1,891,174.38 | 438,900.00 | 23.21% |

Note 7: Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2019:

| Fund | Interfund Receivable | Interfund Payable |
|------------------------------|---------------------------------|------------------------------|
| Current Fund | \$ 3,966.37 | \$ 375,278.37 |
| State and Federal Grant Fund | 103,084.19 | 57,070.98 |
| Animal Control Trust | - | 28.58 |
| Trust Other Fund | - | 3,937.79 |
| Capital Fund | 249,946.97 | 80,088.44 |
| Utility Operating Fund | 425,674.68 | - |
| Utility Capital Fund | 137,159.42 | 403,427.47 |
| | <u>\$ 919,831.63</u> | <u>\$ 919,831.63</u> |

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 7: Interfund Receivables, Payables and Transfers (continued)

| Fund | Transfers In | Transfers Out |
|------------------------------|------------------------|------------------------|
| Current Fund | \$ 1,065,690.18 | \$ 1,522,777.37 |
| State and Federal Grant Fund | 833,346.27 | 612,539.53 |
| Animal Control Trust | 98.58 | - |
| Trust Other Fund | 6,221.12 | - |
| Capital Fund | 775,270.82 | 385,903.44 |
| Utility Operating Fund | 77,500.00 | 220,395.76 |
| Utility Capital Fund | 304,148.55 | 320,659.42 |
| | <u>\$ 3,062,275.52</u> | <u>\$ 3,062,275.52</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

Note 8: Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2019.

| | Balance December 31, <u>2018</u> | <u>Additions</u> | <u>Deletions</u> | Balance December 31, <u>2019</u> |
|-----------------------|--|------------------------|------------------------|--|
| Land | \$ 1,248,410.00 | \$ - | \$ - | \$ 1,248,410.00 |
| Buildings | 3,870,127.00 | - | - | 3,870,127.00 |
| Machinery & Equipment | 3,713,270.51 | 1,118,016.72 | (217,154.96) | 4,614,132.27 |
| | <u>\$ 8,831,807.51</u> | <u>\$ 1,118,016.72</u> | <u>\$ (217,154.96)</u> | <u>\$ 9,732,669.27</u> |

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following represents the membership tiers for PERS:

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

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

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - 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 insurance benefits is based on actual claims paid. For the 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. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2019, the City's contractually required contribution to PERS plan was \$158,196.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Components of Net Pension Liability - At December 31, 2019, the City's proportionate share of the PERS net pension liability was \$2,930,437. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The City's proportion measured as of June 30, 2019, was 0.01626% which was an increase of 0.00241% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

| | <u>12/31/2019</u> | <u>12/30/2018</u> |
|--|-------------------|-------------------|
| Actuarial valuation date (including roll forward) | June 30, 2019 | June 30, 2018 |
| Deferred Outflows of Resources | \$ 837,088 | \$ 584,186 |
| Deferred Inflows of Resources | 1,215,962 | 1,140,945 |
| Net Pension Liability | 2,930,437 | 2,727,456 |
| City's portion of the Plan's total Net Pension Liability | 0.01626% | 0.01385% |

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2019, the City's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2019 measurement date is \$183,293. This expense is not recognized by the City because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the City contributed \$158,196 to the plan in 2019.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between Expected and Actual Experience | \$ 52,598 | \$ 12,945 |
| Changes of Assumptions | 292,615 | 1,017,145 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 46,258 |
| Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions | 491,875 | 139,614 |
| | \$ 837,088 | \$ 1,215,962 |

The City will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | 5.48 | - |
| June 30, 2018 | 5.63 | - |
| June 30, 2019 | 5.21 | - |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | - | 5.48 |
| June 30, 2018 | - | 5.63 |
| June 30, 2019 | - | 5.21 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | 5.00 |
| June 30, 2015 | - | 5.00 |
| June 30, 2016 | 5.00 | - |
| June 30, 2017 | 5.00 | - |
| June 30, 2018 | 5.00 | - |
| June 30, 2019 | 5.00 | - |
| Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | 6.44 |
| June 30, 2015 | 5.72 | 5.72 |
| June 30, 2016 | 5.57 | 5.57 |
| June 30, 2017 | 5.48 | 5.48 |
| June 30, 2018 | 5.63 | 5.63 |
| June 30, 2019 | 5.21 | 5.21 |

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

| Year Ending | <u>Dec 31,</u> | <u>Amount</u> |
|--------------------|-----------------------|----------------------|
| 2020 | | \$ (49,502) |
| 2021 | | (66,184) |
| 2022 | | (261,234) |
| 2023 | | (12,154) |
| 2024 | | 10,200 |
| | | <u>\$ (378,874)</u> |

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

| | | |
|---|--|--|
| Inflation | | |
| Price | | 2.75% |
| Wage | | 3.25% |
| Salary Increases: | | |
| Through 2026 | | 2.00 - 6.00% Based on Years of Service |
| Thereafter | | 3.00 - 7.00% Based on Years of Service |
| Investment Rate of Return | | 7.00% |
| Mortality Rate Table | | |
| 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 | |
| Period of Actuarial Experience | | |
| Study upon which Actuarial Assumptions were Based | | July 1, 2014 - June 30, 2018 |

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.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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>Asset 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 Markets Equity | 12.50% | 9.00% |
| Emerging Markets Equity | 6.50% | 11.37% |
| Private Equity | 12.00% | 10.85% |
| | <u>100.00%</u> | |

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals 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

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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 City's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

| | 1% Decrease <u>(5.28%)</u> | Current Discount Rate <u>(6.28%)</u> | 1% Increase <u>(7.28%)</u> |
|--|---|---|---|
| City's Proportionate Share of the Net Pension Liability | \$ 3,727,369 | \$ 2,930,437 | \$ 2,296,473 |

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

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

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

The following represents the membership tiers for PFRS:

| <u>Tier</u> | <u>Definition</u> |
|-------------|---|
| 1 | Members who were enrolled prior to May 22, 2010. |
| 2 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 3 | Members who were eligible to enroll on or after June 28, 2011 |

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

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - 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. For fiscal year 2019, the State contributed an amount less than the actuarially determined amount. The Local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2019, the City’s contractually required contributions to PFRS plan was \$275,612.

Net Pension Liability and Pension Expense - At December 31, 2019 the City’s proportionate share of the PFRS net pension liability was \$3,339,129. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The City’s proportion of the net pension liability was based on the City’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2019. The City’s proportion measured as of June 30, 2019, was 0.02729%, which was an increase of 0.00100% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

| | <u>12/31/2019</u> | <u>12/31/2018</u> |
|--|-------------------|-------------------|
| | June 30, 2019 | June 30, 2018 |
| Actuarial valuation date (including roll forward) | | |
| Deferred Outflows of Resources | \$ 534,372 | \$ 690,635 |
| Deferred Inflows of Resources | 1,250,688 | 1,209,886 |
| Net Pension Liability | 3,339,129 | 3,557,505 |
| | | |
| City's portion of the Plan's total net pension Liability | 0.02729% | 0.02629% |

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2019, the City’s proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2019 measurement date was \$254,301. This expense is not recognized by the City because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the City contributed \$275,612 to the plan in 2019.

At December 31, 2019, the City had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between Expected and Actual Experience | \$ 28,187 | \$ 21,141 |
| Changes of Assumptions | 114,417 | 1,079,176 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 45,244 |
| Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions | 391,768 | 105,127 |
| | \$ 534,372 | \$ 1,250,688 |

The City will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

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

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | - |
| June 30, 2015 | - | 5.53 |
| June 30, 2016 | - | 5.58 |
| June 30, 2017 | 5.59 | - |
| June 30, 2018 | 5.73 | - |
| June 30, 2019 | - | 5.92 |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.17 | - |
| June 30, 2015 | 5.53 | - |
| June 30, 2016 | 5.58 | - |
| June 30, 2017 | - | 5.59 |
| June 30, 2018 | - | 5.73 |
| June 30, 2019 | - | 5.92 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | 5.00 |
| June 30, 2015 | - | 5.00 |
| June 30, 2016 | 5.00 | - |
| June 30, 2017 | 5.00 | - |
| June 30, 2018 | 5.00 | - |
| June 30, 2019 | - | 5.00 |
| Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.17 | 6.17 |
| June 30, 2015 | 5.53 | 5.53 |
| June 30, 2016 | 5.58 | 5.58 |
| June 30, 2017 | 5.59 | 5.59 |
| June 30, 2018 | 5.73 | 5.73 |
| June 30, 2019 | 5.92 | 5.92 |

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

| Year Ending | | |
|-----------------------|----------------------|-------------------------|
| <u>Dec 31,</u> | <u>Amount</u> | |
| 2020 | \$ | (214,722) |
| 2021 | | (184,284) |
| 2022 | | (160,047) |
| 2023 | | (115,556) |
| 2024 | | <u>(41,707)</u> |
| | <u>\$</u> | <u>(716,316)</u> |

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the City is \$527,255 as of December 31, 2019. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The State’s proportion of the net pension liability associated with the City was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2019 was 0.02729%, which was an increase of 0.00100% from its proportion measured as of June 30, 2018, which is the same proportion as the City’s. At December 31, 2019, the City’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

| | |
|---|----------------------------|
| City's Proportionate Share of Net Pension Liability | \$ 3,339,129 |
| State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City | <u>527,255</u> |
| | <u>\$ 3,866,384</u> |

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

At December 31, 2019, the State’s proportionate share of the PFRS expense, associated with the City, calculated by the plan as of the June 30, 2019 measurement date was \$61,263.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

| | | |
|--------------------------------|------|--|
| Inflation | | |
| Price | | 2.75% |
| Wage | | 3.25% |
| Salary Increases: | | |
| Through all future years | | 3.25 - 15.25% |
| | | Based on Years of Service |
| Investment Rate of Return | | 7.00% |
| Mortality Rate Table | | |
| | 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 |
| Period of Actuarial Experience | | |
| Study upon which Actuarial | | |
| Assumptions were Based | | July 1, 2013 - June 30, 2018 |

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.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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>Asset 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 Markets Equity | 12.50% | 9.00% |
| Emerging Markets Equity | 6.50% | 11.37% |
| Private Equity | 12.00% | 10.85% |
| | <u>100.00%</u> | |

Discount Rate - The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 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 City’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

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

| | 1% Decrease <u>(5.85%)</u> | Current Discount Rate <u>(6.85%)</u> | 1% Increase <u>(7.85%)</u> |
|---|---|---|---|
| City's Proportionate Share of the Net Pension Liability | \$ 4,513,286 | \$ 3,339,129 | \$ 2,367,345 |
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the City | 712,657 | 527,255 | 373,808 |
| | \$ 5,225,943 | \$ 3,866,384 | \$ 2,741,153 |

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the City.

Note 10. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

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

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

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Postemployment Benefits Other Than Pensions (continued):

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.

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775.00 and \$8,182,092,807.00, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Postemployment Benefits Other Than Pensions (continued):

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 OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

Additionally, the State's proportionate share of the OPEB liability attributable to the City is \$3,336,318.00 as of December 31, 2019. The OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The State's proportion of the OPEB liability associated with the City was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2019 was 0.06378%, which was an increase of 0.00055% from its proportion measured as of June 30, 2018, which is the same proportion as the City's. At December 31, 2019, the City's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

| | |
|---------------------------------------|-----------------|
| State of New Jersey's | |
| Proportionate Share of OPEB Liability | |
| Associated with the City | \$ 3,336,318.00 |

At December 31, 2019, the State's proportionate share of the OPEB expense, associated with the City, calculated by the plan as of the June 30, 2019 measurement date was \$44,224.00.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11: Municipal Debt

The following schedule represents the City's summary of debt, as filed in the City's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|-------------------------|-------------------------|-------------------------|
| Issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | \$ 2,420,000.00 | \$ 2,700,000.00 | \$ 531,000.00 |
| Utility: | | | |
| Bonds, Notes and Loans | 7,207,681.71 | 7,768,822.23 | 7,564,989.93 |
| | | | |
| Total Debt Issued | <u>9,627,681.71</u> | <u>10,468,822.23</u> | <u>8,095,989.93</u> |
| | | | |
| Authorized but not issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | 1,744,157.22 | 1,244,457.22 | 1,622,299.75 |
| Utility: | | | |
| Bonds, Notes and Loans | 517,055.35 | 1,252,599.35 | 1,272,319.35 |
| | | | |
| Total Authorized But Not Issued | <u>2,261,212.57</u> | <u>2,497,056.57</u> | <u>2,894,619.10</u> |
| | | | |
| Total Gross Debt | <u>\$ 11,888,894.28</u> | <u>\$ 12,965,878.80</u> | <u>\$ 10,990,609.03</u> |
| | | | |
| Deductions: | | | |
| General: | | | |
| Funds on Hand For Payment of Bonds and Notes: | | | |
| Reserve for Debt Service | \$ 6,854.37 | \$ 6,854.37 | \$ 6,854.37 |
| Utility: | | | |
| Self Liquidating Debt | 7,724,737.06 | 9,021,421.58 | 8,837,309.28 |
| | | | |
| Total Deductions | <u>7,731,591.43</u> | <u>9,028,275.95</u> | <u>8,844,163.65</u> |
| | | | |
| Total Net Debt | <u>\$ 4,157,302.85</u> | <u>\$ 3,937,602.85</u> | <u>\$ 2,146,445.38</u> |

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------|-------------------------|-------------------------|------------------------|
| Regional School Debt | \$ 5,774,949.73 | \$ 5,774,949.73 | \$ - |
| General Debt | 4,164,157.22 | 6,854.37 | 4,157,302.85 |
| Utility Debt | 7,724,737.06 | 7,724,737.06 | - |
| | | | |
| | <u>\$ 17,663,844.01</u> | <u>\$ 13,506,541.16</u> | <u>\$ 4,157,302.85</u> |

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11: Municipal Debt (continued)

Net Debt \$4,157,302.85 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$361,017,475.33, equals 1.152%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2019 is calculated as follows:

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

| | |
|---|---------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 12,635,611.64 |
| Net Debt | 4,157,302.85 |
| Remaining Borrowing Power | \$ 8,478,308.79 |

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

| | |
|---|---------------------|
| Cash Receipts From Fees, Rents or Other Charges for the Year | \$ 3,802,253.39 |
| Deductions: | |
| Operating and Maintenance Costs | \$ 1,866,944.00 |
| Debt Service | 782,136.26 |
| Total Deductions | 2,649,080.26 |
| Excess/(Deficit) in Revenue | \$ 1,153,173.13 |

*If Excess in Revenues all Utility Debt is Deducted

General Debt

A. Serial Bonds Payable

On December 8, 2010, the City issued \$540,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.25% to 5.00% and mature on October 15, 2020.

