

TOWN OF HACKETTSTOWN

COUNTY OF WARREN

REPORT OF AUDIT

2019

*NISIVOCCIA
CERTIFIED PUBLIC ACCOUNTANTS*

TOWN OF HACKETTSTOWN

COUNTY OF WARREN

REPORT OF AUDIT

2019

TOWN OF HACKETTSTOWN
TABLE OF CONTENTS
FISCAL YEAR ENDED DECEMBER 31, 2019

| | |
|---|---------------------|
| <u>PART I – FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES</u> | <u>Page</u> |
| Independent Auditors' Report | 1-3 |
| <u>Financial Statements</u> | <u>Exhibit</u> |
| <u>Current Fund</u> | |
| Comparative Balance Sheet – Regulatory Basis | A |
| Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis | A-1 |
| Statement of Revenue – Regulatory Basis | A-2 |
| Statement of Expenditures – Regulatory Basis | A-3 |
| <u>Trust Funds</u> | |
| Comparative Balance Sheet– Regulatory Basis | B |
| Statement of Fund Balance - Assessment Trust Fund – Regulatory Basis (Not Applicable) | B-1 |
| Statement of Revenue - Assessment Trust Fund – Regulatory Basis (Not Applicable) | B-2 |
| Statement of Expenditures - Assessment Trust Fund – Regulatory Basis (Not Applicable) | B-3 |
| <u>General Capital Fund</u> | |
| Comparative Balance Sheet– Regulatory Basis | C |
| Statement of Fund Balance – Regulatory Basis | C-1 |
| <u>Water Utility Fund</u> (Not Applicable) | |
| <u>Sewer Utility Fund</u> (Not Applicable) | |
| <u>Public Assistance Fund</u> (Not Applicable) | |
| <u>General Fixed Assets Account Group</u> | |
| Comparative Balance Sheet– Regulatory Basis | G |
| Notes to Financial Statements | <u>Page</u> 1-28 |
| <u>Supplementary Data</u> | <u>Schedule</u> |
| Schedule of Officials in Office and Surety Bonds | 1 |
| <u>Current Fund</u> | |
| Schedule of Cash | A-4 |
| Schedule of Cash - Collector | A-5 |
| Schedule of Taxes Receivable and Analysis of Property Tax Levy | A-6 |
| Schedule of Tax Title Liens (Not Applicable) | A-7 |
| Schedule of Revenue Accounts Receivable | A-8 |
| Schedule of 2018 Appropriation Reserves | A-9 |
| Schedule of Local School District Taxes Payable | A-10 |
| Schedule of Federal and State Grants Receivable – Federal and State Grant Fund | A-11 |
| Schedule of Appropriated Reserves - Federal and State Grant Fund | A-12 |
| Schedule of Unappropriated Reserves - Federal and State Grant Fund | A-13 |
| <u>Trust Funds</u> | |
| Schedule of Cash – Treasurer | B-4 |
| Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Fund | B-5 |

TOWN OF HACKETTSTOWN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

| | |
|---|-----------------|
| <u>PART I (Cont'd)</u> | <u>Schedule</u> |
| <u>Supplementary Data (Cont'd)</u> | |
| <u>General Capital Fund</u> | |
| Schedule of Cash | C-2 |
| Analysis of Cash | C-3 |
| Schedule of Deferred Charges to Future Taxation – Unfunded (Not Applicable) | C-4 |
| Schedule of Improvement Authorizations | C-5 |
| Schedule of Capital Improvement Fund | C-6 |
| Schedule of Bond Anticipation Notes Payable (Not Applicable) | C-7 |
| Schedule of Serial Bonds Payable (Not Applicable) | C-8 |
| Schedule of Loans Payable | C-9 |
| Schedule of Bonds and Notes Authorized but not Issued (Not Applicable) | C-10 |
| <u>Water Utility Fund (Not Applicable)</u> | |
| <u>Sewer Utility Fund (Not Applicable)</u> | |
| <u>Public Assistance Fund (Not Applicable)</u> | |
| <u>PART II – SINGLE AUDIT</u> | <u>Page</u> |
| Schedule of Expenditures of Federal Awards | 1 |
| Schedule of Expenditures of State Awards | 2 |
| Notes to Schedules of Expenditures of Federal and State Awards | 3 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 4-5 |
| Schedule of Findings and Responses | 6 |
| Summary Schedule of Prior Audit Findings | 7 |
| <u>PART III – COMMENTS AND RECOMMENDATIONS</u> | <u>Page</u> |
| Comments and Recommendations | 1-4 |
| Summary of Recommendations | 5 |

TOWN OF HACKETTSTOWN

PART I

FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULES

YEAR ENDED DECEMBER 31, 2019

Independent Auditors' Report

The Honorable Mayor and Members
of the Town Council
Town of Hackettstown, New Jersey

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* - of the various funds of the Town of Hackettstown, in the County of Warren (the "Town") as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

The Honorable Mayor and Members
of the Town Council
Town of Hackettstown
Page 2

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

As described in Note 1, the financial statements are prepared by the Town on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account group of the Town as of as of December 31, 2019 and 2018, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

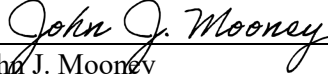
The Honorable Mayor and Members
of the Town Council
Town of Hackettstown
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2020 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
April 3, 2020

NISIVOCIA



John J. Mooney
Registered Municipal Accountant No. 560
Certified Public Accountant

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
CURRENT FUND

TOWN OF HACKETTSTOWN
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| | | December 31, | |
|---|------|------------------------|------------------------|
| | Ref. | 2019 | 2018 |
| <u>ASSETS</u> | | | |
| Regular Fund: | | | |
| Cash and Cash Equivalents: | | | |
| Cash - Treasurer | A-4 | \$ 6,594,721.53 | \$ 6,649,021.81 |
| Change Fund- Deputy Clerk | | 150.00 | 150.00 |
| Change Fund- Court | | 150.00 | 150.00 |
| Change Fund- Tax Collector | | 100.00 | 100.00 |
| | | <u>6,595,121.53</u> | <u>6,649,421.81</u> |
| Receivables and Other Assets With | | | |
| Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-6 | 550,278.90 | 411,738.10 |
| Property Acquired for Taxes at Assessed Valuation | | 861,000.00 | 861,000.00 |
| DPW Municipal Lien | | 610.00 | 1,780.00 |
| Revenue Accounts Receivable | A-8 | 6,548.63 | 10,410.85 |
| Due Animal Control Fund | B | 4,044.94 | 352.23 |
| Due General Capital Fund | C | 2.00 | |
| Due from Federal and State Grant Fund | A | 50,933.91 | 65,889.33 |
| Total Receivables and Other Assets | | <u>1,473,418.38</u> | <u>1,351,170.51</u> |
| With Full Reserves | | | |
| Total Regular Fund | | <u>8,068,539.91</u> | <u>8,000,592.32</u> |
| Federal and State Grant Fund: | | | |
| Federal and State Grants Receivable | A-11 | 323,551.70 | 321,261.20 |
| Total Federal and State Grant Fund | | <u>323,551.70</u> | <u>321,261.20</u> |
| <u>TOTAL ASSETS</u> | | <u>\$ 8,392,091.61</u> | <u>\$ 8,321,853.52</u> |

TOWN OF HACKETTSTOWN
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

| | | December 31, | |
|---|---------|------------------------|------------------------|
| | Ref. | 2019 | 2018 |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Regular Fund: | | | |
| Appropriation Reserves: | | | |
| Unencumbered | A-3;A-9 | \$ 878,120.39 | \$ 706,001.76 |
| Encumbered | A-3;A-9 | 388,248.98 | 380,404.71 |
| Total Appropriation Reserves | | 1,266,369.37 | 1,086,406.47 |
| Prepaid Taxes | | 213,043.33 | 368,817.34 |
| Prepaid Licenses | | 2,035.00 | 1,835.00 |
| Tax Overpayments | | 44,006.62 | 44,006.62 |
| County Taxes Payable | | 5,075.11 | 5,207.47 |
| Due to Hackettstown Municipal Utility Authority | | 4,130.69 | |
| Due to Other Trust Funds | B | | 44,314.76 |
| Accounts Payable - Vendors | | 4,030.00 | 11,700.00 |
| Due to State of New Jersey: | | | |
| Senior Citizens' and Veteran's Deductions | | 9,792.45 | 8,282.17 |
| Marriage License Fees | | 350.00 | 325.00 |
| Construction Code Surcharge Fees | | 3,574.00 | 2,949.00 |
| Hackettstown Parking Authority Payable | | 435.50 | 689.00 |
| Local School District Taxes Payable | A-10 | 1,741,569.80 | 1,509,309.80 |
| Reserve for Tax Appeals | | 221,030.21 | 250,000.00 |
| Reserve for Tax Sale Premiums | | 114,300.00 | 100,400.00 |
| | | 3,629,742.08 | 3,434,242.63 |
| Reserve for Receivables and Other | | | |
| Assets | A | 1,473,418.38 | 1,351,170.51 |
| Fund Balance | A-1 | 2,965,379.45 | 3,215,179.18 |
| Total Regular Fund | | 8,068,539.91 | 8,000,592.32 |
| Federal and State Grant Fund: | | | |
| Appropriated Reserves | A-12 | 229,031.84 | 232,885.44 |
| Unappropriated Reserves | A-13 | 37,975.24 | 20,292.70 |
| Reserve for Encumbrances | A-12 | 5,610.71 | 2,193.73 |
| Due to Current Fund | A | 50,933.91 | 65,889.33 |
| Total Federal and State Grant Fund | | 323,551.70 | 321,261.20 |
| <u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u> | | <u>\$ 8,392,091.61</u> | <u>\$ 8,321,853.52</u> |

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

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

| | | Year Ended December 31, | |
|--|-------------|-------------------------|----------------------|
| | <u>Ref.</u> | 2019 | 2018 |
| <u>Revenue and Other Income Realized</u> | | | |
| Fund Balance Utilized | | \$ 2,044,400.00 | \$ 1,955,000.00 |
| Miscellaneous Revenue Anticipated | | 1,721,494.60 | 1,842,154.32 |
| Receipts from: | | | |
| Delinquent Taxes | | 389,197.49 | 309,138.32 |
| Current Taxes | | 30,601,436.71 | 30,517,950.55 |
| Nonbudget Revenue | | 137,072.78 | 127,622.50 |
| Other Credits to Income: | | | |
| Interfunds Returned | | 14,955.42 | 5,878.26 |
| Cancellation of Tax Sale Premiums | | | 4,600.00 |
| Cancellation of Construction Code Fees Due State | | | 7.00 |
| Cancellation of Accounts Payable | | | 1,790.00 |
| Increase in Deferred School Tax | | | 800,000.00 |
| Unexpended Balance of Appropriation Reserves | | 721,702.34 | 810,366.96 |
| Grant Reserve Cancelled | | | 30.59 |
| Total Income | | <u>35,630,259.34</u> | <u>36,374,538.50</u> |
| <u>Expenditures</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Municipal Purposes | | 9,382,687.11 | 9,123,248.92 |
| Refund of Prior Year Revenue | | 10,237.50 | 4,849.00 |
| Interfunds Advanced | | 3,694.71 | 65,889.33 |
| Due Hackettstown Parking Authority | | 435.50 | 689.00 |
| Prior Year Senior Citizens' and Veterans | | | |
| Deductions Disallowed | | 2,098.56 | 1,743.76 |
| Reserve for Pending Tax Appeals | | | 798,252.72 |
| County Taxes | | 6,499,407.58 | 6,824,444.57 |
| County Share of Added Taxes | | 5,075.11 | 5,207.47 |
| Local District School Taxes | | <u>17,932,023.00</u> | <u>17,455,197.00</u> |
| Total Expenditures | | <u>33,835,659.07</u> | <u>34,279,521.77</u> |
| Excess in Revenue | | 1,794,600.27 | 2,095,016.73 |
| <u>Fund Balance</u> | | | |
| Balance January 1 | | <u>3,215,179.18</u> | <u>3,075,162.45</u> |
| | | 5,009,779.45 | 5,170,179.18 |
| Decreased by: | | | |
| Utilized as Anticipated Revenue | | <u>2,044,400.00</u> | <u>1,955,000.00</u> |
| Balance December 31 | A | \$ 2,965,379.45 | \$ 3,215,179.18 |

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

TOWN OF HACKETTSTOWN
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

| | Budget | Added by NJSA 40A:4-87 | Realized | Excess or Deficit * |
|--|-----------------|---------------------------|-----------------|------------------------|
| Fund Balance Anticipated | \$ 2,044,400.00 | | \$ 2,044,400.00 | |
| Miscellaneous Revenue: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | 6,000.00 | | 8,454.30 | \$ 2,454.30 |
| Other | 5,000.00 | | 6,978.00 | 1,978.00 |
| Fees and Permits | 55,000.00 | | 109,422.02 | 54,422.02 |
| Fines and Costs: | | | | |
| Municipal Court | 120,000.00 | | 131,177.43 | 11,177.43 |
| Interest and Costs on Taxes | 90,000.00 | | 123,471.47 | 33,471.47 |
| Interest on Investments | 100,000.00 | | 191,955.50 | 91,955.50 |
| Rental Inspection Fees | 10,215.00 | | 15,700.00 | 5,485.00 |
| Consolidated Municipal Property Tax Relief | 38,700.00 | | 38,700.00 | |
| Energy Receipts Tax | 681,887.00 | | 681,887.00 | |
| Garden State Preservation Trust Fund | 61,706.00 | | 61,706.00 | |
| HRMC | 105,000.00 | | 105,379.48 | 379.48 |
| Uniform Construction Code Fees- Building | 80,000.00 | | 134,458.00 | 54,458.00 |
| Uniform Construction Code Fees- Electric | 12,000.00 | | 33,666.00 | 21,666.00 |
| Uniform Construction Code Fees- Fire | 10,000.00 | | 29,399.79 | 19,399.79 |
| Reserve for Recycling Tonnage Grant | 9,071.43 | | 9,071.43 | |
| Clean Communities Program | 17,781.05 | | 17,781.05 | |
| Municipal Alliance on Alcoholism and Drug Abuse- State | 8,083.00 | | 8,083.00 | |
| Body Armor Grant | 2,137.98 | | 2,137.98 | |
| Drive Sober or Get Pulled Over | | \$ 5,500.00 | 5,500.00 | |
| Canine Unit Grant | | 1,210.00 | 1,210.00 | |
| Department of Justice Bulletproof Vest Grant | 947.00 | | 947.00 | |
| Alcohol Education Rehabilitation Fund | 1,464.65 | | 1,464.65 | |
| Statewide Risk Control Grant | 2,944.50 | | 2,944.50 | |
| Total Miscellaneous Revenue | 1,417,937.61 | 6,710.00 | 1,721,494.60 | 296,846.99 |
| Receipts from Delinquent Taxes | 370,000.00 | | 389,197.49 | 19,197.49 |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purposes | 6,515,594.00 | | 7,136,885.02 | 621,291.02 |
| Minimum Library Tax | 330,142.00 | | 330,142.00 | |
| Total Municipal Budget | 6,845,736.00 | | 7,467,027.02 | 621,291.02 |
| Budget Totals | 10,678,073.61 | 6,710.00 | 11,622,119.11 | 937,335.50 |
| Nonbudget Revenue | | | 137,072.78 | 137,072.78 |
| | \$10,678,073.61 | \$ 6,710.00 | \$11,759,191.89 | \$1,074,408.28 |

TOWN OF HACKETTSTOWN
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019
(Continued)

Allocation of Current Tax Collections

| | |
|--|-------------------------------|
| Revenue from Collection of Current Taxes | \$ 30,601,436.71 |
| Allocated to County and School Taxes | <u>24,436,505.69</u> |
| Balance for Support of Municipal Budget | 6,164,931.02 |
| Add: Appropriation - Reserve for Uncollected Taxes | <u>1,302,096.00</u> |
| Realized for Support of Municipal Budget | <u><u>\$ 7,467,027.02</u></u> |

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Treasurer:

| | | |
|--|------------------|---------------|
| Cable TV Franchise Fee | \$ 31,288.79 | |
| Nutrition Center Reimbursemnt | 9,000.00 | |
| Cat Licenses | 1,888.00 | |
| Copies/Tax Maps/Ordinances | 19.05 | |
| Payments in Lieu of Taxes | 51,783.90 | |
| Senior Citizens and Veterans Deductions Administration Fee | 1,145.92 | |
| 200' lists | 350.00 | |
| DPW Lien | 2,100.00 | |
| Other Miscellaneous Revenues | <u>35,452.18</u> | |
| | | \$ 133,027.84 |

| | |
|---|-----------------------------|
| Statutory Excess Due From Animal Control Fund | 4,044.94 |
| | <u><u>\$ 137,072.78</u></u> |

Analysis of Interest Earned:

| | |
|-------------------------------|-----------------------------|
| Current Fund | \$ 153,738.87 |
| Due From Animal Control Fund | 327.86 |
| Due From Other Trust Fund | 7,852.66 |
| Due From General Capital Fund | <u>30,036.11</u> |
| | <u><u>\$ 191,955.50</u></u> |

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

TOWN OF HACKETTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

| | Appropriations | | Expended By | | Unexpended Balance Cancelled |
|-------------------------------|----------------|------------------------------|--------------------|-------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | |
| Operations - Within "CAPS" | | | | | |
| GENERAL GOVERNMENT: | | | | | |
| General Administration: | | | | | |
| Salaries & Wages | \$ 126,370.00 | \$ 126,370.00 | \$ 122,074.65 | \$ 4,295.35 | |
| Other Expenses | 16,000.00 | 16,000.00 | 12,297.22 | 3,702.78 | |
| Mayor and Council: | | | | | |
| Salaries & Wages | 33,060.00 | 33,060.00 | 31,146.00 | 1,914.00 | |
| Other Expenses | 2,500.00 | 2,500.00 | 1,630.22 | 869.78 | |
| Municipal Clerk: | | | | | |
| Salaries & Wages | 114,940.00 | 114,940.00 | 108,790.76 | 6,149.24 | |
| Other Expenses | 20,000.00 | 20,000.00 | 17,632.66 | 2,367.34 | |
| Financial Administration: | | | | | |
| Salaries & Wages | 143,755.00 | 143,755.00 | 138,527.96 | 5,227.04 | |
| Other Expenses | 6,000.00 | 6,000.00 | 2,339.92 | 3,660.08 | |
| Audit | 36,700.00 | 36,700.00 | 36,700.00 | | |
| Computerized Data Processing: | | | | | |
| Other Expenses | 34,000.00 | 34,000.00 | 32,105.09 | 1,894.91 | |
| Collection of Taxes: | | | | | |
| Salaries & Wages | 64,000.00 | 64,000.00 | 63,859.94 | 140.06 | |
| Other Expenses | 4,150.00 | 4,150.00 | 950.81 | 3,199.19 | |
| Assessment of Taxes: | | | | | |
| Salaries & Wages | 59,740.00 | 59,740.00 | 37,631.50 | 22,108.50 | |
| Miscellaneous Other Expenses | 8,800.00 | 8,800.00 | 8,207.95 | 592.05 | |
| Appraisals | 15,000.00 | 15,000.00 | 5,765.82 | 9,234.18 | |

TOWN OF HACKETTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019
(Continued)

| | Appropriations | | Expended By | | Unexpended Balance Cancelled |
|---|----------------|------------------------------|--------------------|--------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | |
| Operations - Within "CAPS" (continued) | | | | | |
| GENERAL GOVERNMENT (continued): | | | | | |
| Legal Services and Costs: | | | | | |
| Other Expenses | \$ 100,000.00 | \$ 100,000.00 | \$ 77,000.00 | \$ 23,000.00 | |
| Engineering Services and Costs: | | | | | |
| Other Expenses | 22,000.00 | 22,000.00 | 14,188.75 | 7,811.25 | |
| Economic and Industrial Development Commission: | | | | | |
| Other Expenses | 5,000.00 | 5,000.00 | | 5,000.00 | |
| Historical Preservation Commission: | | | | | |
| Salaries & Wages | 2,505.00 | 2,505.00 | 2,349.88 | 155.12 | |
| Other Expenses | 500.00 | 500.00 | 32.90 | 467.10 | |
| LAND USE ADMINISTRATION: | | | | | |
| Municipal Land Use Law (N.J.S.A. 40:55d-1): | | | | | |
| Planning Board: | | | | | |
| Salaries & Wages | 15,915.00 | 15,915.00 | 15,450.00 | 465.00 | |
| Other Expenses | 10,100.00 | 10,100.00 | 7,147.77 | 2,952.23 | |
| Board of Adjustment: | | | | | |
| Salaries & Wages-Flood Plain Administrator | 3,590.00 | 3,590.00 | 3,582.00 | 8.00 | |
| Other Expenses-Flood Plain Administrator | 200.00 | 200.00 | | 200.00 | |
| Insurance: | | | | | |
| Other Insurance Premiums | 170,150.00 | 170,150.00 | 168,144.18 | 2,005.82 | |
| Liability Insurance | 146,560.00 | 146,560.00 | 146,560.00 | | |
| Group Insurance Plan for Employees | 900,000.00 | 900,000.00 | 754,943.09 | 145,056.91 | |
| PUBLIC SAFETY: | | | | | |
| Police: | | | | | |
| Salaries & Wages | 2,379,191.00 | 2,379,191.00 | 2,275,550.26 | 103,640.74 | |
| Other Expenses | 155,018.00 | 155,018.00 | 151,693.77 | 3,324.23 | |

TOWN OF HACKETTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019
(Continued)

| | Appropriations | | Budget After Modification | Expended By | | Unexpended Balance Cancelled |
|--|----------------|----|------------------------------|--------------------|------------|------------------------------------|
| | Budget | | | Paid or Charged | Reserved | |
| Operations - Within "CAPS" (continued) | | | | | | |
| PUBLIC SAFETY: (continued) | | | | | | |
| Emergency Management System: | | | | | | |
| Salaries & Wages | \$ 6,470.00 | \$ | 6,470.00 | \$ 5,565.00 | \$ 905.00 | |
| Other Expenses | 5,070.00 | | 5,070.00 | 3,690.15 | 1,379.85 | |
| First Aid Organization Contributions | 25,000.00 | | 25,000.00 | | 25,000.00 | |
| Fire: | | | | | | |
| Salaries & Wages | 14,605.00 | | 14,605.00 | 14,603.00 | 2.00 | |
| Other Expenses | 55,345.00 | | 55,345.00 | 49,861.43 | 5,483.57 | |
| Fire Prevention: | | | | | | |
| Other Expenses | 1,000.00 | | 1,000.00 | | 1,000.00 | |
| Municipal Prosecutor: | | | | | | |
| Other Expenses | 19,097.00 | | 19,097.00 | 19,095.96 | 1.04 | |
| PUBLIC WORKS FUNCTIONS: | | | | | | |
| Department of Public Works: | | | | | | |
| Salaries & Wages | 536,370.00 | | 536,370.00 | 392,926.26 | 143,443.74 | |
| Other Expenses | 264,830.00 | | 264,830.00 | 201,397.34 | 63,432.66 | |
| Shade Tree Commission: | | | | | | |
| Other Expenses | 5,000.00 | | 5,000.00 | 3,972.00 | 1,028.00 | |
| Public Buildings and Grounds: | | | | | | |
| Salaries & Wages | 61,345.00 | | 61,345.00 | 56,237.88 | 5,107.12 | |
| Other Expenses | 50,200.00 | | 50,200.00 | 44,385.57 | 5,814.43 | |
| Vehicle Maintenance: | | | | | | |
| Other Expenses | 52,500.00 | | 52,500.00 | 29,580.05 | 22,919.95 | |

TOWN OF HACKETTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019
(Continued)

| | Appropriations | | Expended By | | Unexpended |
|--|----------------|------------------------------|--------------------|-------------|----------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | Balance Cancelled |
| Operations - Within "CAPS" (continued) | | | | | |
| HEALTH AND HUMAN SERVICES FUNCTIONS: | | | | | |
| Board of Health: | | | | | |
| Salaries & Wages | \$ 16,615.00 | \$ 16,615.00 | \$ 15,230.73 | \$ 1,384.27 | |
| Other Expenses | 2,200.00 | 2,200.00 | 976.05 | 1,223.95 | |
| Animal Control: | | | | | |
| Other Expenses | 1,750.00 | 1,750.00 | 1,750.00 | | |
| Senior Center Coordinator: | | | | | |
| Other Expenses | 6,000.00 | 6,000.00 | 5,740.00 | 260.00 | |
| PARKS AND RECREATION FUNCTIONS: | | | | | |
| Board of Recreation Commissioners: | | | | | |
| Salaries and Wages | 222,253.00 | 222,253.00 | 218,729.19 | 3,523.81 | |
| Other Expenses | 107,292.00 | 107,292.00 | 104,697.34 | 2,594.66 | |
| OTHER COMMON OPERATING FUNCTIONS: | | | | | |
| Celebration of Public Events: | | | | | |
| Other Expenses | 5,000.00 | 5,000.00 | 97.28 | 4,902.72 | |
| UTILITY EXPENSES AND BULK PURCHASES: | | | | | |
| Electricity | 45,775.00 | 45,775.00 | 37,016.51 | 8,758.49 | |
| Street Lighting | 100,000.00 | 100,000.00 | 79,327.31 | 20,672.69 | |
| Telephone | 55,000.00 | 55,000.00 | 54,954.32 | 45.68 | |
| Heating Oil | 46,500.00 | 46,500.00 | 30,311.04 | 16,188.96 | |
| Gasoline and Diesel | 100,000.00 | 100,000.00 | 60,000.00 | 40,000.00 | |
| Garbage and Trash Removal | 13,700.00 | 13,700.00 | 12,729.15 | 970.85 | |
| Municipal Services Act | 47,215.00 | 47,215.00 | 47,214.91 | 0.09 | |
| Municipal Court: | | | | | |
| Salaries & Wages | 136,145.00 | 136,145.00 | 135,574.48 | 570.52 | |
| Other Expenses | 9,245.00 | 9,245.00 | 7,860.86 | 1,384.14 | |