On September 6, 2018, the City issued \$2,575,000 of General Improvement Bonds, Series 2018. The General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on August 1, 2028.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11: Municipal Debt (continued)

Principal and interest due on the outstanding bonds is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------------|----------------------|------------------------|
| 2020 | 280,000.00 | 120,025.00 | 400,025.00 |
| 2021 | 225,000.00 | 107,000.00 | 332,000.00 |
| 2022 | 235,000.00 | 95,750.00 | 330,750.00 |
| 2023 | 245,000.00 | 84,000.00 | 329,000.00 |
| 2024 | 260,000.00 | 71,750.00 | 331,750.00 |
| 2025-2029 | 1,175,000.00 | 150,250.00 | 1,325,250.00 |
| | <u>\$ 2,420,000.00</u> | <u>\$ 628,775.00</u> | <u>\$ 3,048,775.00</u> |

B. Bond Anticipation Notes Payable – Short Term Debt

There were no bond anticipation notes outstanding or issued during the year.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2019, the City had \$1,744,157.22 in various General Capital bonds and notes authorized but not issued.

Water Utility Debt

A. Serial Bonds Payable

In 1979, the City issued \$1,900,000 of Utility Revenue Bonds. The Bonds were issued at an interest rate of 5.00% and matured January 1, 2019.

On December 21, 2010, the City issued \$1,970,000 of Utility Revenue Bonds guaranteed by the Burlington County Bridge Commission. The Bonds were issued at interest rates varying from 2.750% to 5.00% and mature on October 15, 2030.

On March 28, 2017, the City issued \$1,257,000 of Refunding Bonds to refund the callable portion of the outstanding 2006 Bond Issue. The Refunding Bonds generated \$100,016.21 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$95,641.52, or a net annual present value savings of 6.08%. The Refunding Bonds were issued at interest rates varying from 3.00% to 4.00% and mature on February 15, 2026.

On September 6, 2018, the City issued \$1,600,000 of County -Guaranteed Pooled Loan Revenue Bonds. The General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on August 1, 2033.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11: Municipal Debt (continued)

Principal and interest due on the outstanding bonds is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------------|------------------------|------------------------|
| 2020 | 290,000.00 | 164,748.76 | 454,748.76 |
| 2021 | 293,000.00 | 153,983.76 | 446,983.76 |
| 2022 | 309,000.00 | 140,513.76 | 449,513.76 |
| 2023 | 324,000.00 | 126,303.76 | 450,303.76 |
| 2024 | 339,000.00 | 111,393.76 | 450,393.76 |
| 2025-2029 | 1,446,000.00 | 335,953.80 | 1,781,953.80 |
| 2029-2033 | 680,000.00 | 69,750.00 | 749,750.00 |
| | <u>\$ 3,681,000.00</u> | <u>\$ 1,102,647.60</u> | <u>\$ 4,783,647.60</u> |

B. Loans Payable – New Jersey Agencies

New Jersey Environmental Infrastructure Trust

In 2010 the City finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of \$240,000 to be repaid over a 20 year period at an interest rate of 5.00%, and a no interest Fund Loan Agreement of \$255,000 to be repaid over a 20 year period. Both loans mature on August 1, 2030. The proceeds of the loans are to fund various water utility projects.

In 2017 the City finalized two additional loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the New Jersey Environmental Infrastructure Trust Financing Program.

The first loan consists of two agreements, a Trust Loan Agreement of \$415,000 to be repaid over a 20 year period at interest rates ranging from 3.00% to 5.00%, and a no interest Fund Loan Agreement of \$1,263,322 be repaid over a 20 year period. Both loans mature on August 1, 2036. The proceeds of the loans are to fund various water utility projects.

The second loan consists of two agreements, a Trust Loan Agreement of \$295,000 to be repaid over a 20 year period at interest rates ranging from 2.125% to 5.00%, and a no interest Fund Loan Agreement of \$887,033 to be repaid over a 20 year period. Both loans mature on August 1, 2037. The proceeds of the loans are to fund various water utility projects.

In 2018 the City finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of \$170,000 to be repaid over a 20 year period at an

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11: Municipal Debt (continued)

Water Utility Debt (continued)

interest rate ranging from 4.00-5.00%, and a no interest Fund Loan Agreement of \$512,544 to be repaid over a 20-year period. Both loans mature on August 1, 2038. The proceeds of the loans are to fund various water utility projects.

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------------|----------------------|------------------------|
| 2020 | 187,367.70 | 38,177.52 | 225,545.22 |
| 2021 | 187,367.70 | 36,587.52 | 223,955.22 |
| 2022 | 192,367.70 | 34,277.52 | 226,645.22 |
| 2023 | 202,367.70 | 32,077.52 | 234,445.22 |
| 2024 | 202,367.70 | 29,377.52 | 231,745.22 |
| 2023-2027 | 1,048,838.50 | 107,844.84 | 1,156,683.34 |
| 2028-2032 | 972,974.37 | 54,478.80 | 1,027,453.17 |
| 2033-2037 | 533,030.34 | 11,400.00 | 544,430.34 |
| | <u>\$ 3,526,681.71</u> | <u>\$ 344,221.24</u> | <u>\$ 3,870,902.95</u> |

D. Bonds and Notes Authorized But Not Issued

As of December 31, 2019 the City had \$517,055.35 in various Utility bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the City is as follows:

| | Balance December 31, <u>2018</u> | Accrued/ <u>Increases</u> | Retired/ <u>Decreases</u> | Balance December 31, <u>2019</u> | Balance Due Within <u>One Year</u> |
|------------------|--|------------------------------|------------------------------|--|--|
| General Capital: | | | | | |
| General Bonds | \$ 2,700,000.00 | \$ - | \$ 280,000.00 | \$ 2,420,000.00 | \$ 280,000.00 |
| | <u>\$ 2,700,000.00</u> | <u>\$ -</u> | <u>\$ 280,000.00</u> | <u>\$ 2,420,000.00</u> | <u>\$ 280,000.00</u> |
| Utility Capital: | | | | | |
| Utility Bonds | \$ 4,067,460.00 | \$ - | \$ 386,460.00 | \$ 3,681,000.00 | \$ 290,000.00 |
| Loans | 3,701,362.23 | - | 174,680.52 | 3,526,681.71 | 187,367.70 |
| | <u>\$ 7,768,822.23</u> | <u>\$ -</u> | <u>\$ 561,140.52</u> | <u>\$ 7,207,681.71</u> | <u>\$ 477,367.70</u> |

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12: Deferred Compensation Salary Account

The City offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the City or its creditors. Since the City does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the City’s financial statements.

Note 13: Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the City’s liability related to unused vacation, sick pay and compensation time. The City permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$386,426.70 at December 31, 2019.

Note 14: Risk Management

The City 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.

Joint Insurance Pool

The City is a member of the Burlington County Municipal Joint Insurance Fund. The Fund provides the City with the following primary coverage and limits:

| | |
|--|-----------|
| Crime | \$50,000 |
| Commercial General Liability | \$300,000 |
| Law Enforcement Professional Liability | \$300,000 |
| Bodily Injury and Property Damage Liability (Auto) | \$300,000 |
| Workers Compensation | \$300,000 |
| Environmental Legal Liability | various |

The following “excess” coverage and limits are provided to the Fund’s member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

| | |
|--|-------------|
| Worker’s Compensation | \$5,000,000 |
| Commercial General Liability | \$5,000,000 |
| Law Enforcement Professional Liability | \$5,000,000 |
| Employer’s Liability | \$5,000,000 |
| Auto Liability | \$5,000,000 |
| Crime | \$1,000,000 |

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 14: Risk Management (continued)

Contributions to the Funds are payable in two installments and are based on actuarial assumptions determined by the Funds’ actuaries. The Fund publishes its own financial report for the year ended December 31, 2019 which can be obtained on the Fund’s website.

New Jersey Unemployment Compensation Insurance

The City has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method.” Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The City is billed quarterly for amounts due to the State. The following is a summary of City contributions, reimbursements to the State for benefits paid and the ending balance of the City’s unemployment trust fund for the current and previous two years:

| <u>Year</u> | <u>Contributions</u> | <u>Employee Contributions</u> | <u>Interest Earned</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|----------------------|-------------------------------|------------------------|--------------------------|-----------------------|
| 2019 | \$ - | \$ - | \$ 458.36 | \$ - | \$ 23,092.31 |
| 2018 | - | - | 364.90 | - | 22,633.95 |
| 2017 | - | - | 183.10 | - | 22,269.05 |

Note 15: Contingencies

Grantor Agencies

The City receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2019 the City estimates that no material liabilities will result from such audits.

Litigation

The City is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the City, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 16. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2019 and September 9, 2020, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. Other than the following, no items have come to the attention of the City that would require disclosure.

COVID-19

COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and, on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy by way of executive orders, has ordered, among other things: all State residents to remain home or at their place of residence unless they meet one or more enumerated exceptions; all State residents to practice social distancing; gatherings of individuals, such as parties, celebrations and social events, are cancelled; non-essential businesses to cease operations from 8:00 p.m. to 5:00 a.m.; all restaurants and bars to close except for delivery or takeout services; casinos, racetracks, gyms and fitness centers and entertainment centers to close; all county and municipal libraries to close; all business and non-profits to accommodate telework or work-from-home arrangements; the cessation of all non-essential construction projects; an extension of insurance premium grace periods; all Pre-K through 12 schools to close; all universities and colleges in the State to cease in-person instruction; The City expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread of and impacts of COVID-19.

The City cannot reasonably predict how long the outbreak may impact the financial condition or operations of the City, whether there will be any impact on the assessed values of property within the City or the deferral of tax payments to the City or the costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs of the City.

On March 24, 2020, the Division of Local Government Services in the New Jersey Department of Community Affairs extended the date for introduction of municipal budgets to April 28, 2020 (or the next regularly scheduled governing body meeting thereafter) and the date for municipal budget adoption to May 30, 2020 (or the next regularly scheduled governing body meeting thereafter). The New Jersey Legislature is considering legislation that, if enacted, would permit the extension of any additional deadlines under the Local Budget Law, the Local Fiscal Affairs Law and the laws with respect to the issuance of tax bills. Such proposed legislation would also permit municipalities to institute an extended grace period for the receipt of property tax payments and to extend the dates for the payment of taxes by a municipality due to a county, a school district or any other taxing district. A proposed amendment to such proposed legislation would also provide that any shortfall in the property tax payments received by the municipality would be borne *pro rata* by the municipality, the county and the school district(s). There can be no assurance that this legislation, or any other actions, will be enacted by the New Jersey Legislature. The City does not plan to issue any updates or revisions regarding this legislation, or any other actions enacted by the New Jersey Legislature, if or when such legislation or other actions are enacted.

**CITY OF BORDENTOWN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 16. Subsequent Events (continued):

Debt Issued:

During March of 2020, the City approved one new bond ordinance. Ordinance 2020-01 was approved to be used for the Replacement of Water Mains and Water Services for a total of \$525,000 and authorized the issuance of debt in the amount of \$525,000 in bonds or notes in the Utility Capital Fund.

SUPPLEMENTAL SCHEDULES

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CURRENT FUND

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CITY OF BORDENTOWN
CURRENT FUND
SCHEDULE OF CASH - TREASURER
2019

| | | Current Fund | |
|--|----|--------------|---------------|
| Balance - December 31, 2018 | | \$ | 4,605,315.24 |
| <u>Increased By Receipts</u> | | | |
| Tax Collector | \$ | | 11,820,752.98 |
| Revenue Accounts Receivable | | | 1,366,027.01 |
| Miscellaneous Revenue Not Anticipated | | | 19,794.54 |
| State of New Jersey: | | | |
| Senior Citizen and Veterans Deductions | | | 22,750.00 |
| Marriage License, Civil Union, Burial Fees | | | 909.00 |
| Due Bordentown Sewerage Authority | | | 974.75 |
| Due Federal and State Grant Fund | | | 44,823.03 |
| Due Animal Control Fund | | | 0.00 |
| Due General Capital Fund | | | 361,653.44 |
| Due Water Utility Fund | | | 22,247.21 |
| | | | 13,659,931.96 |
| | | | 18,265,247.20 |
| <u>Decreased By Disbursements</u> | | | |
| 2019 Appropriations | | | 4,693,514.78 |
| 2018 Appropriation Reserves | | | 161,111.83 |
| County Taxes | | | 1,405,668.58 |
| Due County for Added and Omitted Taxes | | | 2,806.48 |
| Regional School Taxes | | | 6,720,742.18 |
| State of New Jersey: | | | |
| Marriage License, Civil Union, Burial Fees | | | 934.00 |
| Tax Overpayments | | | 757.90 |
| Refund of Prior Year Revenue | | | 7,071.48 |
| Due Bordentown Sewerage Authority | | | 974.75 |
| Due Federal and State Grant Fund | | | 174,487.29 |
| Due Other Trust Funds | | | 4,560.00 |
| Due General Capital Fund | | | 690,932.38 |
| | | | 13,863,561.65 |
| Balance - December 31, 2019 | | \$ | 4,401,685.55 |