TOWN OF HACKETTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019
(Continued)

| | Appropriations | | Expended By | | Unexpended |
|---|----------------|------------------------------|--------------------|-------------|----------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | Balance Cancelled |
| Operations - Within "CAPS" (continued) | | | | | |
| Court Officer: | | | | | |
| Salaries & Wages | \$ 10,000.00 | \$ 10,000.00 | \$ 8,758.17 | \$ 1,241.83 | |
| Public Defender: | | | | | |
| Salaries & Wages | 6,000.00 | 6,000.00 | 3,800.00 | 2,200.00 | |
| Rental Property Inspections: | | | | | |
| Salaries & Wages | 6,565.00 | 6,565.00 | 5,970.97 | 594.03 | |
| Other Expenses | 1,250.00 | 1,250.00 | 95.00 | 1,155.00 | |
| COAH: | | | | | |
| Salaries & Wages | 6,150.00 | 4,291.00 | | 4,291.00 | |
| Construction Code Official: | | | | | |
| Salaries & Wages | 244,900.00 | 244,900.00 | 210,126.88 | 34,773.12 | |
| Other Expenses | 9,400.00 | 9,400.00 | 5,779.12 | 3,620.88 | |
| Total Operations within "CAPS" | 6,891,531.00 | 6,889,672.00 | 6,104,357.05 | 785,314.95 | |
| Contingent | 1,500.00 | 1,500.00 | | 1,500.00 | |
| Total Operations Including Contingent within "CAPS" | 6,893,031.00 | 6,891,172.00 | 6,104,357.05 | 786,814.95 | |
| Detail: | | | | | |
| Salaries & Wages | 4,210,484.00 | 4,208,625.00 | 3,866,485.51 | 342,139.49 | |
| Other Expenses (Including Contingent) | 2,682,547.00 | 2,682,547.00 | 2,237,871.54 | 444,675.46 | |
| STATUTORY EXPENDITURES: | | | | | |
| Contribution to: | | | | | |
| Public Employees Retirement System | 234,675.00 | 236,238.00 | 236,237.43 | 0.57 | |
| Social Security (O.A.S.I) | 343,550.00 | 343,550.00 | 261,592.22 | 81,957.78 | |
| Police and Firemen's Retirement System of New Jersey | 517,266.00 | 517,562.00 | 517,561.11 | 0.89 | |
| Unemployment Compensation Insurance | 12,000.00 | 12,000.00 | 12,000.00 | | |
| Defined Contribution Retirement Program | 7,000.00 | 7,000.00 | 6,346.19 | 653.81 | |
| Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS" | 1,114,491.00 | 1,116,350.00 | 1,033,736.95 | 82,613.05 | |

TOWN OF HACKETTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019
(Continued)

| | Appropriations | | Expended By | | Unexpended |
|--|-----------------|------------------------------|--------------------|---------------|----------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | Balance Cancelled |
| Total General Appropriations for Municipal Purposes Within "CAPS" | \$ 8,007,522.00 | \$ 8,007,522.00 | \$ 7,138,094.00 | \$ 869,428.00 | |
| Operations - Excluded from "CAPS" | | | | | |
| Maintenance of Free Public Library | 330,142.00 | 330,142.00 | 330,125.35 | 16.65 | |
| Stormwater Management: | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 6,330.93 | 8,669.07 | |
| Shared Service Agreements: | | | | | |
| Animal Control Services- Washington Township | 8,340.00 | 8,340.00 | 8,333.33 | 6.67 | |
| Total Other Operations - Excluded from "CAPS" | 353,482.00 | 353,482.00 | 344,789.61 | 8,692.39 | |
| Public and Private Programs Offset by Revenue: | | | | | |
| Clean Communities Grant | 17,781.05 | 17,781.05 | 17,781.05 | | |
| Body Armor Grant | 2,137.98 | 2,137.98 | 2,137.98 | | |
| Municipal Alliance Program: | | | | | |
| State Share | 8,083.00 | 8,083.00 | 8,083.00 | | |
| Local Share | 2,410.00 | 2,410.00 | 2,410.00 | | |
| Reserve for Recycling Tonnage Grant | 9,071.43 | 9,071.43 | 9,071.43 | | |
| Reserve for Canine Unit Grant (NJSA 40A:4-87 + \$1,210.00) | 1,210.00 | 1,210.00 | 1,210.00 | | |
| Alcohol Education Rehab Fund DWI | 1,464.65 | 1,464.65 | 1,464.65 | | |
| Statewide Risk Control Grant | 2,944.50 | 2,944.50 | 2,944.50 | | |
| Drive Sober Get Pulled Over (NJSA 40A:4-87 + \$5,500.00) | 5,500.00 | 5,500.00 | 5,500.00 | | |
| Department of Justice Bulletproof Vest Grant | 947.00 | 947.00 | 947.00 | | |
| Total Public and Private Programs Offset by Revenues | 44,839.61 | 51,549.61 | 51,549.61 | | |
| Total Operations - Excluded from "CAPS" | 398,321.61 | 405,031.61 | 396,339.22 | 8,692.39 | |

TOWN OF HACKETTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019
(Continued)

| | Appropriations | | Expended By | | Unexpended Balance Cancelled |
|---|------------------|------------------------------|--------------------|---------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | |
| Operations - Excluded from "CAPS" (continued): | | | | | |
| Detail: | | | | | |
| Other Expenses | \$ 398,321.61 | \$ 405,031.61 | \$ 396,339.22 | \$ 8,692.39 | |
| Capital Improvements - Excluded from "CAPS": | | | | | |
| Capital Improvement Fund | 900,000.00 | 900,000.00 | 900,000.00 | | |
| Reserve for Purchase of Fire Truck | 35,000.00 | 35,000.00 | 35,000.00 | | |
| Total Capital Improvements Excluded from "CAPS" | 935,000.00 | 935,000.00 | 935,000.00 | | |
| Municipal Debt Service - Excluded from "CAPS": | | | | | |
| Green Acres Loan Repayments for Principal and Interest | 35,134.00 | 35,134.00 | 35,133.50 | | \$ 0.50 |
| Total Municipal Debt Service - Excluded from "CAPS" | 35,134.00 | 35,134.00 | 35,133.50 | | 0.50 |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | 1,368,455.61 | 1,375,165.61 | 1,366,472.72 | 8,692.39 | 0.50 |
| Subtotal General Appropriations | 9,375,977.61 | 9,382,687.61 | 8,504,566.72 | 878,120.39 | 0.50 |
| Reserve for Uncollected Taxes | 1,302,096.00 | 1,302,096.00 | 1,302,096.00 | | |
| Total General Appropriations | \$ 10,678,073.61 | \$ 10,684,783.61 | \$ 9,806,662.72 | \$ 878,120.39 | \$ 0.50 |

Ref.

A

TOWN OF HACKETTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019
(Continued)

| | <u>Ref.</u> | <u>Analysis of</u> | |
|-------------------------------------|-------------|--------------------------------------|----------------------------|
| | | <u>Budget After Modification</u> | <u>Paid or Charged</u> |
| Adopted Budget | | \$ 10,678,073.61 | |
| Added by N.J.S.A. 40A:4-87 | | <u>6,710.00</u> | |
| | | <u>\$ 10,684,783.61</u> | |
| Reserve for Uncollected Taxes | | | \$ 1,302,096.00 |
| Cash Disbursed | | | 8,286,744.74 |
| Due to Federal and State Grant Fund | | | 51,549.61 |
| Encumbrances | A | | <u>388,248.98</u> |
| | | | 10,028,639.33 |
| Less: Appropriation Refunds | | | <u>221,976.61</u> |
| | | | <u>\$ 9,806,662.72</u> |

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

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
TRUST FUNDS

TOWN OF HACKETTSTOWN
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

| | | December 31, | |
|--|-------------|------------------------|------------------------|
| | <u>Ref.</u> | 2019 | 2018 |
| <u>ASSETS</u> | | | |
| Animal Control Fund: | | | |
| Cash and Cash Equivalents: | | | |
| Treasurer | B-4 | \$ 15,925.94 | \$ 14,141.83 |
| | | 15,925.94 | 14,141.83 |
| Recreation Trust Fund: | | | |
| Cash and Cash Equivalents | B-4 | 495,016.43 | 460,897.20 |
| | | 495,016.43 | 460,897.20 |
| Other Trust Funds: | | | |
| Cash and Cash Equivalents | B-4 | 1,247,572.54 | 1,109,057.72 |
| Due From Current Fund | A | | 44,314.76 |
| | | 1,247,572.54 | 1,153,372.48 |
| <u>TOTAL ASSETS</u> | | <u>\$ 1,758,514.91</u> | <u>\$ 1,628,411.51</u> |
| <u>LIABILITIES AND RESERVES</u> | | | |
| Animal Control Fund: | | | |
| Due to Current Fund | A | \$ 4,044.94 | \$ 352.23 |
| Reserve for Animal Control Fund Expenditures | B-5 | 11,881.00 | 13,789.60 |
| | | 15,925.94 | 14,141.83 |
| Recreation Trust Fund: | | | |
| Due to General Capital Fund | C | 45,000.00 | 75,000.00 |
| Reserve for Recreation Fund Expenditures | | 450,016.43 | 385,897.20 |
| | | 495,016.43 | 460,897.20 |
| Other Trust Funds: | | | |
| Reserve for: | | | |
| Parking Offenses Adjudication Act | | 2,587.03 | 2,187.03 |
| Performance Bonds | | 10,413.67 | 10,413.67 |
| Council on Affordable Housing Trust (COAH) | | 262,859.04 | 250,114.93 |
| Escrow Deposits | | 595,041.90 | 598,086.17 |
| Accrued Sick Leave | | 113,975.76 | 44,314.76 |
| Unemployment Compensation Fund | | 110,424.98 | 103,864.83 |
| Recycling Funds | | 21,216.24 | 26,606.36 |
| Business District Improvement Funds | | 3,344.82 | 1,763.30 |
| Storm Recovery | | 78,409.72 | 80,947.22 |
| Police Outside Duty | | 33,750.38 | 16,683.84 |
| Forfeiture | | 13,252.69 | 13,252.69 |
| Fire Prevention Penalty | | 2,032.19 | 4,873.56 |
| Fire Department Penalty Account | | 264.12 | 264.12 |
| Total Other Trust Funds | | 1,247,572.54 | 1,153,372.48 |
| <u>TOTAL LIABILITIES AND RESERVES</u> | | <u>\$ 1,758,514.91</u> | <u>\$ 1,628,411.51</u> |

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

TOWN OF HACKETTSTOWN
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

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

TOWN OF HACKETTSTOWN
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

TOWN OF HACKETTSTOWN
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

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

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
GENERAL CAPITAL FUND

TOWN OF HACKETTSTOWN
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| | | December 31, | |
|--|-------------|------------------------|------------------------|
| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
| <u>ASSETS</u> | | | |
| Cash and Cash Equivalents | C-2 | \$ 2,475,269.07 | \$ 1,490,484.72 |
| Due from Recreation Trust Fund | B | 45,000.00 | 75,000.00 |
| Other Receivables - Men's Softball and League Donation | | 4,000.00 | 12,000.00 |
| Deferred Charges to Future Taxation: | | | |
| Funded | | <u>126,549.99</u> | <u>158,669.90</u> |
| <u>TOTAL ASSETS</u> | | <u>\$ 2,650,819.06</u> | <u>\$ 1,736,154.62</u> |
| | | | |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Green Acres Loan Payable | C-9 | \$ 126,549.99 | 158,669.90 |
| Improvement Authorizations: | | | |
| Funded | C-5 | 616,437.24 | 510,351.71 |
| Due Current Fund | A | 2.00 | |
| Capital Improvement Fund | C-6 | 1,497,413.40 | 883,210.20 |
| Reserve for: | | | |
| Encumbrances | C-5 | 233,396.36 | 41,902.74 |
| Payment of Debt Service | | 1.74 | 1.74 |
| Purchase of Fire Truck | | 175,000.00 | 140,000.00 |
| Fund Balance | C-1 | <u>2,018.33</u> | <u>2,018.33</u> |
| <u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u> | | <u>\$ 2,650,819.06</u> | <u>\$ 1,736,154.62</u> |

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

TOWN OF HACKETTSTOWN
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

| | <u>Ref.</u> | |
|---------------------------|-------------|---------------------------|
| Balance December 31, 2018 | C | <u>\$ 2,018.33</u> |
| Balance December 31, 2019 | C | <u><u>\$ 2,018.33</u></u> |

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

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
WATER UTILITY FUND
(NOT APPLICABLE)

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
SEWER UTILITY FUND
(NOT APPLICABLE)

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
PUBLIC ASSISTANCE FUND
(NOT APPLICABLE)

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
GENERAL FIXED ASSETS ACCOUNT GROUP

TOWN OF HACKETTSTOWN
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| | December 31, | |
|------------------------------------|-------------------------|------------------------|
| | <u>2019</u> | <u>2018</u> |
| <u>ASSETS</u> | | |
| Land | \$ 3,718,300.00 | \$ 3,718,300.00 |
| Buildings | 4,181,143.00 | 4,181,143.00 |
| Machinery and Equipment | <u>5,621,505.59</u> | <u>5,475,396.77</u> |
| <u>TOTAL ASSETS</u> | <u>\$ 13,520,948.59</u> | <u>\$13,374,839.77</u> |
| <u>RESERVES</u> | | |
| Investment in General Fixed Assets | <u>\$ 13,520,948.59</u> | <u>\$13,374,839.77</u> |
| <u>TOTAL RESERVES</u> | <u>\$ 13,520,948.59</u> | <u>\$13,374,839.77</u> |

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

1

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of the Town of Hackettstown include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Town of Hackettstown, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Town of Hackettstown do not include the operations of the Volunteer Fire and First Aid Squads or the Municipal Library.

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

B. Description of Funds

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

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

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

2

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

B. Description of Funds (Cont'd)

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

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

C. Basis of Accounting

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

The more significant policies in New Jersey follow.

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

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

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

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

3

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

C. Basis of Accounting (Cont'd)

Had the Town of Hackettstown's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned and inventories would not be reflected as expenditures at the time of purchase, investments would generally be stated at fair value and the Town's net pension liability and related deferred inflows and outflows, where applicable, would be recorded.

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

D. Other significant accounting policies include:

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

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

Investments - Investments are stated at cost.

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

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

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

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

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

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

4

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

D. Other Significant Accounting Policies (Cont'd)

General Fixed Assets – In accordance with New Jersey Administrative Code accounting requirements, as promulgated by the Division of Local Government Services, the Town has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at cost except for land and building, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts. Maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a reserve entitled "Investment in General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the general fixed assets account group may also be recorded in the current fund and the general capital fund. The values recorded in the general fixed assets account group, the current fund, and the general capital fund may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

- E. Deferred Charges to Future Taxation – The Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by loans or by capital lease purchase agreements.
- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current Operating Fund. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Town during the year.

Note 2: Long-Term Debt

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

5

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

Summary of Municipal Debt

| | December 31, | | |
|---|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2017 |
| <u>Issued:</u> | | | |
| General: | | | |
| Loans Payable | \$ 126,549.99 | \$ 158,669.90 | \$ 190,156.91 |
| Total Issued | <u>126,549.99</u> | <u>158,669.90</u> | <u>190,156.91</u> |
| Less: Reserve to Pay Debt Service | <u>1.74</u> | <u>1.74</u> | <u>1.74</u> |
| Net Bonds and Notes Issued and Authorized but not Issued | <u>\$ 126,548.25</u> | <u>\$ 158,668.16</u> | <u>\$ 190,155.17</u> |

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.013%.

| | Gross Debt | Deductions | Net Debt |
|-------------------|------------------------|----------------------|----------------------|
| General Debt | \$ 126,549.99 | \$ 1.74 | \$ 126,548.25 |
| Local School Debt | <u>930,000.00</u> | <u>930,000.00</u> | |
| | <u>\$ 1,056,549.99</u> | <u>\$ 930,001.74</u> | <u>\$ 126,548.25</u> |

Net Debt \$126,548.25 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,009,594,237.67= 0.013%.

Borrowing Power Under N.J.S. 40A:2-5 As Amended

| | |
|---|-------------------------|
| 3-1/2% Average Equalized Valuation of Real Property | \$ 35,335,798.32 |
| Net Debt | <u>126,548.25</u> |
| Remaining Borrowing Power | <u>\$ 35,209,250.07</u> |

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

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

The foregoing information is in agreement with the annual debt statement as filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding – Current Year

| | Balance 12/31/2018 | Retirements | Balance 12/31/2019 |
|----------------------|-----------------------|---------------------|-----------------------|
| Loans Payable: | | | |
| General Capital Fund | \$ 158,669.90 | \$ 32,119.91 | \$ 126,549.99 |
| Total | <u>\$ 158,669.90</u> | <u>\$ 32,119.91</u> | <u>\$ 126,549.99</u> |

Summary of Municipal Debt Issued and Outstanding – Prior Year

| | Balance 12/31/2017 | Retirements | Balance 12/31/2018 |
|----------------------|-----------------------|---------------------|-----------------------|
| Loans Payable: | | | |
| General Capital Fund | \$ 190,156.91 | \$ 31,487.01 | \$ 158,669.90 |
| Total | <u>\$ 190,156.91</u> | <u>\$ 31,487.01</u> | <u>\$ 158,669.90</u> |

Schedule of Annual Debt Service For Principal and Interest for the Next Five Years for Loans Issued and Outstanding

The schedule of annual debt service for principal and interest on the loan payable is as follows:

| Calendar Year | Principal | Interest | Total |
|---------------|----------------------|--------------------|----------------------|
| 2020 | \$ 32,765.52 | \$ 2,367.99 | \$ 35,133.51 |
| 2021 | 33,424.11 | 1,709.39 | 35,133.50 |
| 2022 | 23,784.39 | 1,088.87 | 24,873.26 |
| 2023 | 24,262.47 | 610.80 | 24,873.27 |
| 2024 | 12,313.50 | 123.14 | 12,436.64 |
| | <u>\$ 126,549.99</u> | <u>\$ 5,900.19</u> | <u>\$ 132,450.18</u> |

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

7

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

Analysis of Debt Issued and Outstanding

| <u>General Capital Green Acres Loans Payable</u> | | | |
|--|-----------------------|----------------------|----------------------|
| <u>Description</u> | <u>Final Maturity</u> | <u>Interest Rate</u> | <u>Balance</u> |
| Green Acres Loan #1 | 5/16/2024 | 2.00% | \$ 106,532.46 |
| Green Acres Loan #2 | 9/21/2021 | 2.00% | 20,017.53 |
| Total Debt Issued and Outstanding | | | <u>\$ 126,549.99</u> |

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$4,639,364 at December 31, 2018. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$7,159,496 at December 31, 2018. See Note 6 for further information on the PERS and PFRS.

Net OPEB Liability

The State's proportionate share of the net OPEB liability attributable to the Town at June 30, 2018 was \$6,634,539.

See Note 17 for further information on this net OPEB liability.

Note 3: Green Acres Trust Program

The Town was approved for the Green Acres Trust Program. The program was developed by the New Jersey Department of Environmental Protection to provide low interest loans to local governments for the acquisition, preservation and improvement to land for recreation.

Payments of principal and interest on the loans are required to be made once the funds earmarked for a specific project have been completely drawn down. Payments are to commence nine months after the final drawdown date and are to continue on a semi-annual basis over a period of 10 to 20 years. Interest on the loans, is at the rate of 2% annually on the outstanding balance.

Note 4: Fund Balance Appropriated

Fund balance at December 31, 2019, which is appropriated and included in the introduced budget as anticipated revenue in the Current Fund for the year ending December 31, 2020 is \$1,900,000.

Note 5: Local School District Taxes

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

8

Note 5: Local School District Taxes (Cont'd)

Local District Tax has been raised and liabilities deferred by statutes (under provisions of C.63, P.L. 1991, as amended), resulting in the school taxes payable set forth in the current fund liabilities as follows:

| | <u>Local School Tax</u> | |
|----------------|-------------------------|-----------------------|
| | <u>Balance</u> | <u>Balance</u> |
| | <u>12/31/2019</u> | <u>12/31/2018</u> |
| Balance of Tax | \$ 8,817,143.04 | \$8,584,883.04 |
| Deferred | 7,075,573.24 | 7,075,573.24 |
| Tax Payable | <u>\$ 1,741,569.80</u> | <u>\$1,509,309.80</u> |

Note 6: Pension Plans

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

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 |

TOWN OF HACKETTSTOWN
NOTES TO FINACIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

9

Note 6: Pension Plans (Cont'd)

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

Town contributions to PERS amounted to \$211,428 for 2018.

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

10

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

At June 30, 2018, the Town's liability was \$4,639,364 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the Town's proportion was .0236%, which was an increase of 0.001% from its proportion measured as of June 30, 2017. The Town has rolled forward the net pension liability as of June 30, 2018 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities to include the June 30, 2018 pension information in the Notes to the Financial Statements as the June 30, 2019 pension information has not been released as of the date of this audit.

For the year ended December 31, 2018, the Town recognized actual pension expense in the amount of \$211,428.

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

| | |
|---------------------------|---------------------------|
| Inflation Rate | 2.25% |
| Salary Increases: | |
| Through 2026 | 1.65 – 4.15% based on age |
| Thereafter | 2.65 – 5.15% based on age |
| Investment Rate of Return | 7.00% |

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 6: Pension Plans (Cont'd)

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

Actuarial Assumptions

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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 pension plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2017 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|------------------------------|---|
| Risk Management Strategies | 5.00% | 5.51% |
| Cash Equivalents | 5.50% | 1.00% |
| U.S. Treasuries | 3.00% | 1.87% |
| Investment Grade Credit | 10.00% | 3.78% |
| High Yield | 2.50% | 6.82% |
| Global Diversified Credit | 5.00% | 7.10% |
| Credit Oriented Hedge Funds | 1.00% | 6.60% |
| Debt Related Private Equity | 2.00% | 10.63% |
| Debt Related Real Estate | 1.00% | 6.61% |
| Private Real Asset | 2.50% | 11.83% |
| Equity Related Real Estate | 6.25% | 9.23% |
| U.S. Equity | 30.00% | 8.19% |
| Non-U.S. Developed Market Equity | 11.50% | 9.00% |
| Emerging Markets Equity | 6.50% | 11.64% |
| Buyouts/Venture Capital | 8.25% | 13.08% |

TOWN OF HACKETTSTOWN
NOTES TO FINACIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

12

Note 6: Pension Plans (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Town's proportionate share of the collective net pension liability as of June 30, 2018 calculated using the discount rate as disclosed below, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | December 31, 2018 | | |
|---|---------------------|--------------------------|---------------------|
| | 1% | Current | 1% |
| | Decrease (4.66%) | Discount Rate (5.66%) | Increase (6.66%) |
| Town's proportionate share of the Net Pension Liability | \$ 5,833,465 | \$ 4,639,364 | \$ 3,637,589 |

Pension Plan Fiduciary Net Position

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

13

Note 6: Pension Plans (Cont'd)

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

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

Benefits Provided

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

The following represents the membership tiers for PFRS:

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

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

Contributions

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 6: Pension Plans (Cont'd)

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. The June 30, 2018 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense for the fiscal year ended June 30, 2018 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2018. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Town contributions to PFRS amounted to \$448,336 for the year ended December 31, 2018. During the fiscal year ended June 30, 2018, the State of New Jersey contributed \$57,595 to the PFRS for normal pension benefits on behalf of the Town, which is less than the contractually required contribution of \$115,191.

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

Pension Liabilities and Pension Expense

At June 30, 2018, the Town's liability for its proportionate share of the net pension liability was \$7,159,496. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the Town's proportion was .0529%, which was a decrease of .003% from its proportion measured as of June 30, 2017. The Town has rolled forward the net pension liability as of June 30, 2018 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities to include the June 30, 2018 pension information in the Notes to the Financial Statements as the June 30, 2019 pension information has not been released as of the date of this audit.

TOWN OF HACKETTSTOWN
NOTES TO FINACIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

15

Note 6: Pension Plans (Cont'd)

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

Additionally, the State's proportionate share of the net pension liability attributable to the Town is \$972,499 as of June 30, 2018. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The State's proportionate share of the net pension liability associated with the Town was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the State's proportion was .0529%, which was a increase of .003% from its proportion measured as of June 30, 2017 which is the same proportion as the Town's. The Town has rolled forward the net pension liability as of June 30, 2018 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation.

| | |
|--|----------------------------|
| Town's Proportionate Share of the Net Pension Liability | \$ 7,159,496 |
| State's Proportionate Share of the Net Pension Liability Associated with the Town | <u>972,499</u> |
| Total Net Pension Liability | <u><u>\$ 8,131,995</u></u> |

For the year ended December 31, 2018, the Town recognized total pension expense of \$448,336.

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

| | |
|---------------------------|----------------------------|
| Inflation Rate | 2.25% |
| Salary Increases: | |
| Through 2026 | 2.10% - 8.98% based on age |
| Thereafter | 3.10% - 9.98% based on age |
| Investment Rate of Return | 7.00% |

Pre-retirement mortality rates were based on the RP-2000 Combined Healthy mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For pre-retirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements-are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Post-retirement mortality rates for female service retirements and

TOWN OF HACKETTSTOWN
NOTES TO FINACIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

16

Note 6: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability retirement rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2018 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------------------|----------------------|--|
| Risk Management Strategies | 5.00% | 5.51% |
| Cash Equivalents | 5.50% | 1.00% |
| U.S. Treasuries | 3.00% | 1.87% |
| Investment Grade Credit | 10.00% | 3.78% |
| High Yield | 2.50% | 6.82% |
| Global Diversified Credit | 5.00% | 7.10% |
| Credit Oriented Hedge Funds | 1.00% | 6.60% |
| Debt Related Private Equity | 2.00% | 10.63% |
| Debt Related Real Estate | 1.00% | 6.61% |
| Private Real Asset | 2.50% | 11.83% |
| Equity Related Real Estate | 6.25% | 9.23% |
| U.S. Equity | 30.00% | 8.19% |
| Non-U.S. Developed Market Equity | 11.50% | 9.00% |
| Emerging Markets Equity | 6.50% | 11.64% |
| Buyouts/Venture Capital | 8.25% | 13.08% |

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

17

Note 6: Pension Plans (Cont'd)

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

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through June 30, 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Town) as of June 30, 2018 calculated using the discount rate as disclosed above, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | December 31, 2018 | | |
|---|---------------------------|-------------------------------------|---------------------------|
| | 1% Decrease (5.51%) | Current Discount Rate (6.51%) | 1% Increase (7.51%) |
| Town's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Town | \$ 10,883,666 | \$ 8,131,995 | \$ 5,862,367 |

Pension Plan Fiduciary Net Position - PFRS

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

18

Note 6: Pension Plans (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

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

For DCRP, the Town recognized pension expense of \$6,364 for the year ended December 31, 2019. Employee contributions to DCRP amounted to \$8,638 for the year ended December 31, 2019.