CITY OF BORDENTOWN
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
2019

Increased By Receipts:

| | | | |
|--|----|---------------|------------------|
| Taxes Receivable | \$ | 11,582,763.94 | |
| Tax Overpayments | | 60,524.61 | |
| Tax Title Liens | | 10,918.42 | |
| 2020 Prepaid Taxes | | 79,414.20 | |
| Interest and Cost on Taxes | | 86,961.81 | |
| Miscellaneous Revenue Not Anticipated: | | | |
| Duplicate Bill Fees | | 170.00 | |
| | | | \$ 11,820,752.98 |

Decreased By Disbursements:

| | | | |
|-----------------------|--|--|------------------|
| Transfer to Treasurer | | | \$ 11,820,752.98 |
|-----------------------|--|--|------------------|

CURRENT FUND
SCHEDULE OF CHANGE FUNDS
2019

| Office | Balance Dec. 31, 2019 | | Balance Dec. 31, 2018 |
|-------------------------------|--------------------------|----|--------------------------|
| Tax Collector | \$ 100.00 | \$ | 100.00 |
| Municipal Court | 100.00 | | 100.00 |
| Registrar of Vital Statistics | 25.00 | | 25.00 |
| | \$ 225.00 | \$ | 225.00 |

CITY OF BORDENTOWN
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
2019

| Year | Balance Dec. 31, 2019 | 2019 Levy | Added Taxes | Paid By Cash | | State Of New Jersey Ch. 20 P.L. 1971 | Overpayments Applied | Canceled | Transferred To Tax Title Liens | Balance Dec. 31, 2019 |
|------|--------------------------|------------------|----------------|--------------|------------------|---|-------------------------|-------------|---|--------------------------|
| | | | | 2018 | 2019 | | | | | |
| 2017 | \$ 1.08 | \$ - | \$ - | \$ - | \$ 1.08 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2018 | 391,046.47 | | 6,584.66 | - | 396,646.56 | | | | 984.57 | |
| 2019 | - | 11,663,453.97 | 44,961.95 | 90,301.87 | 11,186,116.30 | 20,500.00 | 8,283.97 | 2,304.71 | 29,759.42 | 371,149.65 |
| | \$ 391,047.55 | \$ 11,663,453.97 | \$ 51,546.61 | \$ 90,301.87 | \$ 11,582,763.94 | \$ 20,500.00 | \$ 8,283.97 | \$ 2,304.71 | \$ 29,759.42 | \$ 372,134.22 |

ANALYSIS OF 2019 PROPERTY TAX LEVY

| | Tax Yield | Tax Levy |
|---------------------------------|------------------|------------------|
| General Purpose Tax | \$ 11,663,453.97 | \$ 6,722,543.00 |
| Added Taxes (54-4-3.1 et seq.) | 38,150.07 | |
| 6% Year End Penalty | 6,811.88 | |
| | | 1,405,668.58 |
| | | 4,613.52 |
| | | 1,410,282.10 |
| Local Tax for Municipal Purpose | 3,533,044.00 | |
| Add: Additional Tax Levied | 42,546.82 | |
| | | 3,575,590.82 |
| | \$ 11,708,415.92 | \$ 11,708,415.92 |

CITY OF BORDENTOWN
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
2019

| | | |
|---------------------------------|--------------|---------------|
| Balance - December 31, 2019 | | \$ 226,634.74 |
| Increased By: | | |
| Transfers From Taxes Receivable | \$ 29,759.42 | 29,759.42 |
| | | 256,394.16 |
| Decreased By: | | |
| Canceled | 200.00 | |
| Collected | 10,918.42 | 11,118.42 |
| Balance - December 31, 2019 | | \$ 245,275.74 |

CITY OF BORDENTOWN
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
2019

| | Balance | Accrued | Collection | | Balance |
|--------------------------------------|---------------------|------------------------|------------------------|---------------------|---------------------|
| | Dec. 31, 2018 | In 2019 | Treasurer | Collector | Dec. 31, 2019 |
| CLERK | | | | | |
| Licenses: | | | | | |
| Alcoholic Beverages | \$ - | \$ 20,376.00 | \$ 20,376.00 | \$ - | \$ - |
| Miscellaneous | - | 2,390.00 | 2,390.00 | - | - |
| Other Fees and Permits: | | | | | |
| Miscellaneous | - | 15,954.32 | 15,954.32 | - | - |
| Certificates of Occupancy | - | 6,030.00 | 6,030.00 | - | - |
| Boat Ramp Fees | - | 13,775.00 | 13,775.00 | - | - |
| Comcast - Municipal Right of Way | 24,847.48 | 27,005.99 | 27,847.48 | - | 24,005.99 |
| Verizon Franchise Fee | 33,602.49 | 31,579.75 | 33,602.49 | - | 31,579.75 |
| PLANNING BOARD | | | | | |
| Planning Board Fees | - | 1,450.00 | 1,450.00 | - | - |
| REGISTRAR OF VITAL STATISTICS | | | | | |
| Fees and Permits | - | 9,534.00 | 9,534.00 | - | - |
| MUNICIPAL COURT | | | | | |
| Fines and Costs | 7,026.59 | 133,543.74 | 131,585.55 | - | 8,984.78 |
| OTHER REVENUE | | | | | |
| Energy Receipts Tax | - | 392,762.00 | 392,762.00 | - | - |
| Payment In Lieu of Taxes | - | 246,613.94 | 246,613.94 | - | - |
| Utility Operating Surplus | - | 120,000.00 | 120,000.00 | - | - |
| Interlocal Service Agreements | - | 29,714.00 | 29,714.00 | - | - |
| Rentals of Municipal Property | - | 223,006.53 | 223,006.53 | - | - |
| Interest and Costs on Taxes | - | 86,961.81 | - | 86,961.81 | - |
| Interest on Investments and Deposits | - | 92,308.24 | 92,308.24 | - | - |
| | <u>\$ 65,476.56</u> | <u>\$ 1,453,005.32</u> | <u>\$ 1,366,949.55</u> | <u>\$ 86,961.81</u> | <u>\$ 64,570.52</u> |

CITY OF BORDENTOWN
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
2019

| | Balance Dec. 31, 2018 | Balance After Transfer | Paid Or Charged | Balance Lapsed |
|--|-----------------------------|------------------------------|--------------------|-------------------|
| APPROPRIATIONS WITHIN "CAPS" | | | | |
| Dept. of Public Affairs & Public Safety | | | | |
| Administration of Public Assistance | | | | |
| Other Expenses | \$ 1,300.00 | \$ 1,300.00 | \$ 210.00 | \$ 1,090.00 |
| Legal Services and Costs | | | | |
| Other Expenses | 39,946.30 | 39,946.30 | 10,847.08 | 29,099.22 |
| Police | | | | |
| Salaries & Wages | 8,395.09 | 8,395.09 | - | 8,395.09 |
| Other Expenses | 17,548.28 | 17,548.28 | 10,752.22 | 6,796.06 |
| Office of Emergency Management Services | | | | |
| Salaries & Wages | 5,000.00 | 5,000.00 | - | 5,000.00 |
| Beach Maintenance | | | | |
| Salaries & Wages | 2,617.00 | 2,617.00 | - | 2,617.00 |
| Other Expenses | 2,837.44 | 2,837.44 | 145.84 | 2,691.60 |
| Dept. of Revenue and Finance | | | | |
| Insurance | | | | |
| Other Insurance Premiums | 5,000.00 | 5,000.00 | - | 5,000.00 |
| Group Insurance for Employees | 77,877.22 | 77,877.22 | - | 77,877.22 |
| Unemployment Insurance | 1,205.16 | 1,205.16 | 775.54 | 429.62 |
| Disability Insurance | 1,074.08 | 1,074.08 | 110.79 | 963.29 |
| Municipal Clerk | | | | |
| Salaries & Wages | 35,554.21 | 35,554.21 | - | 35,554.21 |
| Other Expenses | 30,593.88 | 30,593.88 | 4,942.03 | 25,651.85 |
| Financial Administration | | | | |
| Salaries & Wages | 3,374.65 | 3,374.65 | - | 3,374.65 |
| Other Expenses | 5,632.89 | 5,232.89 | 2,216.40 | 3,016.49 |
| Assessment of Taxes | | | | |
| Salaries & Wages | 942.00 | 942.00 | - | 942.00 |
| Other Expenses | 6,098.09 | 6,098.09 | 869.01 | 5,229.08 |
| Collection of Taxes | | | | |
| Salaries & Wages | 1,757.46 | 1,757.46 | - | 1,757.46 |
| Other Expenses | 1,471.82 | 1,471.82 | 67.60 | 1,404.22 |
| Audit Services | | | | |
| Other Expenses | 6,725.00 | 6,725.00 | - | 6,725.00 |
| Dept. of Public Works & Public Property | | | | |
| Road Repairs and Maintenance | | | | |
| Salaries & Wages | 5,129.77 | 5,129.77 | - | 5,129.77 |
| Other Expenses | 23,191.17 | 23,191.17 | 14,693.39 | 8,497.78 |
| Parks and Playgrounds | | | | |
| Other Expenses | 71.05 | 71.05 | - | 71.05 |
| Public Buildings and Grounds | | | | |
| Salaries & Wages | 37,563.35 | 35,563.35 | - | 35,563.35 |
| Other Expenses | 19,658.78 | 21,658.78 | 19,945.44 | 1,713.34 |
| Shade Tree Committee | | | | |
| Other Expenses | 6,087.00 | 6,087.00 | 800.00 | 5,287.00 |

CITY OF BORDENTOWN
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
2019

| | Balance Dec. 31, 2018 | Balance After Transfer | Paid Or Charged | Balance Lapsed |
|---|-----------------------------|------------------------------|----------------------|----------------------|
| Environmental Commission | | | | |
| Other Expenses | 453.00 | 453.00 | 452.40 | 0.60 |
| Historic Preservation Commission | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | - | 1,000.00 |
| Economic Development | | | | |
| Other Expenses | 1,150.00 | 1,150.00 | - | 1,150.00 |
| Garbage and Trash | | | | |
| Salaries & Wages | 29,964.37 | 29,964.37 | - | 29,964.37 |
| Sanitary Landfill Fees | 32,796.30 | 32,796.30 | 13,663.83 | 19,132.47 |
| Engineering Services and Costs | | | | |
| Other Expenses | 104,234.23 | 104,234.23 | 49,472.51 | 54,761.72 |
| Municipal Land Use Law (NJSA 40:55D-1) | | | | |
| Planning Board | | | | |
| Salaries & Wages | 56.52 | 56.52 | - | 56.52 |
| Other Expenses | 40.18 | 440.18 | 375.00 | 65.18 |
| Unclassified | | | | |
| Electricity | 23,132.74 | 23,132.74 | 3,578.38 | 19,554.36 |
| Street Lighting | 23,950.04 | 23,950.04 | 4,964.55 | 18,985.49 |
| Telecommunications | 11,300.85 | 11,300.85 | 1,171.02 | 10,129.83 |
| Natural Gas | 10,719.34 | 10,719.34 | 2,636.12 | 8,083.22 |
| Fuel Oil | 5,000.00 | 5,000.00 | - | 5,000.00 |
| Sewerage | 115.22 | 115.22 | - | 115.22 |
| Gasoline | 27,085.81 | 27,085.81 | 3,672.67 | 23,413.14 |
| Vehicle Maintenance | | | | |
| Other Expenses | 22,896.59 | 22,896.59 | 641.43 | 22,255.16 |
| Statutory Expenditures | | | | |
| Contribution To: | | | | |
| Social Security System (O.A.S.I.) | 61.55 | 61.55 | - | 61.55 |
| Defined Contribution Retirement Program | 1,000.00 | 1,000.00 | - | 1,000.00 |
| APPROPRIATIONS EXCLUDED FROM "CAPS" | | | | |
| Shared Services Agreement: | | | | |
| Township of Bordentown - Municipal Court | 77,038.44 | 77,038.44 | 5,248.13 | 71,790.31 |
| Township of Bordentown - Ambulance Services | 9,029.54 | 9,029.54 | - | 9,029.54 |
| Capital Appropriations: | | | | |
| Sidewalk and Tree Improvements | 8,860.45 | 8,860.45 | 8,860.45 | - |
| | <u>\$ 736,536.86</u> | <u>\$ 736,536.86</u> | <u>\$ 161,111.83</u> | <u>\$ 575,425.03</u> |
| Reserved | \$ 677,419.04 | | Paid \$ 161,111.83 | |
| Encumbered | <u>59,117.82</u> | | Encumbered - | |
| | <u>\$ 736,536.86</u> | | <u>\$ 161,111.83</u> | |

CITY OF BORDENTOWN
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
2019

| | | |
|--|-------------|--------------|
| Balance - December 31, 2018 | | \$ 11,729.24 |
| Decreased by: | | |
| Accrued In 2019: | | |
| Senior Citizens' Deductions per Billings | \$ 5,000.00 | |
| Veterans' Deductions per Billings | 17,250.00 | |
| Less: | | |
| Disallowed by Collector: | | |
| Senior Citizens' Deductions | 1,750.00 | |
| | | 20,500.00 |
| | | 8,770.76 |
| Increased by: | | |
| Collection | | 22,750.00 |
| Balance - December 31, 2019 | | \$ 13,979.24 |

CITY OF BORDENTOWN
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
2019

| | |
|------------------------------------|-------------------------|
| Balance - December 31, 2018 | \$ 189.08 |
| 2019 Tax Levy: | |
| County Tax | 1,188,635.74 |
| County Library Tax | 111,084.92 |
| County Open Space Preservation Tax | 105,947.92 |
| | <u>1,405,857.66</u> |
| Decreased By: | |
| Payments | <u>1,405,668.58</u> |
| Balance - December 31, 2019 | <u><u>\$ 189.08</u></u> |

CURRENT FUND
SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES
2019

| | |
|--------------------------------------|---------------------------|
| Balance - December 31, 2018 | \$ 2,806.48 |
| Increased By: | |
| County Share of Added & Omitted Levy | <u>4,613.52</u> |
| | 7,420.00 |
| Decreased By: | |
| Payment | <u>2,806.48</u> |
| Balance - December 31, 2019 | <u><u>\$ 4,613.52</u></u> |

CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL TAXES
2019

| | |
|-----------------------------|---------------------------|
| Balance - December 31, 2018 | \$ 6.84 |
| Increased By: | |
| Levy - Calendar Year | <u>6,722,543.00</u> |
| | 6,722,549.84 |
| Decreased By: | |
| Payments | <u>6,720,742.18</u> |
| Balance - December 31, 2019 | <u><u>\$ 1,807.66</u></u> |

CITY OF BORDENTOWN
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
2019

Balance - December 31, 2019 and 2018

\$ 607,500.00

CITY OF BORDENTOWN
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
2019

| Grant | Balance Dec. 31, 2018 | Budget Revenue Anticipated | Cash Receipts | Transfer from Unappropriated Reserves | Canceled/ Reclassified | Balance Dec. 31, 2019 |
|--|--------------------------|----------------------------------|---------------------|---|---------------------------|--------------------------|
| Federal Grants: | | | | | | |
| - None - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State Grants: | | | | | | |
| Clean Communities Program | | | | | | |
| Body Amor Replacement Program | 1,489.22 | 1,591.98 | 1,591.98 | - | - | 1,489.22 |
| Recycling Grant | - | 6,247.68 | 6,247.68 | - | - | - |
| Alcohol Education & Rehabilitation Fund | - | 241.12 | 241.12 | - | - | - |
| Green Communities | - | 9,285.99 | 9,285.99 | - | - | - |
| Click It or Ticket | - | 5,500.00 | 5,500.00 | - | - | - |
| ANJEC Open Space Grant/Oliver Street | - | 1,500.00 | 1,000.00 | - | - | 500.00 |
| Municipal Alliance Grant: | | | | | | |
| Grant Funds | 17,630.62 | 14,804.00 | 12,706.26 | - | - | 19,728.36 |
| Matching Funds - Bordentown Township | 1,850.50 | 1,850.50 | - | - | - | 3,701.00 |
| Distracted Driving | - | 5,500.00 | 5,500.00 | - | - | - |
| Drive Sober or Get Pulled Over | 660.00 | - | - | - | - | 660.00 |
| NJDL&PS - Division of Highway Traffic Safety: 2019 Year End Holiday Crackdown - Drive Sober | - | 5,500.00 | 2,750.00 | - | - | 2,750.00 |
| Delaware Valley Regional Planning Commission (CDI) | 14,205.64 | - | - | - | - | 14,205.64 |
| NJ Transportation Trust Fund: | | | | | | |
| Lafayette, Hopkinson & West Streets | 69,861.36 | - | - | - | - | 69,861.36 |
| NJDOT - Promenade Phase II (Design Engineering) | 34,691.85 | - | - | - | - | 34,691.85 |
| NJDOT - Burlington Street Overlay | 48,250.00 | - | - | - | - | 48,250.00 |
| NJDOT - Second Street Overlay | 240,000.00 | - | - | - | (240,000.00) | - |
| NJDOT - West Street | - | 260,000.00 | - | - | - | 260,000.00 |
| NJDOT - Oliver Street | - | 245,000.00 | - | - | - | 245,000.00 |
| Body Worn Camera Grant | 5,500.00 | - | - | - | - | 5,500.00 |
| Local Funds: | | | | | | |
| Burlington County Parks & Recreation Program - 2014 | 186.67 | - | - | - | - | 186.67 |
| Burlington County Parks & Recreation Program - 2015 | 7,302.59 | - | - | - | - | 7,302.59 |
| Burlington County Parks & Recreation Program - 2017 | 123,260.00 | - | - | - | - | 123,260.00 |
| Delaware Valley Regional Planning Grant | 6,908.86 | - | - | - | - | 6,908.86 |
| | <u>\$ 571,797.31</u> | <u>\$ 557,021.27</u> | <u>\$ 44,823.03</u> | <u>\$ -</u> | <u>\$ (240,000.00)</u> | <u>\$ 843,995.55</u> |
| | Budget \$ 24,494.16 | Transfer to General Capital Fund | \$ - | \$ - | \$ (240,000.00) | \$ - |
| | C.159s | 532,527.11 | - | - | - | - |
| | <u>\$ -</u> | <u>\$ 557,021.27</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF BORDENTOWN
 FEDERAL AND STATE GRANT FUND
 SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED
 2019

| Grant | Balance Dec. 31, 2018 | Transferred From 2019 Budget Appropriation | Prior Year Encumbrances | Expended | Current Year Encumbrances | Canceled/ Reclassified | Balance Dec. 31, 2019 |
|---|-----------------------------|--|----------------------------|----------------------|------------------------------|---------------------------|-----------------------------|
| Federal Grants: | | | | | | | |
| - None - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State Grants: | | | | | | | |
| Clean Communities Grant | 17,000.12 | 9,285.99 | 2,302.95 | 2,674.82 | 2,302.95 | - | 23,611.29 |
| Recycling Grant | 24,235.49 | 6,247.68 | - | 5,516.40 | - | - | 24,966.77 |
| Alcohol, Education, Rehabilitation and Enforcement Fund | 9,514.27 | 241.12 | - | - | - | - | 9,755.39 |
| Municipal Alliance Grant | 20,014.81 | 14,804.00 | - | 15,686.47 | 250.00 | - | 18,882.34 |
| Matching Funds - Twp | - | - | - | - | - | - | - |
| Matching Funds | 1,850.50 | 3,701.00 | - | - | - | - | 5,551.50 |
| Green Communities Grant | 276.96 | - | - | - | - | - | 276.96 |
| Sustainable New Jersey | 3.80 | - | - | - | - | - | 3.80 |
| NJ Transportation Trust Fund: | | | | | | | |
| Lafayette, Hopkinson & West Streets | 72,490.70 | - | - | - | - | - | 72,490.70 |
| NJ DOT - Safe Routes the Transit Program, Promenade | 34,610.95 | - | - | - | - | - | 34,610.95 |
| NJ DOT - Engineering Design Grant, Promenade Phase II | 20,160.00 | - | - | - | - | - | 20,160.00 |
| NJ DOT - Burlington Street Overlay | 193,000.00 | - | - | 193,000.00 | - | - | - |
| NJ DOT - Second Street Overlay | 240,000.00 | - | - | - | - | (240,000.00) | - |
| NJ DOT - West Street Overlay | - | 260,000.00 | - | - | - | - | 260,000.00 |
| NJ DOT - Oliver Street Overlay | - | 245,000.00 | - | - | - | - | 245,000.00 |
| Body Armor Replacement Program | 1,346.40 | 1,591.98 | 1,798.00 | 61.58 | 4,674.80 | - | - |
| Drunk Driving Enforcement Fund | 6,176.26 | - | - | 264.00 | - | - | 5,912.26 |
| Buckle Up South Jersey Grant | 2,000.00 | - | - | - | - | - | 2,000.00 |
| Body Worn Camera Grant | 5,500.00 | - | - | - | - | - | 5,500.00 |
| Green Communities | 3,000.00 | - | - | - | - | - | 3,000.00 |
| Drive Sober or Get Pulled Over | - | - | - | - | - | - | - |
| NJDL&PS - Division of Highway Traffic Safety: | | | | | | | |
| 2019 Year End Holiday Crackdown - Drive Sober | - | 5,500.00 | - | 3,355.00 | - | - | 2,145.00 |
| Click It or Ticket | - | 5,500.00 | - | 5,500.00 | - | - | - |
| ANJEC Open Space Grant/Oliver Street | - | 1,500.00 | - | - | - | - | 1,500.00 |
| Distracted Driving | - | 5,500.00 | - | 5,500.00 | - | - | - |
| Local Funds: | | | | | | | |
| Burlington County Parks & Recreation Program - 2014 | 21,613.18 | - | - | - | - | - | 21,613.18 |
| Burlington County Parks & Recreation Program - 2015 | 903.30 | - | - | - | - | - | 903.30 |
| Burlington County Parks & Recreation Program - 2017 | 123,260.00 | - | - | - | - | - | 123,260.00 |
| Delaware Valley Regional Planning Grant | 49.00 | - | - | - | - | - | 49.00 |
| EMT Contributions | 150.00 | - | - | - | - | - | 150.00 |
| Police Department | 1,270.00 | - | - | - | - | - | 1,270.00 |
| Comcast Contribution - Technology | 168.57 | - | - | - | - | - | 168.57 |
| | <u>\$ 798,594.31</u> | <u>\$ 558,871.77</u> | <u>\$ 4,100.95</u> | <u>\$ 231,558.27</u> | <u>\$ 7,227.75</u> | <u>\$ (240,000.00)</u> | <u>\$ 882,781.01</u> |
| | | 40A:4-87 \$ 532,527.11 | | 57,070.98 | Due to Water Capital Fund | | |
| | | Budget 26,344.66 | | 174,487.29 | Cash Disbursed | | |
| | | <u>\$ 558,871.77</u> | | <u>\$ 231,558.27</u> | | | |

CITY OF BORDENTOWN
 FEDERAL AND STATE GRANT FUND
 SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED
 2019

| Grant | Balance Dec. 31, 2018 | Received in 2019 | Transferred To 2019 Budget Appropriations | Balance Dec. 31, 2019 |
|-------|-----------------------------|------------------------|--|-----------------------------|
| | NONE | | | |
| | \$ - | \$ - | \$ - | \$ - |
| | | | | |

CITY OF BORDENTOWN
 FEDERAL & STATE GRANT FUND
 SCHEDULE OF DUE FROM/(TO) CURRENT FUND
 2019

| | | |
|----------------------------|-------------|---------------|
| Balance, December 31, 2018 | | \$ 266,819.95 |
| Increased By: | | |
| Local Matching Funds | \$ 1,850.50 | |
| Cash Receipts: | | |
| Grant Receivable | 44,823.03 | |
| | | 46,673.53 |
| | | 313,493.48 |
| Decreased By: | | |
| Cash Disbursements | 174,487.29 | |
| Other Adjustments | 35,922.00 | |
| | | 210,409.29 |
| Balance, December 31, 2019 | | \$ 103,084.19 |

TRUST FUND

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CITY OF BORDENTOWN
TRUST FUND
SCHEDULE OF CASH - TREASURER
2019

| | <u>Animal Control</u> | <u>Other</u> |
|------------------------------------|---------------------------|-----------------------------|
| Balance - December 31, 2018 | \$ 3,868.68 | \$ 521,053.09 |
| Increased By: | | |
| Dog License Fees | \$ 2,340.00 | \$ - |
| State Registration Fees | 317.40 | - |
| Due to Current Fund | 28.58 | 6,221.12 |
| Miscellaneous Reserves | <u>-</u> | <u>4,230,792.76</u> |
| | <u>2,685.98</u> | <u>4,237,013.88</u> |
| | 6,554.66 | 4,758,066.97 |
| Decreased By Disbursements: | | |
| Expenditures Under R.S. 4:19-15.11 | 1,785.00 | - |
| State Registration Fees | 317.40 | - |
| Due to Current Fund | - | - |
| Miscellaneous Reserves | <u>-</u> | <u>4,174,054.41</u> |
| | <u>2,102.40</u> | <u>4,174,054.41</u> |
| Balance - December 31, 2019 | <u><u>\$ 4,452.26</u></u> | <u><u>\$ 584,012.56</u></u> |

CITY OF BORDENTOWN
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
2019

| | | |
|------------------------------------|----|----------|
| Balance - December 31, 2018 | \$ | 3,893.68 |
| Increased By: | | |
| Dog License Fees Collected | | 2,340.00 |
| | | 6,233.68 |
| Decreased By: | | |
| Expenditures Under R.S. 4.19-15.11 | | 1,785.00 |
| | | 4,448.68 |
| Balance - December 31, 2019 | \$ | 4,448.68 |

| <u>License Fees Collected</u> | |
|-------------------------------|---------------|
| <u>Year</u> | <u>Amount</u> |
| 2017 | 2,565.00 |
| 2018 | 3,893.68 |
| | 6,458.68 |
| | \$ 6,458.68 |

CITY OF BORDENTOWN
TRUST FUND
SCHEDULE OF DUE TO/(FROM) CURRENT FUND
2019

| | Total | Lien | | | Other Trust |
|---|---------------|--------------------|--------------------|----------------|---------------|
| | | Redemption Account | Anderson Mini Park | Pubic Defender | |
| Balance - December 31, 2018 - Due (To)/From | \$ 2,283.33 | \$ 2,904.30 | \$ - | \$ - | \$ (620.97) |
| Decreased / Increased By: | | | | | |
| Interest Earned | (1,741.12) | (922.54) | - | - | (818.58) |
| Payments made by Current Fund | (4,480.00) | - | (1,680.00) | (2,800.00) | - |
| | (6,221.12) | (922.54) | (1,680.00) | (2,800.00) | (818.58) |
| Balance - December 31, 2019 - Due (To)/From | \$ (3,937.79) | \$ 1,981.76 | \$ (1,680.00) | \$ (2,800.00) | \$ (1,439.55) |