Note 7: Selected Tax Information

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

Comparative Schedule of Tax Rate Information

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|-----------------------------------|-------------------------|-------------------------|-------------------------|
| <u>Tax Rate</u> | \$ 3.044 | \$ 3.024 | \$ 2.965 |
| <u>Apportionment of Tax Rate:</u> | | | |
| Municipal | 0.666 | 0.653 | 0.649 |
| County | 0.609 | 0.637 | 0.631 |
| Local School Tax | 1.745 | 1.704 | 1.646 |
| County Open Space Tax | 0.024 | 0.030 | 0.039 |
| <u>Assessed Valuations:</u> | | | |
| 2019 | <u>\$ 1,027,583,160</u> | | |
| 2018 | | <u>\$ 1,024,595,840</u> | |
| 2017 | | | <u>\$ 1,031,058,960</u> |

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

19

Note 7: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collection Currently

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

| <u>Year</u> | <u>Tax Levy</u> | <u>Currently</u> | |
|-------------|------------------|-------------------------|---------------------------------|
| | | <u>Cash Collections</u> | <u>Percentage of Collection</u> |
| 2019 | \$ 31,304,036.81 | \$ 30,601,436.71 | 97.75% |
| 2018 | 31,007,345.37 | 30,518,439.26 | 98.42% |
| 2017 | 30,613,080.75 | 30,159,340.94 | 98.51% |

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

Note 8: Cash and Cash Equivalents

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

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

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

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

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

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

20

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

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

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

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

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

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

21

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

Investments (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2019, cash and cash equivalents of the Town of Hackettstown consisted of the following:

| | <u>Checking Accounts</u> | <u>Cash on Hand</u> | <u>Total</u> |
|-----------------------|------------------------------|-------------------------|-------------------------|
| Current Fund | \$ 6,594,721.53 | \$ 400.00 | \$ 6,595,121.53 |
| Animal Control Fund | 15,925.94 | | 15,925.94 |
| Recreation Trust Fund | 495,016.43 | | 495,016.43 |
| Other Trust Funds | 1,247,572.94 | | 1,247,572.94 |
| General Capital Fund | <u>2,475,269.07</u> | | <u>2,475,269.07</u> |
| | <u>\$ 10,828,505.91</u> | <u>\$ 400.00</u> | <u>\$ 10,828,905.91</u> |

During the year ended December 31, 2019, the Town did not hold any investments. The carrying amount of the Town's cash and cash equivalents at December 31, 2019, was \$10,828,905.91 and the bank balance was \$10,945,460.34.

Note 9: Risk Management:

The Town 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. Health Benefits are provided to employees through the State of New Jersey health benefits plan.

The Town of Hackettstown is currently a member of the Statewide Insurance Fund (the "Fund"). The fund provides its members with Liability, Property and Workers' Compensation and Employer Liability Insurance. The Fund is risk-sharing public entity risk pool that is an insured and self-administered group of governmental entities established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund is elected.

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

22

Note 9: Risk Management: (Cont'd)

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

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

The December 31, 2019 audit report for the Fund is not filed as of the date of this audit. Selected, summarized financial information for the Fund as of December 31, 2018 is as follows:

| | Statewide Insurance Fund Dec. 31, 2018 |
|------------------------|---|
| Total Assets | \$ 48,828,931 |
| Net Position | \$ 13,407,234 |
| Total Revenue | \$ 25,364,220 |
| Total Expenses | \$ 25,296,289 |
| Change in Net Position | \$ 67,931 |
| Member Dividends | \$ -0- |

Contact information for Statewide Insurance Fund is as follows:

Statewide Insurance Fund
One Sylvan Way
Parsippany, New Jersey 07054
(862) 260-2050

New Jersey Unemployment Compensation Insurance

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

The following is a summary of Town and employee contributions, interest earned and amounts reimbursed to the State for benefits paid and the ending balance of the Town's expendable trust fund for the current and previous two years.

| Year | Town Contributions | Employee Contributions | Interest Earned | Amount Reimbursed | Ending Balance |
|------|-----------------------|---------------------------|--------------------|----------------------|-------------------|
| 2019 | \$ -0- | \$ 16,180.54 | \$ 2,076.19 | \$ 11,696.58 | \$ 110,424.98 |
| 2018 | -0- | 16,070.90 | 1,619.98 | 13,472.85 | 103,864.83 |
| 2017 | -0- | 28,106.76 | 651.71 | 8,898.40 | 99,646.80 |

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 10: Interfund Receivables and Payables

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

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-------------------------|---------------------------------|------------------------------|
| Current | \$ 54,980.85 | |
| Federal and State Grant | | \$ 50,933.91 |
| Animal Control Trust | | 4,044.94 |
| Recreation Trust Fund | | 45,000.00 |
| General Capital | 45,000.00 | 2.00 |
| | <u>\$ 99,980.85</u> | <u>\$ 99,980.85</u> |

Interfund activity between the Current Fund and the Federal and State Grant Fund consisted mostly of receipts and expenditures flowing through the Current Fund during the year. The interfund between Current Fund and Animal Control Trust consists excess reserve due to Current Fund that exceeded the maximum allowable reserve at year end. The interfund between Current Fund and General Fund consists of interest. The interfund between Recreation Trust Fund and General Capital Fund is to fund an improvement authorization.

Note 11: Economic Dependency

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

Note 12: Contingent Liabilities

The Town is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Town vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Various tax appeals on assessed valuations have been filed against the Town and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Tax Assessor will aggressively defend the Town's assessments. The Town has established a reserve, which it feels is sufficient, for this contingency and the balance at December 31, 2019 is \$221,030.21.

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 13: Deferred Compensation

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by the entity listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrator is as follows:

- Variable Annuity Life Insurance Company

Note 14: Accrued Sick and Vacation Benefits

The Town has permitted full-time employees to accrue unused vacation and sick pay and carry over all unused sick days. The current cost of such unpaid compensation has been estimated at approximately \$919,980.51 at December 31, 2019, and is not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid compensation would be included in the Town's budget operating expenditures in the year in which it is used. This amount is partially funded in the Reserve for Accrued Sick Leave of \$113,975.76 on the Trust Funds balance sheet at December 31, 2019.

Note 15: Fixed Assets

The following schedule is a summarization of the general fixed assets for the years ended December 31, 2019 and 2018:

| | Balance Dec. 31, 2018 | Additions | Deletions/ Adjustments | Balance Dec. 31, 2019 |
|-------------------------|--------------------------|----------------------|---------------------------|--------------------------|
| Land | \$ 3,718,300.00 | | | \$ 3,718,300.00 |
| Buildings | 4,181,143.00 | | | 4,181,143.00 |
| Machinery and Equipment | 5,475,396.77 | \$ 178,798.32 | \$ 32,689.50 | 5,621,505.59 |
| | <u>\$ 13,374,839.77</u> | <u>\$ 178,798.32</u> | <u>\$ 32,689.50</u> | <u>\$ 13,520,948.59</u> |

| | Balance Dec. 31, 2017 | Additions | Deletions | Balance Dec. 31, 2018 |
|-------------------------|--------------------------|----------------------|---------------------|--------------------------|
| Land | \$ 3,718,300.00 | | | \$ 3,718,300.00 |
| Buildings | 4,181,143.00 | | | 4,181,143.00 |
| Machinery and Equipment | 5,253,479.67 | \$ 295,739.82 | \$ 73,822.72 | 5,475,396.77 |
| | <u>\$ 13,152,922.67</u> | <u>\$ 295,739.82</u> | <u>\$ 73,822.72</u> | <u>\$ 13,374,839.77</u> |

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

25

Note 16: Tax Abatements

GASB requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

As of December 31, 2019, The Town provides a tax abatement to a nonprofit housing corporation for its senior citizen housing development in the Town pursuant to the authority contained in Section 5 of the Senior Citizens Nonprofit Rental Housing Tax Law (N.J.S.A. 55:14I-5) (the "Law") and a resolution of the governing body dated July 10, 2014 and an agreement dated July 16, 2014. In consideration of the full abatement of taxes, the nonprofit housing corporation is required to pay to the Town an annual service charge. The annual service charge made by the nonprofit corporation will be equal to 15% of the annual gross rents derived from such housing project as detailed in the tax abatement agreement. The tax abatement provided under the agreement shall be terminated when the nonprofit corporation or its successors and the development cease to remain subject to the provisions of the Law or a period of not more than 50 years from the effective date of the tax exemption, whichever event occurs first.

The Town recognized revenue in the amount of \$46,384 from this annual service charge or payment in lieu of taxes which is recorded as a miscellaneous revenue not anticipated in the Current Fund. The taxes which would have been paid on this property for 2019 without the abatement would have been \$186,481 of which \$40,702 would have been for the local municipal tax and the minimum library tax.

Note 17: Postemployment Benefits Other Than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their 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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 17: Postemployment Benefits Other Than Pensions (OPEB)

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

Benefits Provided (Cont'd)

48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Contributions

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

Special Funding Situation

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

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

27

Note 17: Postemployment Benefits Other Than Pensions (OPEB)

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

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 inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB 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, 2017 through June 30, 2018. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

OPEB Expense

The total OPEB liability as of June 30, 2019 was not available from the State of New Jersey Division of Pensions and Benefits as of the date of this report. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The State's proportionate share of the net OPEB liability attributable to the Town at June 30, 2018 was \$6,634,539. At June 30, 2018, the State's proportion related to the Town was .102055%. This is the percentage of the total State Share of the net OPEB liability of the Plan. During the year ended June 30, 2018, the State of New Jersey's OPEB expense related to the Town was \$191,966.

Actuarial Assumptions and Other Inputs

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

| | |
|--------------------|----------------|
| Inflation Rate | 2.50% |
| Salary Increases*: | |
| Through 2026 | 1.65% - 8.98% |
| Thereafter | 2.65% to 9.98% |

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

TOWN OF HACKETTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

28

Note 17: Postemployment Benefits Other Than Pensions (OPEB)

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

Actuarial Assumptions and Other Inputs

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 – June 30, 2014, respectively.

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

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially is 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post 65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

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

Note 18: Subsequent Event

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

TOWN OF HACKETTSTOWN

SUPPLEMENTARY DATA

TOWN OF HACKETTSTOWN
SCHEDULE OF OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2019

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

| <u>Name</u> | <u>Title</u> | <u>Amount of Bond</u> | <u>Name of Corporate or Personal Surety</u> |
|------------------------------|--|---------------------------|---|
| Maria DiGiovanni | Mayor | | |
| Eric Tynan | Member of Council | | |
| Matthew Engela | Member of Council | | |
| Leonard Kunz | Member of Council | | |
| Gerald DiMaio, Jr. | Member of Council | | |
| Scott Sheldon | Member of Council | | |
| Robert Hinrichs | Member of Council | | |
| William Kuster, Jr. | Town Clerk/Administrator, Registrar of Vital Statistics | Blanket | Zurich Insurance Company |
| Danette Dyer | Treasurer and Chief Financial Officer | \$ 10,000 | Selective Insurance Company of America |
| Patricia Noll | Tax Collector | 160,000 | Selective Insurance Company of America |
| Laura Moore | Court Administrator | Blanket | Zurich Insurance Company |
| Maria Molina | Deputy Court Administrator | Blanket | Zurich Insurance Company |
| Jason Cohen | Tax Assessor and Variance Search Officer | Blanket | Zurich Insurance Company |
| Nicole Natasha Lenar DeLauri | Magistrate | 10,000 | Selective Insurance Company of America |
| Mark Peck | Attorney | | |

Certain employees of the Town of Hackettstown were covered by a Public Employees Faithful Performance Blanket Position Bond issued by the Zurich Insurance company in the amount of \$1,000,000.00.

All of the bonds issued by Selective Insurance Company and the Zurich Insurance Company were examined and appeared to be properly executed.

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
CURRENT FUND

TOWN OF HACKETTSTOWN
CURRENT FUND
SCHEDULE OF CASH

| | <u>Ref.</u> | |
|---|------------------|-----------------|
| Balance December 31, 2018 | A | \$ 6,649,021.81 |
| Increased by Receipts: | | |
| Tax Collector Account | \$ 31,020,009.84 | |
| Revenue Accounts Receivable | 1,508,831.89 | |
| Miscellaneous Revenue Not Anticipated | 133,027.84 | |
| Due to Federal and State Grant Fund: | | |
| Unappropriated Reserves | 37,875.24 | |
| Federal and State Grants Receivable | 26,656.41 | |
| State of New Jersey Veterans' and Senior Citizens' Deductions | 56,545.97 | |
| Prepaid Licenses | 2,035.00 | |
| Due from State of N.J.: | | |
| Construction Code Fees | 10,146.00 | |
| Marriage License Fees | 1,525.00 | |
| Due General Capital Fund: | | |
| Interest Earned | 30,034.11 | |
| Due Animal Control Fund: | | |
| Statutory Excess Due | 352.23 | |
| Interest Earned | 327.86 | |
| Due Other Trust Fund: | | |
| Interest Earned | 7,852.66 | |
| Appropriation Refunds | 221,976.61 | |
| | <hr/> | 33,057,196.66 |
| | | <hr/> |
| Decreased by Disbursements: | | 39,706,218.47 |
| 2019 Appropriation Expenditures | 8,286,744.74 | |
| 2018 Appropriation Reserve Expenditures | 364,704.13 | |
| Accounts Payable | 7,670.00 | |
| Local School District Taxes | 17,699,763.00 | |
| County Taxes | 6,504,615.05 | |
| Tax Overpayments Refunded | 37,554.08 | |
| Refund of Prior Year Revenue | 10,237.50 | |
| Third Party Liens Redeemed | 25,127.66 | |
| Tax Sale Premiums Refunded | 38,100.00 | |
| Due to State of New Jersey: | | |
| Construction Code Fees | 9,521.00 | |
| Marriage License Fees | 1,500.00 | |
| Due from Federal and State Grant Fund: | | |
| Appropriated Reserves | 51,986.23 | |
| Due Other Trust Fund | 44,314.76 | |
| Due Hackettstown Parking Authority | 689.00 | |
| Reserve for Tax Appeals | 28,969.79 | |
| | <hr/> | 33,111,496.94 |
| Balance December 31, 2019 | A | \$ 6,594,721.53 |

TOWN OF HACKETTSTOWN
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2019

Increased by Receipts:

| | | |
|---|------------------|-------------------------|
| Taxes Receivable | \$ 30,564,682.61 | |
| 2020 Prepaid Taxes | 213,043.33 | |
| Interest and Costs on Taxes | 123,471.47 | |
| Tax Sale Premium | 52,000.00 | |
| Tax Overpayments | 37,554.08 | |
| Third Party Liens Redemption | 25,127.66 | |
| Tax Sale Municipal Utility Authority Fees | <u>4,130.69</u> | |
| | | <u>\$ 31,020,009.84</u> |

Decreased by:

| | | |
|-----------------------|--|--------------------------------|
| Payments to Treasurer | | <u><u>\$ 31,020,009.84</u></u> |
|-----------------------|--|--------------------------------|

TOWN OF HACKETTSTOWN
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| <u>Year</u> | <u>Balance Dec. 31 2018</u> | <u>2019 Levy</u> | <u>Collections</u> | | <u>State of NJ Veterans' and Senior Citizens' Deductions</u> | <u>Cancellations</u> | <u>Balance Dec. 31, 2019</u> |
|---|---------------------------------|-------------------------|----------------------|-------------------------|--|----------------------|----------------------------------|
| | | | <u>2018</u> | <u>2019</u> | | | |
| 2018 | \$ 411,738.10 | | | \$ 389,197.49 | \$ (2,098.56) | \$ 24,639.17 | |
| 2019 | | \$ 31,304,036.81 | \$ 368,817.34 | 30,175,485.12 | 57,134.25 | 152,321.20 | \$ 550,278.90 |
| | <u>\$ 411,738.10</u> | <u>\$ 31,304,036.81</u> | <u>\$ 368,817.34</u> | <u>\$ 30,564,682.61</u> | <u>\$ 55,035.69</u> | <u>\$ 176,960.37</u> | <u>\$ 550,278.90</u> |
| <u>Ref.</u> | A | | | | | | A |
| <u>Analysis of 2019 Property Tax Levy</u> | | | | | | | |
| General Purpose Tax | | | | | | | |
| Added Taxes (54:4-63.1 et seq.) | | | \$ 31,279,631.45 | | | | |
| | | | <u>24,405.36</u> | <u>\$ 31,304,036.81</u> | | | |
| Tax Levy: | | | | | | | |
| Local School District Taxes | | | | | | | |
| County Taxes: | | | | | | | |
| County Taxes | | | \$ 6,499,407.58 | | | | |
| Due County for Added and Omitted Taxes | | | <u>5,075.11</u> | | | | |
| | | | | <u>6,504,482.69</u> | | | |
| | | | | <u>24,436,505.69</u> | | | |
| Local Tax for Municipal Purposes | | | | | | | |
| Minimum Library Tax | | | 6,515,594.00 | | | | |
| Add: Additional Tax Levied | | | <u>330,142.00</u> | | | | |
| | | | <u>21,795.12</u> | | | | |
| | | | | <u>6,867,531.12</u> | | | |
| | | | | <u>\$ 31,304,036.81</u> | | | |

TOWN OF HACKETTSTOWN
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

TOWN OF HACKETTSTOWN
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| | Balance Dec. 31, 2018 | Accrued in 2019 | Collected by Tax Collector | Collected by Treasurer | Balance Dec. 31, 2019 |
|--|--------------------------|------------------------|-------------------------------|---------------------------|--------------------------|
| Clerk: | | | | | |
| Alcoholic Beverage License | | \$ 8,454.30 | | \$ 8,454.30 | |
| Other Licenses | | 6,978.00 | | 6,978.00 | |
| Fees and Permits | | 109,422.02 | | 109,422.02 | |
| Construction Code Official: | | | | | |
| Building Fees | | 134,458.00 | | 134,458.00 | |
| Electric Fees | | 33,666.00 | | 33,666.00 | |
| Fire Fees | | 29,399.79 | | 29,399.79 | |
| HRMC | | 105,379.48 | | 105,379.48 | |
| Municipal Court | \$ 10,410.85 | 127,315.21 | | 131,177.43 | \$ 6,548.63 |
| Interest and Costs on Taxes | | 123,471.47 | \$ 123,471.47 | | |
| Interest Earned on Investments and Deposits | | 153,738.87 | | 153,738.87 | |
| Garden State Preservation Trust | | 61,706.00 | | 61,706.00 | |
| Energy Receipts Tax | | 681,887.00 | | 681,887.00 | |
| Consolidated Municipal Property Tax Relief Aid | | 38,700.00 | | 38,700.00 | |
| Rental Inspection Fee | | 15,700.00 | | 15,700.00 | |
| | <u>\$ 10,410.85</u> | <u>\$ 1,630,276.14</u> | <u>\$ 123,471.47</u> | <u>\$ 1,510,666.89</u> | <u>\$ 6,548.63</u> |
| Ref. | A | | Cash Received | \$ 1,508,831.89 | A |
| | | | Prepaid Licenses Applied | 1,835.00 | |
| | | | | <u>\$ 1,510,666.89</u> | |

TOWN OF HACKETTSTOWN
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Balance Dec. 31, 2018 | Balance After Modi- fication | Paid or Charged | Balance Lapsed |
|--|--------------------------|------------------------------------|--------------------|-------------------|
| GENERAL GOVERNMENT: | | | | |
| General Administration: | | | | |
| Salaries and Wages | \$ 9,168.12 | \$ 9,168.12 | | \$ 9,168.12 |
| Other Expenses | 7,702.26 | 7,702.26 | \$ 27.15 | 7,675.11 |
| Mayor and Council: | | | | |
| Salaries and Wages | 1,857.00 | 1,857.00 | | 1,857.00 |
| Other Expenses | 791.35 | 791.35 | | 791.35 |
| Municipal Clerk: | | | | |
| Salaries and Wages | 969.36 | 969.36 | | 969.36 |
| Other Expenses | 11,650.61 | 11,650.61 | | 11,650.61 |
| Financial Administration: | | | | |
| Salaries and Wages | 5,204.84 | 5,204.84 | | 5,204.84 |
| Other Expenses | 821.02 | 821.02 | 72.09 | 748.93 |
| Auditing Services: | | | | |
| Other Expenses | 30,515.00 | 30,515.00 | 30,515.00 | |
| Computerized Data Processing: | | | | |
| Other Expenses | 11,734.44 | 11,734.44 | 9,249.37 | 2,485.07 |
| Collection of Taxes: | | | | |
| Salaries and Wages | 299.68 | 299.68 | | 299.68 |
| Other Expenses | 2,337.22 | 2,337.22 | 561.46 | 1,775.76 |
| Assessment of Taxes: | | | | |
| Salaries and Wages | 20,859.61 | 20,859.61 | | 20,859.61 |
| Other Expenses: | | | | |
| Miscellaneous Other Expenses | 3,165.79 | 3,165.79 | | 3,165.79 |
| Appraisals | 4,734.00 | 4,734.00 | 3,169.65 | 1,564.35 |
| Legal Services and Costs: | | | | |
| Other Expenses | 29,244.28 | 29,244.28 | 5,692.14 | 23,552.14 |
| Engineering Services and Costs: | | | | |
| Other Expenses | 15,958.75 | 15,958.75 | 573.75 | 15,385.00 |
| Historical Preservation: | | | | |
| Salaries and Wages | 150.00 | 150.00 | | 150.00 |
| Other Expenses | 326.50 | 326.50 | 101.24 | 225.26 |
| LAND USE ADMINISTRATION: | | | | |
| Planning Board: | | | | |
| Salaries and Wages | 225.00 | 225.00 | | 225.00 |
| Other Expenses | 2,620.99 | 2,620.99 | 2,006.25 | 614.74 |
| Board of Adjustment: | | | | |
| Salaries and Wages | 84.34 | 84.34 | | 84.34 |
| Other Expenses | 977.01 | 977.01 | | 977.01 |
| Salaries & Wages - Flood Plain Administrator | 148.54 | 148.54 | | 148.54 |
| Other Expenses - Flood Plain Administrator | 120.00 | 120.00 | | 120.00 |
| Insurance: | | | | |
| Other Insurance Premiums | 2,703.54 | 2,703.54 | | 2,703.54 |
| Liability Insurance | 1.00 | 1.00 | | 1.00 |
| Group Insurance Plans for Employees | 239,452.47 | 239,452.47 | 153,483.18 | 85,969.29 |

TOWN OF HACKETTSTOWN
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Balance Dec. 31, 2018 | Balance After Modi- fication | Paid or Charged | Balance Lapsed |
|--------------------------------------|--------------------------|------------------------------------|--------------------|-------------------|
| PUBLIC SAFETY FUNCTIONS: | | | | |
| Police: | | | | |
| Salaries and Wages | \$ 82,828.43 | \$ 82,828.43 | \$ 247.96 | \$ 82,580.47 |
| Other Expenses | 49,782.23 | 49,782.23 | 49,079.59 | 702.64 |
| First Aid Contributions: | | | | |
| Other Expenses | 25,000.00 | 25,000.00 | | 25,000.00 |
| Emergency Management Services: | | | | |
| Salaries and Wages | 878.00 | 878.00 | | 878.00 |
| Other Expenses | 1,386.40 | 1,386.40 | | 1,386.40 |
| Fire: | | | | |
| Salaries and Wages | 4.00 | 4.00 | | 4.00 |
| Other Expenses | 23,288.51 | 23,288.51 | 14,947.50 | 8,341.01 |
| Fire Prevention: | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | | 1,000.00 |
| PUBLIC WORKS FUNCTIONS: | | | | |
| Department of Public Works: | | | | |
| Salaries and Wages | 107,517.20 | 107,517.20 | | 107,517.20 |
| Other Expenses | 71,019.76 | 71,019.76 | 18,140.49 | 52,879.27 |
| Shade Tree Commission: | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | | 1,000.00 |
| Buildings and Grounds: | | | | |
| Salaries and Wages | 4,852.04 | 4,852.04 | | 4,852.04 |
| Other Expenses | 14,999.85 | 14,999.85 | 9,748.93 | 5,250.92 |
| Vehicle Maintenance: | | | | |
| Other Expenses | 26,500.79 | 26,500.79 | 6,904.17 | 19,596.62 |
| HEALTH AND HUMAN SERVICES FUNCTIONS: | | | | |
| Board of Health: | | | | |
| Salaries and Wages | 1,344.08 | 1,344.08 | | 1,344.08 |
| Other Expenses | 1,756.20 | 1,756.20 | 396.85 | 1,359.35 |
| Animal Control: | | | | |
| Other Expenses | 4,183.52 | 4,183.52 | | 4,183.52 |
| Senior Center Coordinator: | | | | |
| Other Expenses | 1,665.00 | 1,665.00 | | 1,665.00 |
| PARKS AND RECREATION FUNCTIONS: | | | | |
| Board of Recreation Commissioners: | | | | |
| Salaries and Wages | 75.26 | 75.26 | | 75.26 |
| Other Expenses | 16,815.27 | 16,815.27 | 5,635.61 | 11,179.66 |
| OTHER COMMON OPERATING FUNCTIONS: | | | | |
| Celebration of Public Events: | | | | |
| Other Expenses | 2,885.43 | 2,885.43 | | 2,885.43 |
| UNIFORM CONSTRUCTION CODE: | | | | |
| Construction Official: | | | | |
| Salaries and Wages | 32,831.34 | 32,831.34 | | 32,831.34 |
| Other Expenses | 6,928.37 | 6,343.55 | 450.00 | 5,893.55 |
| Zoning Official: | | | | |
| Other Expenses | 215.18 | 800.00 | 215.18 | 584.82 |