CITY OF BORDENTOWN
SCHEDULE OF MISCELLANEOUS RESERVES
2019

| | Balance Dec. 31, 2018 | Increased | Decreased | Balance Dec. 31, 2019 |
|-----------------------------------|--------------------------|------------------------|------------------------|--------------------------|
| Disposal of Forfeited Property | \$ 12,116.61 | \$ 245.39 | \$ - | \$ 12,362.00 |
| Developers Escrow Funds | 36,458.06 | 39,141.68 | 36,436.95 | 39,162.79 |
| Police Outside Duty | 6,947.21 | 36,377.86 | 35,512.86 | 7,812.21 |
| Parking Offenses Adjudication Act | 5,863.18 | 804.00 | - | 6,667.18 |
| Crime Watch | 222.48 | 4.51 | - | 226.99 |
| DARE Program | 241.04 | 4.87 | - | 245.91 |
| Municipal Public Defender | 15,063.44 | 1,546.06 | 2,800.00 | 13,809.50 |
| Developers Trust - Boston & Wells | 1,998.09 | 40.47 | - | 2,038.56 |
| Performance Bond - Boston & Wells | 152,661.88 | 3,091.56 | - | 155,753.44 |
| Monastery Trust | 622.28 | - | - | 622.28 |
| Affordable Housing | 1.00 | - | - | 1.00 |
| Police Explorers | 1,084.49 | 21.97 | - | 1,106.46 |
| Mercer Management & Development | 57,265.40 | 1,163.79 | 1,356.06 | 57,073.13 |
| Parks & Recreation Commission | 54,184.09 | 27,899.50 | 42,105.75 | 39,977.84 |
| Shade Tree | 2,450.24 | 352.76 | - | 2,803.00 |
| Marietta A. Sabo | 110,768.77 | 2,434.90 | 1,871.71 | 111,331.96 |
| Unemployment Compensation | 22,633.95 | 458.36 | - | 23,092.31 |
| Payroll Deductions Payable | 1,299.72 | 3,985,406.68 | 3,980,055.79 | 6,650.61 |
| Tax Sale Premiums | 41,400.00 | 57,000.00 | 14,300.00 | 84,100.00 |
| TTL Redemption | - | 59,615.29 | 59,615.29 | - |
| DCA - Escrow Interest | 54.49 | 2.30 | - | 56.79 |
| Cranbury Park, LL | - | 15,000.00 | - | 15,000.00 |
| Other | - | 180.81 | - | 180.81 |
| | <u>\$ 523,336.42</u> | <u>\$ 4,230,792.76</u> | <u>\$ 4,174,054.41</u> | <u>\$ 580,074.77</u> |

GENERAL CAPITAL FUND

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CITY OF BORDENTOWN
 GENERAL CAPITAL FUND
 ANALYSIS OF DUE (TO)/FROM CURRENT FUND
 2019

| Fund Balance Dec. 31, 2018 | Receipts | | Disbursements | | Transfers | | Balance Dec. 31, 2019 |
|-------------------------------|---|---------------|-------------------------------|---------------|---------------|---------------|--------------------------|
| | Budget Appropriations | Miscellaneous | Improvement Authorizations | Miscellaneous | From | To | |
| \$ 48,479.32 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 48,479.32 |
| 49,400.00 | 20,000.00 | - | - | - | 26,300.00 | - | 43,100.00 |
| 6,854.37 | - | - | - | - | - | - | 6,854.37 |
| 36,981.28 | - | - | - | - | - | - | 36,981.28 |
| 16,853.51 | - | 181,653.44 | - | - | 181,653.44 | - | 16,853.51 |
| - | - | - | - | - | - | 80,088.44 | 80,088.44 |
| - | - | 180,000.00 | - | - | 240,000.00 | - | (60,000.00) |
| 333,590.80 | - | - | - | - | 333,590.80 | 134,160.37 | 134,160.37 |
| Improvement Authorizations: | | | | | | | |
| Ordinance | | | | | | | |
| Number | <u>Improvement Description</u> | | | | | | |
| 2010-09 | Various Improvements: | | | | | | |
| | Acquisition of Garbage Truck & Sweeper Vehicle | | | | | | |
| | Improvements & Renovations to Old City Hall | | | | | | |
| | Improvements to Gilder House - HVAC | | | | | | |
| | Construction & Improvements to Railroad Ave Promenade | | | | | | |
| 2011-08 | Various Improvements: | | | | | | |
| | Sidewalk Replacement & Landscape Improvements | | | | | | |
| | Renovations to Old City Hall | | | | | | |
| 2014-09 | Various Improvements: | | | | | | |
| | Repairs, Renovations & Paving to Gilder House & Carlslake Center | | | | | | |
| | Repairs & Renovations to Old City Hall | | | | | | |
| | Improvements to City Hall | | | | | | |
| | Acquisition of Various Vehicles & Equipment for Public Works | | | | | | |
| | Acquisition of Pole Barn for Public Works | | | | | | |
| | Tree Removal Program | | | | | | |
| 2016-11 | Various Improvements: | | | | | | |
| | Streets, Sidewalks, Curbs and Landscape Improvements | | | | | | |
| | Refurbishment of Ambulance | | | | | | |
| 2017-02 | Repairs and Replacement of City Public Works Garage, Capital Equipment and Vehicles | | | | | | |
| 2017-18 | Installation of Elevator at Old City Hall | | | | | | |
| 2018-07 | Burlington Street Overlay | | | | | | |
| 2018-09 | Acquisition of Fire Truck and Garbage Truck | | | | | | |
| 2019-08 | Various Capital Improvements | | | | | | |
| 2019-11 | Repaving Second Street | | | | | | |
| DUE FROM CURRENT FUND | | | \$ 690,932.38 | \$ - | \$ 995,793.05 | \$ 995,793.05 | \$ 249,946.97 |

CITY OF BORDENTOWN
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
2019

| | |
|--|------------------------|
| Balance - December 31, 2018 | \$ 2,700,000.00 |
| Decreased By: | |
| 2019 Budget Appropriation to Pay Bonds | <u>280,000.00</u> |
| Balance - December 31, 2019 | <u>\$ 2,420,000.00</u> |

CITY OF BORDENTOWN
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
2019

| Ordinance Number | Improvement Description | Date Of Ordinance | Balance Dec 31, 2018 | 2019 Authorizations | Funded | Balance Dec 31, 2019 | Analysis of Balance December 31, 2019 | |
|-----------------------|---|-------------------|----------------------|---------------------|--------|----------------------|---------------------------------------|---------------------------------------|
| | | | | | | | Bond Anticipation Notes | Unexpended Improvement Authorizations |
| General Improvements: | | | | | | | | |
| 2005-16 / | | 7/11/05 | | | | | | |
| 2006-05 / | | 2/27/06 | | | | | | |
| 2008-02 | Various Improvements: Improvements to Gilder House | 1/28/08 | \$ 45,775.22 | \$ - | \$ - | \$ 45,775.22 | \$ - | \$ 45,775.22 |
| 2010-09 | Various Improvements: Construction & Improvements to Railroad Ave Promenade | 6/14/10 | 300,500.00 | - | - | 300,500.00 | - | 300,500.00 |
| 2014-09 | Various Improvements: Repairs, Renovations & Paving to Gilder House & Carslake Center | 8/11/14 | - | - | - | - | - | - |
| | Repairs & Renovations to Old City Hall | | 48.90 | - | - | 48.90 | - | - |
| | Improvements to City Hall | | 250.00 | - | - | 250.00 | - | 250.00 |
| | Acquisition of Various Vehicles & Equipment for Public Works | | - | - | - | - | - | - |
| | Acquisition of Pole Barn for Public Works | | 57,000.00 | - | - | 57,000.00 | - | 57,000.00 |
| | Tree Removal Program | | 350.00 | - | - | 350.00 | - | 350.00 |
| 2017-02 | Repair and Replacement of City Public Works Garage, Capital Equipment and Vehicles | 1/23/17 | 839,700.00 | - | - | 839,700.00 | - | 839,700.00 |
| 2017-18 | Installation of Elevator at Old City Hall | 12/11/17 | 551.10 | - | - | 551.10 | - | 551.10 |
| 2018-07 | Burlington Street Overlay | 5/14/18 | 282.00 | - | - | 282.00 | - | 282.00 |
| 2018-09 | Acquisition of Trash Truck and Fire Truck | 5/14/18 | - | - | - | - | - | - |
| 2019-08 | Various Capital Improvements | 5/13/19 | - | 319,200.00 | - | 319,200.00 | - | 319,200.00 |
| 2019-11 | Repaving Second Street | 7/8/19 | - | 180,500.00 | - | 180,500.00 | - | 180,500.00 |
| | | | \$ 1,244,457.22 | \$ 499,700.00 | \$ - | \$ 1,744,157.22 | \$ - | \$ 1,744,157.22 |

| | |
|---------------------------------------|------------------------|
| Unexpended Improvement Authorizations | \$ 1,256,160.83 |
| Less: Unexpended Note Proceeds | - |
| | <u>\$ 1,256,160.83</u> |

CITY OF BORDENTOWN
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
2019

| Ordinance Number | Improvement Description | Date | Ordinance Amount | | Balance December 31, 2018 | | 2019 Authorizations | | Grant Receivable | Insurance Proceeds | PY Encumbrances | Disbursed | CY Encumbrances | | Balance December 31, 2019 | |
|-----------------------------|---|-------------------------------|------------------|----------|---------------------------|---------------|--------------------------|--|------------------|--------------------|-----------------|-------------------------------------|-----------------|---------------|---------------------------|-----------------|
| | | | Funded | Unfunded | Funded | Unfunded | Capital Improvement Fund | Deferred Charges to Future Taxation Unfunded | | | | | Funded | Unfunded | | |
| General Improvements | | | | | | | | | | | | | | | | |
| 2006-16 / 2006-05 / 2008-02 | Various Improvements: Improvements to Gilder House | 7/11/05 2/27/06 1/28/08 | \$ 344,000.00 | \$ - | \$ - | \$ 45,775.22 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 45,775.22 |
| 2010-09 | Various Improvements: Acquisition of Garage, Truck & Sweeper Vehicle Improvements to Old City Hall | 6/14/10 | 340,000.00 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2011-08 | Various Improvements: Improvements to Gilder House - HVAC Construction & Improvements to Railroad Ave Promenade | 8/8/11 | 370,000.00 | - | - | 300,500.00 | - | - | - | - | - | - | - | - | 39,120.15 | 300,500.00 |
| 2014-09 | Various Improvements: Sidewalk Replacement & Landscape Improvements Renovations to Old City Hall | 8/11/14 | 250,000.00 | - | - | - | - | - | - | - | - | - | - | - | 2,783.55 | - |
| 2016-11 | Various Improvements: Streets, Sidewalks, Curbs and Landscape Improvements Refurbishment of Ambulance | 6/13/16 | 125,000.00 | - | - | - | - | - | - | - | - | - | - | - | 37,988.18 | - |
| 2017-02 | Repair and Replacement of City Public Works Garage, Capital Equipment and Vehicles | 1/23/17 | 1,220,000.00 | - | - | - | 379,435.06 | - | - | 181,653.44 | 33,232.60 | 35,598.50 | - | - | 5,505.42 | - |
| 2017-18 | Installation of Elevator at Old City Hall | 12/11/17 | 226,286.20 | - | - | 551.10 | - | - | - | - | 5,660.00 | - | - | - | 17,288.28 | 250.00 |
| 2018-07 | Burlington Street Overlay | 5/14/18 | 373,282.00 | - | - | 282.00 | - | - | - | - | - | 89,032.83 | - | - | 17,288.28 | 282.00 |
| 2018-09 | Acquisition of Fire Truck and Garbage Truck | 5/14/18 | 1,245,000.00 | - | - | - | - | - | - | - | 300,388.20 | 301,619.78 | - | - | 3,000.00 | 57,000.00 |
| 2019-08 | Various Capital Improvements | 5/13/19 | 336,000.00 | - | - | - | - | - | - | - | - | 101,841.00 | 21,840.00 | - | 24,993.03 | 350.00 |
| 2019-11 | Repaving Second Street | 7/8/19 | 430,000.00 | - | - | - | - | - | - | - | - | 237,268.71 | 112,320.37 | - | 37,988.18 | - |
| | | | \$ 527,380.48 | \$ - | \$ 784,143.37 | \$ 265,000.00 | \$ 499,700.00 | \$ - | \$ 240,000.00 | \$ 181,653.44 | \$ 335,590.80 | \$ 771,020.82 | \$ 134,160.37 | \$ 43,142,607 | \$ 451,426.07 | \$ 1,256,160.83 |
| | | | | | | | | | | | | Disbursed Due to Water Capital Fund | | | | |
| | | | | | | | | | | | | 690,932.38 | | | | |
| | | | | | | | | | | | | 80,088.44 | | | | |
| | | | | | | | | | | | | <u>\$ 771,020.82</u> | | | | |

CITY OF BORDENTOWN
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
2019

| | | |
|---|----|-----------|
| Balance - December 31, 2018 | \$ | 49,400.00 |
| Increased By: | | |
| 2019 Budget Appropriation | | 20,000.00 |
| | | 69,400.00 |
| Decreased By: | | |
| Appropriation to Finance Improvement Authorizations | | 26,300.00 |
| Balance - December 31, 2019 | \$ | 43,100.00 |

GENERAL CAPITAL FUND
SCHEDULE OF DUE TO (FROM) CURRENT FUND
2019

| | | |
|--------------------------------------|---------------|------------|
| Balance - December 31, 2018 Due From | \$ | 559,225.91 |
| Increased By: | | |
| Budget Appropriations: | | |
| Capital Improvement Fund | 20,000.00 | |
| Fire Insurance Proceeds | 181,653.44 | |
| Grant Received | 180,000.00 | |
| | | 381,653.44 |
| | | 940,879.35 |
| Decreased By: | | |
| Payments by Current Fund: | | |
| Improvement Authorizations | \$ 690,932.38 | |
| | | 690,932.38 |
| Balance - December 31, 2019 Due From | \$ | 249,946.97 |

CITY OF BORDENTOWN
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
2019

| Purpose | Date of Issue | Original Issue | Maturities of Bonds Outstanding December 31, 2019 | Interest Rate | Balance Dec. 31, 2018 | Increased | Paid By Budget Appropriation | Balance Dec. 31, 2019 |
|---|---------------|-----------------|--|--|-----------------------|-----------|------------------------------|-----------------------|
| | | | | | | | | |
| Burlington County Bridge Commission County Guaranteed Pooled Governmental Loan Revenue Bonds, Series 2010 | 12/21/10 | \$ 540,000.00 | 65,000.00 | 3.500% | 125,000.00 | - | 60,000.00 | 65,000.00 |
| Burlington County Bridge Commission County Guaranteed Pooled Governmental Loan Revenue Bonds, Series 2018 | 9/6/18 | \$ 2,575,000.00 | 215,000.00 225,000.00 235,000.00 245,000.00 260,000.00 275,000.00 285,000.00 300,000.00 315,000.00 | 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% | | | 220,000.00 | 2,355,000.00 |
| | | | | | 2,575,000.00 | - | 220,000.00 | 2,355,000.00 |
| | | | | | \$ 2,700,000.00 | \$ - | \$ 280,000.00 | \$ 2,420,000.00 |

CITY OF BORDENTOWN
 GENERAL CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 2019

| Ord. Number | Improvement Description | Issue of Original Note | Issue Rate | Maturity | Issue Rate | Balance Dec. 31, 2018 | Increased | Decreased | Balance Dec. 31, 2019 |
|----------------|-------------------------|------------------------------|---------------|----------|---------------|--------------------------|-----------|-----------|--------------------------|
| | | | | | | | | | |
| | NONE | | | | | | | | |
| | | | | | | \$ - | \$ - | \$ - | \$ - |

CITY OF BORDENTOWN
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
2019

| Ordinance Number | Improvement Description | Date of Ordinance | Balance Dec. 31, 2018 | 2019 Authorizations | Insurance Proceeds | Bond Anticipation Notes Paid by Bonds | Bonds Issued | Balance Dec. 31, 2019 |
|-----------------------------|--|-------------------|--|----------------------------|----------------------------|---------------------------------------|----------------------------|--|
| General Improvements | | | | | | | | |
| 2005-16 | | 7/11/05 | | | | | | |
| 2006-05 | | 2/27/06 | | | | | | |
| 2008-02 | Various Improvements - Gilder House | 1/28/08 | \$ 45,775.22 | - \$ | - \$ | - \$ | - \$ | 45,775.22 |
| 2010-09 | Various Improvements: Construction & Improvements to Railroad Ave Promenade | 6/14/10 | 300,500.00 | - | - | - | - | 300,500.00 |
| 2011-08 | Various Improvements: Sidewalk Improvements and Landscape Improvement: Renovations to Old City Hall | 8/8/11 | - | - | - | - | - | - |
| 2014-09 | Various Improvements: Repairs, Renovations & Paving to Gilder House & Carslake Center Repairs & Renovations to Old City Hall Improvements to City Hall Acquisition of Various Vehicles & Equipment for Public Work: Acquisition of Pole Barn for Public Works Tree Removal Program | 8/11/14 | - 48.90 250.00 - 57,000.00 350.00 | - - - - - - | - - - - - - | - - - - - - | - - - - - - | - 48.90 250.00 - 57,000.00 350.00 |
| 2016-11 | Various Improvements: Streets, Sidewalks, Curbs and Landscape Improvements Refurbishment of Ambulance | 6/13/16 | - | - | - | - | - | - |
| 2017-02 | Repairs and Replacement of City Public Works Garage, Capital Equipment and Vehicles | 1/23/17 | 839,700.00 | - | - | - | - | 839,700.00 |
| 2017-15 | Installation of Elevator at Old City Hall | 12/11/17 | 551.10 | - | - | - | - | 551.10 |
| 2018-07 | Burlington Street Overlay | 5/14/18 | 282.00 | - | - | - | - | 282.00 |
| 2017-15 | Acquisition of Trash Truck and Fire Truck | 5/14/18 | - | - | - | - | - | - |
| 2019-08 | Various Capital Improvements | 5/13/19 | - | 319,200.00 | - | - | - | 319,200.00 |
| 2019-11 | Repaving Second Street | 7/8/19 | - | 180,500.00 | - | - | - | 180,500.00 |
| | | | \$ 1,244,457.22 | \$ 499,700.00 | \$ - | \$ - | \$ - | \$ 1,744,157.22 |

WATER UTILITY FUND

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CITY OF BORDENTOWN
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER - OPERATING FUND
2019

| | | |
|----------------------------------|-----------------|-----------------|
| Balance - December 31, 2018 | | \$ 2,267,058.09 |
| Increased By: | | |
| Transferred from Water Collector | \$ 3,559,847.12 | |
| Escrow Deposits | 31,953.00 | |
| Miscellaneous Income | 52,022.33 | |
| | 3,643,822.45 | |
| | | 5,910,880.54 |
| Decreased By Disbursements: | | |
| 2019 Appropriations | 2,408,712.01 | |
| 2018 Appropriation Reserves | 79,921.60 | |
| Interest on Bonds | 214,010.25 | |
| Due Water Utility Capital Fund | 173,648.55 | |
| Due Current Fund | 22,247.21 | |
| Escrow Deposits | 16,612.08 | |
| | 2,915,151.70 | |
| | | \$ 2,995,728.84 |

WATER UTILITY FUND
SCHEDULE OF WATER UTILITY CASH - WATER COLLECTOR
2019

| | | |
|-----------------------------|-----------------|-----------------|
| Receipts: | | |
| Consumer Account Receivable | \$ 2,765,552.07 | |
| Fire Hydrant Service | 2,500.00 | |
| Miscellaneous Revenue | 771,674.90 | |
| Water Overpayments | 20,120.15 | |
| | 3,559,847.12 | |
| | | \$ 3,559,847.12 |
| Decreased By: | | |
| Transfer to Treasurer | | \$ 3,559,847.12 |

CITY OF BORDENTOWN
 WATER UTILITY CAPITAL FUND
 ANALYSIS OF WATER UTILITY CAPITAL CASH
 2019

| | Balance Dec. 31, 2018 | Transfers | | Balance Dec. 31, 2019 |
|--|--------------------------|---------------|------------|--------------------------|
| | | From | To | |
| Fund Balance | \$ 277,379.54 | - | \$ - | 277,379.54 |
| Capital Improvement Fund | 40,700.00 | 40,700.00 | - | - |
| Reserve to Pay Debt Service | 4,335.60 | - | - | 4,335.60 |
| Reserve for Capital Improvements | 132,000.00 | - | - | 132,000.00 |
| Reserve for Encumbrances | - | - | - | - |
| Due Utility Operating Fund | 282,778.92 | 53,000.00 | 173,648.55 | 403,427.47 |
| Due From Grant Fund | | 57,070.98 | | (57,070.98) |
| Due From General Capital Fund | | 80,088.44 | | (80,088.44) |
| <u>Improvement Authorizations:</u> | | | | |
| Ordinance | | | | |
| <u>Number</u> | | | | |
| 2008-19 } | | | | |
| 2009-03 } | | | | |
| 2013-21 } | | | | |
| Various Water Improvements - Improvements to Electrical Control System - NJEIT | (56,472.12) | - | 28,000.00 | (28,472.12) |
| 2010-07 | | | | |
| Various Water Improvements - Filter Media Replacement & Post Chlorination System New Wells | 35,681.38 | - | - | 35,681.38 |
| Acquisition of Dump Truck with Plow | 38,616.35 | - | - | 38,616.35 |
| Replacement of City Well #5 and Related Expenses | 52,071.53 | - | - | 52,071.53 |
| 2014-11 | 211,892.77 | - | - | 211,892.77 |
| 2015-08 | 41,622.64 | - | - | 41,622.64 |
| 2015-09 | (1,057,226.33) | - | - | (1,057,226.33) |
| New Filtration System - Well No. 5A Contract 1 and 2 | | | | |
| 2015-10 | (46,606.00) | - | 25,000.00 | (21,606.00) |
| Acquisition of Hydro-Vacuum System | | | | |
| 2018-08 | 43,225.72 | 36,489.13 | 40,700.00 | 47,436.59 |
| East Burlington St. Water Service Upgrades | | | | |
| | \$ (0.00) | \$ 267,348.55 | \$ - | (0.00) |

CITY OF BORDENTOWN
WATER UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
2019

| | | |
|-----------------------------|---------------------|----------------------------|
| Balance - December 31, 2018 | | \$ 14,011.24 |
| Increased By: | | |
| Water Rents Levied | | 2,792,783.18 |
| | | <u>2,806,794.42</u> |
| Decreased By: | | |
| Collections | \$ 2,765,552.07 | |
| Overpayments Applied | 23,060.09 | |
| | <u>2,788,612.16</u> | <u>2,788,612.16</u> |
| Balance - December 31, 2019 | | <u><u>\$ 18,182.26</u></u> |

CITY OF BORDENTOWN
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF DUE WATER UTILITY OPERATING FUND
 2019

| | | |
|--|----|------------|
| Balance - December 31, 2018 - Due To | \$ | 282,778.92 |
| Increased By: | | |
| Payments by Operating Fund: | | |
| Improvement Authorizations | \$ | 36,489.13 |
| Interfund Advanced to Grant Fund | | 57,070.98 |
| Interfund Advanced to General Capital Fund | | 80,088.44 |
| | | 173,648.55 |
| | | 456,427.47 |
| Decreased By: | | |
| Appropriated in Operating Budget: | | |
| Fixed Costs | | 53,000.00 |
| | | 53,000.00 |
| Balance - December 31, 2019 - Due To | \$ | 403,427.47 |

CITY OF BORDENTOWN
WATER UTILITY FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
2019

| | Balance Dec. 31, 2018 | Paid from | | Balance Dec. 31, 2019 |
|--|--------------------------|-------------|----------------------------|--------------------------|
| | | Notes | Operating Budget Raised | |
| 2013-11 Improvement to Electrical Controls | \$ - | \$ - | \$ 28,000.00 | \$ 28,000.00 |
| 2014-11 Improvement to Electrical Controls | 17,750.00 | - | - | 17,750.00 |
| 2015-10 Acquisition of Hydro-Vac System | 24,000.00 | - | 25,000.00 | 49,000.00 |
| 2018-08 East Burlington Street Water Service Upgrades | - | - | 40,700.00 | 40,700.00 |
| | <u>\$ 41,750.00</u> | <u>\$ -</u> | <u>\$ 93,700.00</u> | <u>\$ 135,450.00</u> |
| Budget | | | \$ 53,000.00 | |
| Capital Improvement Fund | | | <u>40,700.00</u> | |
| | | | <u>\$ 93,700.00</u> | |

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
2019

| <u>Account</u> | Balance Dec. 31, 2018 | Overexpenditure Of Ordinance | Additions By | | Balance Dec. 31, 2019 |
|--|--------------------------|---------------------------------|--------------------------------|-------------|--------------------------|
| | | | Capital Outlay Or Ordinance | | |
| Organization | \$ 603.57 | \$ - | \$ - | \$ - | \$ 603.57 |
| Source of Supply Plant: | | | | | |
| Collecting & Impounding Reservoir | 183,006.02 | - | - | - | 183,006.02 |
| Wells & Springs | 791,910.19 | - | - | - | 791,910.19 |
| Pumping Plant: | | | | | |
| Pumping Station Land & Land Rights | 1,554,122.04 | - | - | - | 1,554,122.04 |
| Other Power Production Equipment | 1,372,189.32 | - | - | - | 1,372,189.32 |
| Electric Pumping Equipment | 117,248.04 | - | - | - | 117,248.04 |
| Transmission & Distribution Plant: | | | | | |
| Distribution Reservoir and Standpipe | 1,727,211.07 | - | - | - | 1,727,211.07 |
| Transmission & Distribution Mains | 7,483,705.46 | - | - | - | 7,483,705.46 |
| Transmission & Distribution Plant Services | 86,655.89 | - | - | - | 86,655.89 |
| Meters and Meter Boxes | 1,538,892.38 | - | - | - | 1,538,892.38 |
| Fire Hydrants | 45,637.29 | - | - | - | 45,637.29 |
| Other Transmission & Distribution Plant | 483,220.10 | - | - | - | 483,220.10 |
| General Plant: | | | | | |
| Structures & Improvements | 613,528.06 | - | - | - | 613,528.06 |
| Transportation Equipment | 440,496.57 | - | - | - | 440,496.57 |
| Other General Equipment | 390,415.48 | - | 43,393.22 | - | 433,808.70 |
| Track Loader (2017) | 26,961.71 | - | - | - | 26,961.71 |
| Ford F550 Utility Truck with Plow (2017) | 56,592.00 | - | - | - | 56,592.00 |
| | <u>\$ 16,912,395.19</u> | <u>\$ -</u> | <u>\$ 43,393.22</u> | <u>\$ -</u> | <u>\$ 16,955,788.41</u> |

CITY OF BORDENTOWN
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
 2019

| Ordinance Number | Improvement Description | Ordinance Date | Balance Dec. 31, 2018 | 2019 Authorizations | | | Costs To Fixed Capital | Balance Dec. 31, 2019 |
|------------------------------|--|----------------|-----------------------|-----------------------------------|------------------------------------|---------|------------------------|-----------------------|
| | | | | Deferred Reserve For Amortization | Deferred Charges To Future Revenue | Surplus | | |
| <u>General Improvements:</u> | | | | | | | | |
| 2008-19 } | | 11/10/08 } | | | | | | |
| 2009-03 } | | 3/23/09 } | | | | | | |
| 2013-21 } | Various Water Improvements - Improvements to Electrical Control System | 11/18/13 } | \$ 576,600.00 | \$ - | \$ - | \$ - | \$ - | \$ 576,600.00 |
| 2010-07 | Various Water Improvements - Filter Media Replacement & Post Chlorination System New Wells Acquisition of Dump Truck With Plow | 7/12/10 | 350,000.00 | - | - | - | - | 350,000.00 |
| 2014-11 | Replacement of City Well #5 & Related Expenses | 10/2/14 | 1,400,000.00 | - | - | - | - | 1,400,000.00 |
| 2015-08 | Installation of Well #2 | 8/10/15 | 1,500,000.00 | - | - | - | - | 1,500,000.00 |
| 2015-09 | New Filtration System - Well No. 5A | 8/10/15 | 2,500,000.00 | - | - | - | - | 2,500,000.00 |
| 2015-10 | Acquisition of Hydro-Vacuum System | 8/10/15 | 75,000.00 | - | - | - | - | 75,000.00 |
| 2018-08 | Burlington Street Water Service Upgrades | 5/14/18 | 432,030.00 | 40,700.00 | - | - | - | 472,730.00 |
| | | | \$ 7,140,630.00 | \$ 40,700.00 | \$ - | \$ - | \$ - | \$ 7,181,330.00 |