TOWN OF HACKETTSTOWN
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Balance Dec. 31, 2018 | Balance After Modi- fication | Paid or Charged | Balance Lapsed |
|---|--------------------------|------------------------------------|----------------------|----------------------|
| UTILITY EXPENSES AND BULK PURCHASES: | | | | |
| Electricity | \$ 12,383.58 | \$ 12,383.58 | \$ 2,506.85 | \$ 9,876.73 |
| Street Lighting | 20,279.56 | 20,279.56 | 7,130.64 | 13,148.92 |
| Telephone | 8,723.02 | 8,723.02 | 3,510.68 | 5,212.34 |
| Heating Oil | 22,677.37 | 22,677.37 | 4,531.13 | 18,146.24 |
| Gasoline and Diesel | 25,000.00 | 25,000.00 | | 25,000.00 |
| Municipal Services Act | 2,555.87 | 2,555.87 | | 2,555.87 |
| Municipal Court: | | | | |
| Salaries and Wages | 9,249.21 | 9,249.21 | | 9,249.21 |
| Other Expenses | 1,659.40 | 1,659.40 | 155.82 | 1,503.58 |
| Court Officer: | | | | |
| Salaries and Wages | 2,590.78 | 2,590.78 | | 2,590.78 |
| Public Defender (P.L. 1997, C. 256): | | | | |
| Salaries and Wages | 1,060.00 | 1,060.00 | | 1,060.00 |
| Rental Property Inspections: | | | | |
| Salaries and Wages | 573.04 | 573.04 | | 573.04 |
| Other Expenses | 715.14 | 715.14 | | 715.14 |
| COAH: | | | | |
| Salaries and Wages | 1,351.00 | 1,351.00 | | 1,351.00 |
| Contingent | 1,500.00 | 1,500.00 | | 1,500.00 |
| STATUTORY EXPENDITURES: | | | | |
| Contribution to: | | | | |
| Public Employees Retirement System | 0.96 | 0.96 | | 0.96 |
| Social Security System (O.A.S.I.) | 57,419.21 | 57,419.21 | | 57,419.21 |
| Police and Firemen's Retirement System of NJ | 0.09 | 0.09 | | 0.09 |
| Defined Contribution Retirement Plan | 121.27 | 121.27 | | 121.27 |
| Maintenance of Free Public Library: | | | | |
| Other Expenses | 31,657.70 | 31,657.70 | 31,657.70 | |
| Stormwater Management: | | | | |
| Other Expenses | 4,309.69 | 4,309.69 | 3,993.75 | 315.94 |
| | <u>\$ 1,086,406.47</u> | <u>\$ 1,086,406.47</u> | <u>\$ 364,704.13</u> | <u>\$ 721,702.34</u> |
| <u>Analysis of Balance December 31, 2018:</u> | | | | |
| | | <u>Ref.</u> | | |
| Unencumbered | \$ 706,001.76 | A | | |
| Encumbered | 380,404.71 | A | | |
| | <u>\$ 1,086,406.47</u> | | | |

TOWN OF HACKETTSTOWN
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

Ref.

| | | |
|--|---|------------------------|
| Balance December 31, 2018: | | |
| Local School Tax Payable | A | \$ 1,509,309.80 |
| Local School Tax Deferred | | <u>7,075,573.24</u> |
| | | 8,584,883.04 |
| Increased by: | | |
| Levy - School Year July 1, 2019 | | |
| through June 30, 2020 | | <u>17,932,023.00</u> |
| | | 26,516,906.04 |
| Decreased by: | | |
| Payments to Local School District | | <u>17,699,763.00</u> |
| | | <u>\$ 8,817,143.04</u> |
| Balance December 31, 2019: | | |
| Local School Tax Payable | A | 1,741,569.80 |
| Local School Tax Deferred | | <u>7,075,573.24</u> |
| | | <u>\$ 8,817,143.04</u> |
| <u>Analysis of Increase - Deferred School Tax:</u> | | |
| Balance December 31, 2019 | | \$ 7,075,573.24 |
| Balance December 31, 2018 | | <u>7,075,573.24</u> |
| Net Increase Credited to Operations | | <u>\$ -0-</u> |

TOWN OF HACKETTSTOWN
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

| | Balance Dec. 31, 2018 | 2019 Budget Revenue Realized | Cash Receipts | Transferred From Unappropriated Reserves | Balance Dec. 31, 2019 |
|--|--------------------------|------------------------------------|---------------------|---|--------------------------|
| Municipal Alliance Program - 2019 | | \$ 8,083.00 | | | \$ 8,083.00 |
| Municipal Alliance Program - 2018 | \$ 8,781.00 | | \$ 1,897.36 | | 6,883.64 |
| Municipal Alliance Program - 2017 | 3,900.64 | | 3,900.64 | | |
| Alcohol Education and Rehabilitation | | 1,464.65 | | \$ 1,464.65 | |
| Statewide Risk Control Grant | | 2,944.50 | 2,939.00 | | 5.50 |
| Emergency Management Grant - Generator Grant | 174,300.00 | | | | 174,300.00 |
| Bulletproof Vest Grant | | 947.00 | | 947.00 | |
| Clean Communities | | 17,781.05 | | 17,781.05 | |
| Recycling Tonnage Grant | | 9,071.43 | 9,071.43 | | |
| Drive Sober or Get Pulled Over | | 5,500.00 | 5,500.00 | | |
| Reserve for Police Canine Unit | | 1,210.00 | 1,210.00 | | |
| Body Armor Grant | | 2,137.98 | 2,137.98 | | |
| Highlands Conformance Implementation Grant | 25,000.00 | | | | 25,000.00 |
| Highlands Plan Conformance Grant | 76,779.56 | | | | 76,779.56 |
| Highlands Response Review Grant | 7,500.00 | | | | 7,500.00 |
| Highlands TDR Feasibility | 25,000.00 | | | | 25,000.00 |
| | <u>\$ 321,261.20</u> | <u>\$ 49,139.61</u> | <u>\$ 26,656.41</u> | <u>\$ 20,192.70</u> | <u>\$ 323,551.70</u> |

Ref.

A

A

TOWN OF HACKETTSTOWN
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

| | Balance Dec. 31, 2018 | Encumbrances Returned | Transferred from 2019 Budget | Cash Disbursed | Encumbrances Payable | Balance Dec. 31, 2019 |
|--|--------------------------|--------------------------|------------------------------------|---------------------|-------------------------|--------------------------|
| Drunk Driving Enforcement Fund - 2017 | \$ 5,530.10 | | | | | \$ 5,530.10 |
| Drunk Driving Enforcement Fund - 2016 | 11,150.93 | | | | | 11,150.93 |
| Drunk Driving Enforcement Fund - 2015 | 17,198.17 | | | | | 17,198.17 |
| Drunk Driving Enforcement Fund - 2014 | 10,352.81 | | | \$ 4,550.71 | \$ 179.00 | 5,623.10 |
| Recycling Tonnage Grant - 2019 | | | \$ 9,071.43 | 9,071.43 | | |
| Municipal Alliance Grant: | | | | | | |
| Reserve for Municipal Alliance Grant | 472.93 | | | | | 472.93 |
| State - 2019 | | | 8,083.00 | | | 8,083.00 |
| State - 2018 | 8,781.00 | | | 2,991.62 | | 5,789.38 |
| State - 2017 | 3,509.07 | | | 3,509.07 | | |
| State - 2016 | | \$ 128.80 | | | 128.80 | |
| Matching - 2016 | | 128.80 | | | 128.80 | |
| Matching - 2017 | 1,662.42 | | | 1,640.00 | | 22.42 |
| Matching - 2018 | 2,634.00 | | | | | 2,634.00 |
| Matching - 2019 | | | 2,410.00 | | | 2,410.00 |
| Clean Communities Grant - 2018 | | | 17,781.05 | | | 17,781.05 |
| Clean Communities Grant - 2017 | 18,582.80 | | | | | 18,582.80 |
| Clean Communities Grant - 2016 | 13,203.52 | 1,769.88 | | 13,991.53 | 300.00 | 681.87 |
| Body Armor Replacement Grant - 2016 | 413.50 | | | | 413.50 | |
| Body Armor Replacement Grant - 2017 | 1,946.21 | | | | 1,946.21 | |
| Body Armor Replacement Grant - 2018 | | | 2,137.98 | | 1,635.57 | 502.41 |
| Bulletproof Vest Program Grant | 125.90 | | | 125.90 | | |
| Bulletproof Vest Program Grant | 873.79 | | | 873.79 | | |
| Bulletproof Vest Program Grant | 3,097.50 | | | 1,065.31 | | 2,032.19 |
| Bulletproof Vest Program Grant | | | 947.00 | | | 947.00 |
| Emergency Management Grant - Generator Grant | 4,758.09 | 166.25 | | 57.50 | | 4,866.84 |
| Emergency Management Grant | 3,352.76 | | | | | 3,352.76 |
| Alcohol Education and Rehabilitation - 2018 | | | 1,464.65 | | | 1,464.65 |
| Alcohol Education and Rehabilitation - 2015 | 530.40 | | | | | 530.40 |
| Alcohol Education and Rehabilitation -2014 | 2,481.37 | | | | | 2,481.37 |
| Alcohol Education and Rehabilitation - 2013 | 1,952.66 | | | | | 1,952.66 |
| Alcohol Education and Rehabilitation - 2012 | 2,644.19 | | | | | 2,644.19 |
| Statewide Risk Control Grant | | | 2,944.50 | 2,939.00 | | 5.50 |
| Warren County OEM Program | 6,888.94 | | | | | 6,888.94 |
| Warren County- Stormwater Grant | 178.54 | | | | | 178.54 |
| Comcast Local Access | 3,498.22 | | | 3,498.22 | | |
| Drive Sober or Get Pulled Over | | | 5,500.00 | 5,500.00 | | |
| Canine Unit Grant | 4,831.94 | | 1,210.00 | 1,242.15 | 8.83 | 4,790.96 |
| Police Donations | 150.00 | | | | | 150.00 |
| Highlands Conformance Implementation Grant | 18,568.85 | | | | | 18,568.85 |
| Highlands Plan Conformance Grant | 62,144.72 | | | 930.00 | 870.00 | 60,344.72 |
| Highlands Response Review Grant | 1,386.36 | | | | | 1,386.36 |
| Highlands TDR Feasibility | 19,983.75 | | | | | 19,983.75 |
| | <u>\$ 232,885.44</u> | <u>\$ 2,193.73</u> | <u>\$ 51,549.61</u> | <u>\$ 51,986.23</u> | <u>\$ 5,610.71</u> | <u>\$ 229,031.84</u> |

Ref.

A

A

A

A

| | |
|----------------------------|---------------------|
| 2019 Budget Appropriations | \$ 49,139.61 |
| Local Match | 2,410.00 |
| | <u>\$ 51,549.61</u> |

TOWN OF HACKETTSTOWN
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

| | Balance Dec. 31, 2018 | Cash Receipts | Transfer to 2019 Budget Revenue | Balance Dec. 31, 2019 |
|---|--------------------------|---------------------|---------------------------------------|--------------------------|
| Clean Communities | \$ 17,781.05 | \$ 19,657.38 | \$ 17,781.05 | \$ 19,657.38 |
| Recycling Tonnage Grant | | 8,132.02 | | 8,132.02 |
| Mayors Wellness Grant | 100.00 | | | 100.00 |
| Drunk Driving Enforcement Fund | | 9,124.14 | | 9,124.14 |
| Alcohol Education Rehabilitation Enforcement Fund | 1,464.65 | | 1,464.65 | |
| Bulletproof Vest Program | 947.00 | 961.70 | 947.00 | 961.70 |
| | <u>\$ 20,292.70</u> | <u>\$ 37,875.24</u> | <u>\$ 20,192.70</u> | <u>\$ 37,975.24</u> |
| <u>Ref.</u> | A | | | A |

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
TRUST FUNDS

TOWN OF HACKETTSTOWN
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

| <u>Ref.</u> | <u>Animal Control Fund</u> | <u>Recreation Trust Fund</u> | <u>Other Trust Funds</u> |
|---|----------------------------|--|--------------------------|
| Balance December 31, 2018 | \$ 14,141.83 | \$ 460,897.20 | \$ 1,109,057.72 |
| Increased by Receipts: | | | |
| Municipal Licensing Fees | \$ 4,595.60 | | |
| Due State Board of Health | 1,346.40 | | |
| State Unemployment Insurance | | | |
| Due Current Fund: | | | \$ 18,256.73 |
| Interest Earned | 327.86 | | |
| Prior Year Interfund Returned | | | 7,852.66 |
| Parking Offenses Adjudication Act Deposits | | | 44,314.76 |
| COAH Trust | | | 806.00 |
| Escrow Deposits | | | 13,464.11 |
| Recycling Trust Fund | | | 254,328.92 |
| Business Improvement District Trust Fund | | | 1,727.46 |
| Police Outside Duty | | | 197,012.05 |
| Accrued Sick Leave | | | 161,319.42 |
| Recreation Trust Fund | | | 69,661.00 |
| Pool Trust | | | |
| | <u>6,269.86</u> | <u>\$ 15,464.78</u> <u>364,711.11</u> | <u>768,743.11</u> |
| | 20,411.69 | 380,175.89 | 1,877,800.83 |
| | | 841,073.09 | |
| Decreased by Disbursements: | | | |
| Due to Current Fund: | | | |
| Prior Year Excess Reserve | 352.23 | | |
| Interest Earned | 327.86 | | 7,852.66 |
| State Unemployment Insurance Expenditures | | | 11,696.58 |
| Animal Control Expenditures | | | |
| Parking Offenses Adjudication Act Expenditures | 2,459.26 | | |
| COAH Expenditures | | | 406.00 |
| Storm Recovery | | | 720.00 |
| Escrow Deposit Expenditures | | | 2,537.50 |
| Recycling Trust Fund Expenditures | | | 257,373.19 |
| Business Improvement District Trust Fund Expenditures | | | 7,117.58 |
| Police Outside Duty | | | 195,430.53 |
| Fire Prevention | | | 144,252.88 |
| Recreation Trust Fund Expenditures | | | 2,841.37 |
| Pool Trust | | | |
| Due to State Board of Health | <u>1,346.40</u> | <u>18,489.05</u> <u>327,567.61</u> | |
| | 4,485.75 | 346,056.66 | 630,228.29 |
| Balance December 31, 2019 | <u>\$ 15,925.94</u> | <u>\$ 495,016.43</u> | <u>\$ 1,247,572.54</u> |