CITY OF BORDENTOWN
 WATER UTILITY FUND
 SCHEDULE OF 2018 APPROPRIATION RESERVES
 2019

| | Balance Dec. 31, 2018 | Balance After Transfer | Paid Or Charged | Balance Lapsed |
|-------------------------------------|--------------------------|------------------------------|---------------------|----------------------|
| Operating | | | | |
| Salaries and Wages | \$ 78,856.85 | \$ 78,856.85 | \$ - | \$ 78,856.85 |
| Other Expenses | 271,712.49 | 271,712.49 | 79,921.60 | 191,790.89 |
| Capital Improvements | | | | |
| Capital Outlay | 13,564.18 | 13,564.18 | - | 13,564.18 |
| Statutory Expenditures | | | | |
| Public Employees' Retirement System | - | - | - | - |
| Social Security System (OASI) | 10,808.33 | 10,808.33 | - | 10,808.33 |
| Unemployment Compensation Insurance | 989.19 | 989.19 | - | 989.19 |
| | <u>\$ 375,931.04</u> | <u>\$ 375,931.04</u> | <u>\$ 79,921.60</u> | <u>\$ 296,009.44</u> |

| | |
|------|----------------------------|
| Paid | <u>\$ 79,921.60</u> |
| | <u><u>\$ 79,921.60</u></u> |

CITY OF BORDENTOWN
 WATER UTILITY FUND
 SCHEDULE OF INTEREST ON BONDS AND NOTES
 AND ANALYSIS OF BALANCE
 2019

| | Notes | Bonds and Loans | Total |
|-----------------------------|-------|-----------------|--------------|
| Balance - December 31, 2018 | \$ - | \$ 67,110.18 | \$ 67,110.18 |
| Increased By: | | | |
| Budget Appropriations | - | 218,517.95 | 218,517.95 |
| | - | 285,628.13 | 285,628.13 |
| Decreased By: | | | |
| Interest Paid | - | 214,010.25 | 214,010.25 |
| Balance - December 31, 2019 | \$ - | \$ 71,617.88 | \$ 71,617.88 |

Analysis of Balance - December 31, 2019

| | Principal Outstanding Dec. 31, 2019 | Interest Rate | From | To | Period | Amount |
|---------------------------------------|---|------------------|----------|--------------|---------------------|--------|
| <u>Serial Bonds and Loans:</u> | | | | | | |
| \$ 1,270,000.00 | Various | 10/15/19 | 12/31/19 | 75 days | \$ 11,858.08 | |
| 891,000.00 | Various | 8/15/19 | 12/31/19 | 4.5 months | 13,290.00 | |
| 1,520,000.00 | Various | 8/1/19 | 12/31/19 | 5 months | 30,562.50 | |
| 145,000.00 | Various | 8/1/19 | 12/31/19 | 5 months | 2,891.67 | |
| 385,000.00 | Various | 8/1/19 | 12/31/19 | 5 months | 5,846.36 | |
| 285,000.00 | Various | 8/1/19 | 12/31/19 | 5 months | 4,106.78 | |
| 170,000.00 | Various | 8/1/19 | 12/31/19 | 5 months | 3,062.50 | |
| \$ 4,666,000.00 | | | | | \$ 71,617.88 | |
| \$ - | | | | | \$ - | |
| | | | | Total | \$ 71,617.88 | |

CITY OF BORDENTOWN
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
2019

| Ordinance Number | Improvement Description | Date | Ordinance Amount | Balance December 31, 2018 | | 2019 Authorizations | Encumbrances Reclassified | Disbursed By Water Utility Operating Fund | Encumbered | Balance December 31, 2019 | | |
|-----------------------------|--|----------|------------------|---------------------------|--------------|---------------------|---------------------------|---|------------|---------------------------|---------------|--|
| | | | | Funded | Unfunded | | | | | Funded | Unfunded | |
| <u>General Improvements</u> | | | | | | | | | | | | |
| 2008-19 } | | 11/10/08 | | | | | | | | | | |
| 2009-03 } | | 3/23/09 | | | | | | | | | | |
| 2013-21 } | Various Water Improvements - Improvements to Electrical Control System | 11/18/13 | \$ 576,600.00 | \$ - | \$ 1,202.23 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,202.23 | |
| 2010-07 | Various Water Improvements - Filter Media Replacement & Post Chlorination System | 7/12/10 | 350,000.00 | 35,681.38 | - | - | - | - | - | - | 35,681.38 | |
| | New Wells | | 147,000.00 | 38,616.35 | - | - | - | - | - | - | 38,616.35 | |
| | Acquisition of Dump Truck With Plow | | 160,000.00 | 52,071.53 | - | - | - | - | - | - | 52,071.53 | |
| 2014-11 | Replacement of City Well #5 & Related Expenses | 10/2/14 | 1,400,000.00 | 214,142.77 | - | - | - | - | - | - | 214,142.77 | |
| 2015-08 | Installation of Well #2 A- | 8/10/15 | 1,500,000.00 | 158,323.64 | 317,967.00 | - | - | - | - | 158,323.64 | 317,967.00 | |
| 2015-09 | New Filtration System (NJETT \$1,701,273 Contract No. 1 and 2) A-1 | 8/10/15 | 2,500,000.00 | - | 997.67 | - | - | - | - | - | 997.67 | |
| 2015-10 | Acquisition of Hydro-Vacuum System | 8/10/15 | 75,000.00 | - | 4,394.00 | - | - | - | - | - | 4,394.00 | |
| 2018-08 | Burlington Street Water Upgrades | 5/14/18 | 432,030.00 | 40,975.72 | 4,280.00 | 40,700.00 | - | 36,489.13 | - | 45,186.59 | 4,280.00 | |
| | | | \$ 539,811.39 | \$ 328,840.90 | \$ 40,700.00 | \$ - | \$ - | \$ 36,489.13 | \$ - | \$ 544,022.26 | \$ 328,840.90 | |

CITY OF BORDENTOWN
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF CAPITAL IMPROVEMENT FUND
 2019

| | | |
|--|----|-----------|
| Balance - December 31, 2018 | \$ | 40,700.00 |
| Decreased By: | | |
| Appropriated to Finance Improvement Authorizations | | 40,700.00 |
| Balance - December 31, 2019 | \$ | - |

WATER UTILITY CAPITAL FUND
 SCHEDULE OF RESERVE FOR AMORTIZATION
 2019

| | | |
|-------------------------------|----|---------------|
| Balance - December 31, 2018 | \$ | 15,672,397.61 |
| Increased By: | | |
| Paid By Budget Appropriation: | | |
| Serial Bonds | \$ | 421,460.00 |
| NJEIT Loans | | 139,680.52 |
| Capital Outlay | | 43,393.22 |
| | | 604,533.74 |
| Balance - December 31, 2019 | \$ | 16,276,931.35 |

CITY OF BORDENTOWN
WATER UTILITY FUND
SCHEDULE OF CASH HELD BY NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT)

2019

Balance - December 31, 2019 and 2018 \$ 1,035,791.00

Analysis of Balance:

| | |
|---|------------------------|
| Due on Project A-2 Installation of Well No. 2 (Ord 15-08) | 116,701.00 |
| Due on Project A-1 Filtration Well No. 5A; Contracts 1 And 2 (Ord 15-09) 2017 Issue | 236,546.00 |
| Due on Project A-1 Filtration Well No. 5A; Contracts 1 And 2 (Ord 15-09) 2018 Issue | 682,544.00 |
| | <u>\$ 1,035,791.00</u> |

CITY OF BORDENTOWN
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF WATER SERIAL BONDS
 2019

Maturities of Bonds and Loans

| Purpose | Date of Issue | Original Issue | Outstanding | | Interest Rate | Increased | Decreased | Balance | |
|---|---------------|-----------------|--|---|--|------------|------------|-----------------|-----------------|
| | | | December 31, 2019 | Amount | | | | Dec. 31, 2018 | Dec. 31, 2019 |
| Water Bonds - 1979 | 3/21/79 | \$ 1,900,000.00 | | \$ | \$ | 105,460.00 | \$ | 105,460.00 | \$ |
| Burlington County Bridge Commission County Guaranteed Pooled Governmental Loan Revenue Bonds, Series 2010 | 12/21/10 | 1,970,000.00 | 10/15/20 10/15/21 10/15/22 10/15/23 10/15/24 10/15/25 10/15/26 10/15/27 10/15/28 10/15/29 10/15/30 | 95,000.00 95,000.00 100,000.00 105,000.00 110,000.00 115,000.00 120,000.00 125,000.00 130,000.00 135,000.00 140,000.00 | 3.500% 5.000% 5.000% 5.000% 4.250% 4.500% 4.750% 4.250% 4.250% 4.375% 4.500% | - | - | 1,360,000.00 | 1,270,000.00 |
| Burlington County Bridge Commission General Obligation Refunding, Series 2017 | 3/28/17 | 1,257,000.00 | 8/15/20 8/15/21 8/15/22 8/15/23 8/15/24 8/15/25 2/15/26 | 115,000.00 118,000.00 124,000.00 129,000.00 134,000.00 135,000.00 136,000.00 | 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% 4.000% | - | 111,000.00 | 1,002,000.00 | 891,000.00 |
| Burlington County Bridge Commission General Obligation Bonds, Series 2018 | 9/6/18 | 1,600,000.00 | 8/1/20 8/1/21 8/1/22 8/1/23 8/1/24 8/1/25 8/1/26 8/1/27 8/1/28 8/1/29 8/1/30 8/1/31 8/1/32 8/1/33 | 80,000.00 80,000.00 85,000.00 90,000.00 95,000.00 100,000.00 105,000.00 110,000.00 115,000.00 120,000.00 125,000.00 130,000.00 140,000.00 145,000.00 | 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 4.000% 5.000% 5.000% 5.000% 4.000% | - | 80,000.00 | 1,600,000.00 | 1,520,000.00 |
| | | | | | | | | \$ 4,067,460.00 | \$ 3,681,000.00 |

CITY OF BORDENTOWN
WATER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY AGENCY BONDS AND LOANS
2019

| Purpose | Date of Issue | Original Issue | Maturities of Bonds and Loans Outstanding | | Interest Rate | Balance Dec. 31, 2018 | Increased | Decreased | Balance Dec. 31, 2019 |
|--|---------------|----------------|---|-----------|---------------|-----------------------|-----------|-----------|-----------------------|
| | | | Date | Amount | | | | | |
| NJ Environmental Infrastructure Loan: Various Improvements - Series 2010 B - Trust Portion | 12/2/10 | \$ 225,000.00 | 8/1/20 | 9,000.00 | 5.000% | 155,000.00 | - | 10,000.00 | 145,000.00 |
| | | | 8/1/21 | 9,000.00 | 5.000% | | | | |
| | | | 8/1/22 | 9,000.00 | 4.000% | | | | |
| | | | 8/1/23 | 14,000.00 | 4.000% | | | | |
| | | | 8/1/24 | 14,000.00 | 4.250% | | | | |
| | | | 8/1/25 | 14,000.00 | 4.250% | | | | |
| | | | 8/1/26 | 14,000.00 | 4.250% | | | | |
| | | | 8/1/27 | 13,000.00 | 4.500% | | | | |
| | | | 8/1/28 | 13,000.00 | 4.500% | | | | |
| | | | 8/1/29 | 18,000.00 | 4.500% | | | | |
| | | 8/1/30 | 18,000.00 | 4.250% | | | | | |
| Various Improvements - Series 2010 B - Fund Portion | 12/2/10 | 255,000.00 | 2/1/20,8/1/20 | 12,966.09 | 0.000% | 155,593.31 | - | 12,966.09 | 142,627.22 |
| | | | 2/1/21,8/1/21 | 12,966.09 | 0.000% | | | | |
| | | | 2/1/22,8/1/22 | 12,966.09 | 0.000% | | | | |
| | | | 2/1/23,8/1/23 | 12,966.09 | 0.000% | | | | |
| | | | 2/1/24,8/1/24 | 12,966.09 | 0.000% | | | | |
| | | | 2/1/25,8/1/25 | 12,966.09 | 0.000% | | | | |
| | | | 2/1/26,8/1/26 | 12,966.09 | 0.000% | | | | |
| | | | 2/1/27,8/1/27 | 12,966.09 | 0.000% | | | | |
| | | | 2/1/28,8/1/28 | 12,966.09 | 0.000% | | | | |
| | | | 2/1/29,8/1/29 | 12,966.09 | 0.000% | | | | |
| | | 2/1/30,8/1/30 | 12,966.32 | 0.000% | | | | | |
| Various Improvements - 2017 A-1 - Trust Portion | 5/1/17 | 415,000.00 | 8/1/20-21 | 15,000.00 | 5.000% | 400,000.00 | - | 15,000.00 | 385,000.00 |
| | | | 8/1/22-25 | 20,000.00 | 5.000% | | | | |
| | | | 8/1/26-27 | 20,000.00 | 3.000% | | | | |
| | | | 8/1/28-32 | 25,000.00 | 3.000% | | | | |
| | | | 8/1/33 | 25,000.00 | 3.125% | | | | |
| | | | 8/1/34 | 25,000.00 | 3.250% | | | | |
| | | | 8/1/35 | 30,000.00 | 3.250% | | | | |
| | | | 8/1/36 | 30,000.00 | 3.375% | | | | |
| Various Improvements - 2017 A-1 - Fund Portion | 5/1/17 | 1,263,322.00 | 2/1/20,8/1/20 | 64,236.70 | 0.000% | 1,156,260.83 | - | 64,236.70 | 1,092,024.13 |
| | | | 2/1/21,8/1/21 | 64,236.70 | 0.000% | | | | |
| | | | 2/1/22,8/1/36 | 64,236.70 | 0.000% | | | | |
| Various Improvements - 2017 A-2 - Trust Portion | 11/21/17 | 295,000.00 | 8/1/20-22 | 10,000.00 | 5.000% | 295,000.00 | - | 10,000.00 | 285,000.00 |
| | | | 8/1/23-26 | 15,000.00 | 5.000% | | | | |
| | | | 8/1/27-31 | 15,000.00 | Varying | | | | |
| | | | 8/1/32-34 | 20,000.00 | Varying | | | | |
| | | | 8/1/35-37 | 20,000.00 | 3.000% | | | | |

CITY OF BORDENTOWN
WATER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY AGENCY BONDS AND LOANS
2019

| Purpose | Date of Issue | Original Issue | Maturities of Bonds and Loans Outstanding | | Interest Rate | Balance Dec. 31, 2018 | Increased | Decreased | Balance Dec. 31, 2019 |
|---|---------------|----------------|---|-----------|---------------|-----------------------|-----------|-----------|-----------------------|
| | | | December 31, 2019 Date | Amount | | | | | |
| Various Improvements - 2017 A-2 - Fund Portion | 11/21/17 | 887,033.00 | 2/1/20:8/1/20 | 45,103.36 | 0.000% | 856,964.09 | - | 45,103.36 | 811,860.73 |
| | | | 2/1/21:8/1/21 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/22:8/1/22 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/23:8/1/23 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/24:8/1/24 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/25:8/1/25 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/26:8/1/26 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/27:8/1/27 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/28:8/1/28 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/29:8/1/29 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/30:8/1/30 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/31:8/1/31 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/32:8/1/32 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/33:8/1/33 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/34:8/1/34 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/35:8/1/35 | 45,103.36 | 0.000% | | | | |
| | | | 2/1/36:8/1/36 | 45,103.36 | 0.000% | | | | |
| 2/1/37:8/1/37 | 45,102.61 | 0.000% | | | | | | | |
| Various Improvements - 2018 A-2 - Fund Portion | 11/29/18 | 170,000 | 8/1/20-24 | 5,000.00 | 5.000% | 170,000.00 | - | - | 170,000.00 |
| | | | 8/1/20:25-27 | 10,000.00 | 5.000% | | | | |
| | | | 8/1/28-37 | 10,000.00 | 4.000% | | | | |
| | | | 8/1/38 | 15,000.00 | 4.000% | | | | |
| Various Improvements - 2018 A-2 - Trust Portion | 11/29/18 | 512,544 | 2/1/20:8/1/20 | 26,061.55 | 0.000% | 512,544.00 | - | 17,374.37 | 495,169.63 |
| | | | 2/1/21:8/1/21 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/22:8/1/22 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/23:8/1/23 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/24:8/1/24 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/25:8/1/25 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/26:8/1/26 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/27:8/1/27 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/28:8/1/28 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/29:8/1/29 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/30:8/1/30 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/31:8/1/31 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/32:8/1/32 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/33:8/1/33 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/34:8/1/34 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/35:8/1/35 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/36:8/1/36 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/37:8/1/37 | 26,061.55 | 0.000% | | | | |
| | | | 2/1/38:8/1/38 | 26,061.73 | 0.000% | | | | |

\$ 3,701,362.23 \$ - \$ 174,680.52 \$ 3,526,681.71

CITY OF BORDENTOWN
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 2019

| Ordinance Number | Improvement Description | Date Of Original Issue | Date Of Issue | Date Of Maturity | Interest Rate | Balance | | Decreased | Balance Dec. 31, 2019 |
|---------------------|-------------------------|------------------------------|------------------|---------------------|------------------|---------------|-----------|-----------|--------------------------|
| | | | | | | Dec. 31, 2018 | Increased | | |
| | | | | | | \$ - | \$ - | \$ - | \$ - |
| | | | | | | \$ - | \$ - | \$ - | \$ - |

CITY OF BORDENTOWN
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 2019

| Ordinance Number | Improvement Description | Date | Balance Dec. 31, 2018 | 2019 Authorizations | Funded by Budget | Prior Year Adjustment | Balance Dec. 31, 2019 |
|-----------------------------|--|----------|-----------------------|---------------------|------------------|-----------------------|-----------------------|
| <u>General Improvements</u> | | | | | | | |
| 2008-19} | | 11/10/08 | | | | | |
| 2009-03} | | 3/23/09 | | | | | |
| 2013-21} | Various Water Improvements - Improvements to Electrical Control System | 11/18/13 | \$ 57,674.35 | - | \$ 28,000.00 | - | \$ 29,674.35 |
| 2015-08 | Installation of Well #2 NJEIT A-2 | 8/10/15 | 317,967.00 | - | - | - | 317,967.00 |
| 2015-09 | New Filtration System - Well No. 5A (NJEIT Contract 1 and 2) NJEIT - A-1 | 8/10/15 | 821,678.00 | - | - | 682,544.00 | 139,134.00 |
| 2015-10 | Acquisition of Hydro-Vacuum System | 8/10/15 | 51,000.00 | - | 25,000.00 | - | 26,000.00 |
| 2018-08 | East Burlington Street Upgrades | 5/14/18 | 4,280.00 | - | - | - | 4,280.00 |
| | | | \$ 1,252,599.35 | \$ - | \$ 53,000.00 | \$ 682,544.00 | \$ 517,055.35 |

CITY OF BORDENTOWN
WATER UTILITY FUND
SCHEDULE OF ESCROW FUNDS
2019

| | |
|-----------------------------|-----------------------------|
| Balance - December 31, 2018 | \$ 111,212.44 |
| Increased By: | |
| Deposits Received | <u>31,953.00</u> |
| | 143,165.44 |
| Decreased By: | |
| Payment | <u>16,612.08</u> |
| Balance - December 31, 2019 | <u><u>\$ 126,553.36</u></u> |

A detailed analysis of the balance at December 31, 2019 is on file in the Treasurer's office.

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CITY OF BORDENTOWN

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2019

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**CITY OF BORDENTOWN
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding 2019-001:

Criteria of Specific Requirement:

In accordance with maintaining an internal control environment that is effective in the prevention and / or identification of potential financial statement misstatement and / or misclassification, the City should maintain a proper general ledger and subsidiary ledgers for all funds on a timely basis.

Condition:

During our audit we noted that general and subsidiary ledgers for the subsequent year were not being accurately or timely maintained.

Cause:

Lack of oversight.

Effect or Potential Effect:

Potential financial statement misstatement.

Recommendation:

That the City maintain accurate and timely general and subsidiary ledgers.

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

Finding 2019-002:

Criteria of Specific Requirement:

Proper supporting documentation and approvals are required for all receipts and disbursements of the City.

Condition:

During our audit we noted the following conditions in regards to receipts and disbursements:

- Various disbursements selected for testing were lacking proper approval from the CFO for the certification of available funds.
- Various disbursements tested for the subsequent year showed that vendors were not being paid timely and the City had received several shutoff notices.
- Subsequent audit procedures revealed that various 2020 purchase orders were not able to be located and provided on a timely basis.
- Various deposits made during the year were outside of the 48-hour deposit window.
- Supporting documentation was not able to be provided for various receipts throughout the year.

**CITY OF BORDENTOWN
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Finding 2019-002 (continued):

Cause:

Lack of oversight.

Effect or Potential Effect:

Potential financial statement misstatement.

Recommendation:

That the City follow proper internal control guidelines to obtain proper approval and maintain proper supporting documentation for all financial transactions.

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

Finding 2019-003:

Criteria or specific requirement:

An analysis of payroll taxes payable be maintained by the City.

Condition:

It was noted during our audit that the monthly cash maintained in the payroll agency account is not properly reconciled to payroll taxes payable.

Cause:

Failure to follow internal control procedures for the reconciliation of payroll taxes payable.

Effect or potential effect:

Payroll taxes payable at year end could be misstated.

Recommendation:

That the City reconcile the payroll agency account to payroll taxes payable on a monthly basis.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

**CITY OF BORDENTOWN
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Finding 2019-004:

Criteria of Specific Requirement:

In accordance with maintaining an internal control environment that is effective in the prevention and / or identification of potential financial statement misstatement and / or misclassification, the City should perform accurate and timely bank reconciliations for all accounts.

Condition:

During our audit we noted the following conditions in regards to bank reconciliations:

- A timely bank reconciliation for the payroll account was not able to be provided for December 2019.
- Subsequent bank reconciliations for 2020 were not being performed for all accounts.
- Many subsequent bank statements remained unopened through June of 2020.
- Various stale items remain as outstanding items on 2019 bank reconciliations that should be cancelled by the CFO.

Cause:

Lack of oversight.

Effect or Potential Effect:

Potential financial statement misstatement

Recommendation:

That the City prepare accurate and timely general bank reconciliations for all accounts.

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

Finding 2019-005:

Criteria or specific requirement:

In accordance with maintaining an internal control environment that is effective in the prevention and / or identification of potential financial statement misstatement and / or misclassification, the City should provide governance with timely and accurate financial reports on a monthly basis.

Condition:

It was noted during our audit that the governing body was not receiving timely or accurate financial reports from the CFO on a monthly basis.

Cause:

Lack of oversight.

Effect or Potential Effect:

Governance being unaware of the financial condition of the City on a regular basis.

**CITY OF BORDENTOWN
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Finding 2019-005 (continued):

Recommendation:

That the CFO provide Governance timely and accurate financial reports.

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

Finding 2019-006:

Criteria or specific requirement:

An analysis of escrow balance held be maintained by the City.

Condition:

It was noted during our audit that an analysis of escrows held in the Trust Fund was not able to be provided.

Cause:

Failure to follow internal control procedures for the reconciliation of escrow funds held by the City.

Effect or potential effect:

Escrow balances at year end could be over or understated.

Recommendation:

That the City reconcile the escrow balances to the bank statement on a monthly basis.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

Finding 2019-007:

Criteria or specific requirement:

The annual budget should be uploaded and certified by the CFO into the FAST System, as designated by the DLGS.

Condition:

It was noted during our audit that the subsequent budget was not timely certified by the CFO.

Cause:

Lack of oversight.

**CITY OF BORDENTOWN
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Finding 2019-007 (continued):

Effect or potential effect:

The City did not have a 2020 budget that was submitted timely.

Recommendation:

That the CFO ensure budgets are accurately and timely uploaded into the FAST System.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

**CITY OF BORDENTOWN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

CITY OF BORDENTOWN

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2019:

| <u>Name</u> | <u>Title</u> |
|--|--|
| James E. Lynch, Jr. | Mayor, Director of Public Safety & Affairs |
| John C. Brodowski | Deputy Mayor, Director of Revenue and Finance |
| Joseph D. Myers | Commissioner, Director of Public Property, Streets and Water |
| Richard E. Wright | Municipal Finance Officer, Deputy Registrar of Vital Statistics, Qualified Purchasing Agent |
| Jennifer Smith | Tax Collector, Tax Search Officer |
| Glenn McMahon | Tax Assessor |
| Patricia McGowan | Collector of Water Rents |
| Richard Hunt | Solicitor |
| Grace I. Archer | City Clerk, Assessment Search Clerk, Registrar of Vital Statistics |
| Remington, Vernick Engineers and Associates | Engineers |

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Honorable Mayor and Members
of the Board of Commissioners
City of Bordentown
County of Burlington
Bordentown, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2019.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or 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 bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 2019.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum 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.

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 examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 14, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Board of Commissioners of the City of Bordentown, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Board of Commissioners of the City of Bordentown, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

Finding 2019-01 (*Finding 2019-001 in the Schedule of Financial Statement Findings section*) - During our audit we noted that general and subsidiary ledgers for the subsequent year were not being accurately or timely maintained.

Finding 2019-02 (*Finding 2019-002 in the Schedule of Financial Statement Findings section*) - During our audit we noted the following conditions in regards to receipts and disbursements:

- Various disbursements selected for testing were lacking proper approval from the CFO for the certification of available funds.
- Various disbursements tested for the subsequent year showed that vendors were not being paid timely and the City had received several shutoff notices.
- Subsequent audit procedures revealed that various 2020 purchase orders were not able to be located and provided on a timely basis.
- Various deposits made during the year were outside of the 48-hour deposit window
- Supporting documentation was not able to be provided for various receipts throughout the year

Finding 2019-03 (*Finding 2019-003 in the Schedule of Financial Statement Findings section*) - It was noted during our audit that the monthly cash maintained in the payroll agency account is not properly reconciled to payroll taxes payable.

Finding 2019-04 (*Finding 2019-004 in the Schedule of Financial Statement Findings section*) - During our audit we noted the following conditions in regards to bank reconciliations:

- A timely bank reconciliation for the payroll account was not able to be provided for December 2019.
- Subsequent bank reconciliations for 2020 were not being performed for all accounts.
- Many subsequent bank statements remained unopened through June of 2020.
- Various stale items remain as outstanding items on 2019 bank reconciliations that should be cancelled by the CFO.

Finding 2019-05 (*Finding 2019-005 in the Schedule of Financial Statement Findings section*) - It was noted during our audit that the governing body was not receiving timely or accurate financial reports from the CFO on a monthly basis.

Finding 2019-06 (*Finding 2019-006 in the Schedule of Financial Statement Findings section*) - It was noted during our audit that an analysis of escrows held in the Trust Fund was not able to be provided.

Finding 2019-07 (*Finding 2019-007 in the Schedule of Financial Statement Findings section*) - It was noted during our audit that the subsequent budget was not timely certified by the CFO.

RECOMMENDATIONS:

Finding 2019-01

That the City maintain accurate and timely general and subsidiary ledgers.

Finding 2019-02

That the City follow proper internal control guidelines to obtain proper approval and maintain proper supporting documentation for all financial transactions.

Finding 2019-03

That the City reconcile the payroll agency account to payroll taxes payable on a monthly basis.

Finding 2019-04

That the City prepare accurate and timely general bank reconciliations for all accounts.

Finding 2019-05

That the CFO provide Governance timely and accurate financial reports.

Finding 2019-06

That the City reconcile the escrow balances to the bank statement on a monthly basis.

Finding 2019-07

That the CFO ensure budgets are accurately and timely uploaded into the FAST System.

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
September 9, 2020