TOWN OF HACKETTSTOWN
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

| | <u>Ref.</u> | |
|--------------------------------------|-------------|----------------------------|
| Balance December 31, 2018 | B | \$ 13,789.60 |
| Increased by: | | |
| 2019 Dog License Fees Collected | | 4,595.60 |
| | | <u>18,385.20</u> |
| Decreased by: | | |
| Statutory Excess due to Current Fund | | \$ 4,044.94 |
| Expenditures under R.S.4:19-15.11: | | <u>2,459.26</u> |
| | | <u>6,504.20</u> |
| Balance December 31, 2019 | B | <u><u>\$ 11,881.00</u></u> |

License Fees Collected

| <u>Year</u> | <u>Amount</u> |
|---------------------------|----------------------------|
| 2018 | \$ 4,390.20 |
| 2017 | <u>7,490.80</u> |
| Maximum Allowable Reserve | <u><u>\$ 11,881.00</u></u> |

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
GENERAL CAPITAL FUND

TOWN OF HACKETTSTOWN
GENERAL CAPITAL FUND
SCHEDULE OF CASH

| | <u>Ref.</u> | |
|---|---------------|------------------------|
| Balance December 31, 2018 | C | \$ 1,490,484.72 |
| Increased by Receipts: | | |
| Budget Appropriation - Capital Improvement Fund | \$ 900,000.00 | |
| HMUA Refund | 71,703.20 | |
| Due Current Fund: | | |
| Interest Earned | 30,036.11 | |
| Reserve to Purchase of Fire Truck | 35,000.00 | |
| Men's Softball and League Donations | 11,000.00 | |
| Private Donations | 300,000.00 | |
| | <hr/> | <hr/> |
| | | 1,347,739.31 |
| | | 2,838,224.03 |
| Decreased by Disbursements: | | |
| Improvement Authorization Expenditures | 332,920.85 | |
| Bond Anticipation Notes Matured | | |
| Due Current Fund: | | |
| Anticipated Revenue - Reserve to Pay Debt Service | | |
| Anticipated Revenue - General Capital Surplus | | |
| Interest Earned | 30,034.11 | |
| Reserve to Pay Debt Service | | |
| | <hr/> | <hr/> |
| | | 362,954.96 |
| Balance December 31, 2019 | C | <u>\$ 2,475,269.07</u> |

TOWN OF HACKETTSTOWN
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

TOWN OF HACKETTSTOWN
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| Improvement Description | Number | Ordinance Date | Amount | Balance December 31, 2018 Funded | 2019 Authorizations | | | | Paid or Charged | Cancelled | Balance December 31, 2019 Funded |
|---|------------------------|----------------|-----------------|--|--|---|--------------------------------|-------------------|--------------------|--------------|--|
| | | | | | Prior Year Encumbrances Returned | Other Financing Sources/ Donation | Capital Improvement Fund | | | | |
| Main Street Sidewalk Improvement | 09-15, 11-13, 14-02 | 09/28/09 | \$ 2,571,725.00 | \$ 5,000.00 | | | | | | | \$ 5,000.00 |
| Various Improvements | 13-07 | 06/11/13 | 265,000.00 | 83,500.00 | | | | \$ | 820.00 | | 82,680.00 |
| Various Capital Improvements | 17-09 | 04/13/17 | 259,150.00 | 69,280.65 | \$ 21,000.00 | | | | 67,377.60 | | 22,903.05 |
| Installation of Lighting at Tannery Field | 17-10; 19-10 | 04/13/17 | 460,000.00 | 259,000.00 | 15,564.74 | \$ 273,000.00 | | | 66,814.02 | \$ 95,000.00 | 385,750.72 |
| Various Capital Improvements | 18-05 | 04/12/18 | 395,500.00 | 93,571.06 | 5,338.00 | | | | 14,216.00 | | 84,693.06 |
| Various Improvements | 19-05 | 03/28/19 | 425,500.00 | | | | \$ 425,500.00 | | 390,331.59 | | 35,168.41 |
| Various Capital Improvements | 19-08 | 08/09/19 | 27,000.00 | | | | 27,000.00 | | 26,758.00 | | 242.00 |
| | | | | \$ 510,351.71 | \$ 41,902.74 | \$ 273,000.00 | \$ 452,500.00 | \$ 566,317.21 | \$ 95,000.00 | | \$ 616,437.24 |
| | | | <u>Ref.</u> | C | | | | | | | C |
| | | | | | | | Cash Disbursed | \$ 332,920.85 | | | |
| | | | | | | | Current Year Encumbrances | 233,396.36 | | | |
| | | | | | | | | <u>566,317.21</u> | | | |
| | | | | | | | Capital Improvement Fund | 95,000.00 | | | |

TOWN OF HACKETTSTOWN
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>Ref.</u> | |
|--------------------------------------|------------------|-------------------------------|
| Balance December 31, 2018 | C | \$ 883,210.20 |
| Increased By: | | |
| Budget Appropriation | \$ 900,000.00 | |
| Improvement Authorizations Cancelled | 95,000.00 | |
| HMUA Refund | <u>71,703.20</u> | |
| | | <u>1,066,703.20</u> |
| Decreased By: | | 1,949,913.40 |
| Appropriation to Finance | | |
| Improvement Authorizations | | <u>452,500.00</u> |
| Balance December 31, 2019 | C | <u><u>\$ 1,497,413.40</u></u> |

TOWN OF HACKETTSTOWN
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

TOWN OF HACKETTSTOWN
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

TOWN OF HACKETTSTOWN
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOANS PAYABLE

| | <u>Ref.</u> | |
|---------------------------|-------------|----------------------|
| Balance December 31, 2018 | C | \$ 158,669.90 |
| Decreased by: | | |
| Loan Repayments | | <u>32,119.91</u> |
| Balance December 31, 2019 | C | <u>\$ 126,549.99</u> |

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS
OUTSTANDING DECEMBER 31, 2019

Green Acres Loan #1

| <u>Payment Number</u> | <u>Date</u> | <u>Interest Rate</u> | <u>Interest Amount</u> | <u>Principal Amount</u> |
|---------------------------|-------------|--------------------------|----------------------------|-----------------------------|
| 31 | 05/16/20 | 2.00% | \$ 1,065.32 | \$ 11,371.31 |
| 32 | 11/16/20 | 2.00% | 951.61 | 11,485.03 |
| 33 | 05/16/21 | 2.00% | 836.76 | 11,599.88 |
| 34 | 11/16/21 | 2.00% | 720.76 | 11,715.88 |
| 35 | 05/16/22 | 2.00% | 603.60 | 11,833.03 |
| 36 | 11/16/22 | 2.00% | 485.27 | 11,951.36 |
| 37 | 05/16/23 | 2.00% | 365.75 | 12,070.88 |
| 38 | 11/16/23 | 2.00% | 245.05 | 12,191.59 |
| 39 | 05/16/24 | 2.00% | 123.14 | 12,313.50 |
| | | | <u>\$ 5,397.26</u> | <u>\$ 106,532.46</u> |

Green Acres Loan #2

| <u>Payment Number</u> | <u>Date</u> | <u>Interest Rate</u> | <u>Interest Amount</u> | <u>Principal Amount</u> |
|---------------------------|-------------|--------------------------|----------------------------|-----------------------------|
| 36 | 03/21/20 | 2.00% | \$ 200.18 | \$ 4,929.94 |
| 37 | 09/21/20 | 2.00% | 150.88 | 4,979.24 |
| 38 | 03/21/21 | 2.00% | 101.08 | 5,029.03 |
| 39 | 09/21/21 | 2.00% | 50.79 | 5,079.32 |
| | | | <u>\$ 502.93</u> | <u>\$ 20,017.53</u> |

TOWN OF HACKETTSTOWN
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
WATER UTILITY FUND
(NOT APPLICABLE)

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
SEWER UTILITY FUND
(NOT APPLICABLE)

TOWN OF HACKETTSTOWN
COUNTY OF WARREN
2019
PUBLIC ASSISTANCE FUND
(NOT APPLICABLE)

TOWN OF HACKETTSTOWN

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2019

TOWN OF HACKETTSTOWN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019

| Name of State Agency or Department | Name of Program | Pass-Through Entity ID# | C.F.D.A. Number | Grant Period | | Grant Award Amount | Amount Received | Program Expenditures | Cumulative Expenditures | Amounts Provided to Subrecipients |
|---|-------------------------------------|----------------------------|--------------------|--------------|------------|--------------------------|--------------------|-------------------------|----------------------------|---|
| | | | | From | To | | | | | |
| U.S. Department of Homeland Security: (Pass Through New Jersey Department of Law and Public Safety) | Hazard Mitigation - Generator Grant | HMGP-DR-4086-NJ-0496-R | 97.039 | 12/11/2015 | 12/11/2020 | 174,300.00 | | \$ 57.50 | \$ 169,433.16 | |
| Total U.S. Department of Homeland Security | | | | | | | | 57.50 | 169,433.16 | |
| U.S. Department of Justice | Bulletproof Vest Program | N/A | 16.607 | 1/1/2014 | 12/31/2019 | 2,215.78 | | 873.79 | 2,215.78 | |
| | | | | 1/1/2016 | 12/31/2019 | 1,365.85 | | 125.90 | 1,365.85 | |
| | | | | 1/1/2017 | 12/31/2020 | 3,097.50 | | 1,065.31 | 1,065.31 | |
| | | | | 1/1/2019 | 12/31/2020 | 961.70 | \$ 961.70 | | | |
| Total U.S. Department of Justice | | | | | | | 961.70 | 2,065.00 | 4,646.94 | |
| U.S. Department of Transportation (Passed Through N.J. Department of Law and Public Safety) | Drive Sober or Get Pulled Over | N/A | 20.601 | 1/1/2019 | 12/31/2020 | 5,500.00 | | 5,500.00 | 5,500.00 | |
| Total U.S. Department of Transportation | | | | | | | 5,500.00 | 5,500.00 | 5,500.00 | |
| Total Federal Awards | | | | | | | \$ 6,461.70 | \$ 7,622.50 | \$ 179,580.10 | \$ -0- |

N/A - Not Available/Applicable

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

TOWN OF HACKETTSTOWN
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2019

| Name of State Agency or Department | Name of Program | Program Account No. | Grant Award Amount | Grant Period | | Receipts | Expenditures | Total Cumulative Expenditures |
|---|--|--------------------------------|--------------------------|--------------|------------|--------------|--------------|-------------------------------------|
| | | | | From | To | | | |
| Department of Environmental Protection | Clean Communities Grant | 765-042-4900- 004-VCMC-6020 | 21,873.37 | 1/1/2017 | 12/31/2020 | | \$ 13,991.53 | \$ 20,891.50 |
| | | | 19,657.38 | 1/1/2020 | 12/31/2020 | \$ 19,657.38 | | |
| | | | | | | 19,657.38 | 13,991.53 | 20,891.50 |
| Total Department of Environmental Protection | Recycling Grant | 752-042-4900-001-6020 | 9,071.43 | 1/1/2019 | 12/31/2019 | 9,071.43 | 9,071.43 | 9,071.43 |
| | | | 8,132.02 | 1/1/2020 | 12/31/2020 | 8,132.02 | | |
| | | | | | | 17,203.45 | 9,071.43 | 9,071.43 |
| | | | 36,860.83 | | | 36,860.83 | 23,062.96 | 29,962.93 |
| Department of Law and Public Safety: Division of Criminal Justice | Body Armor Grant Replacement | 1020-718-066-YC5S | 2,137.98 | 1/1/2018 | 12/31/2020 | 2,137.98 | | |
| | | | | | | 2,137.98 | | 1,943.57 |
| | | | | | | | | |
| Total Department of Law and Public Safety | Drunk Driving Enforcement Fund Grant | 4250-760-0500000-63 | 19,926.96 | 1/1/2014 | 12/31/2020 | 9,124.14 | 4,550.71 | 14,124.86 |
| | | | 9,124.14 | 1/1/2019 | 12/31/2020 | 9,124.14 | 4,550.71 | 14,124.86 |
| | | | | | | 11,262.12 | 4,550.71 | 16,068.43 |
| New Jersey Highlands Council | Highlands Conformance Grant | 11-033-011-1420 | 97,000.00 | 1/1/2011 | 12/31/2020 | | 930.00 | 35,785.28 |
| | | | | | | | 930.00 | 35,785.28 |
| | | | | | | | | |
| Department of the Treasury: (Passed through the County of Warren) (Passed through the County of Warren) | Municipal Alliance on Alcoholism and Drug Abuse | 2000-475-995120-60 | 8,781.00 | 7/1/2017 | 6/30/2019 | 3,900.64 | 3,509.07 | 8,781.00 |
| | | | 8,781.00 | 7/1/2018 | 6/30/2020 | 1,897.36 | 2,991.62 | 2,991.62 |
| | | | | | | 5,798.00 | 6,500.69 | 19,489.69 |
| | | | \$ 53,920.95 | | | \$ 53,920.95 | \$ 35,044.36 | \$ 101,306.33 |

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

TOWN OF HACKETTSTOWN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2019

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Town of Hackettstown under programs of the federal and state governments for the year ended December 31, 2019. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operation of the Town, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Town.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 4: GREEN ACRES LOANS PAYABLE

At December 31, 2019, the Town has two Green Acres Loans Payable totaling \$126,549.99 which are recorded in the General Capital Fund.

Currently the Town is in the process of repaying the loan balances. There were no loan receipts or expenditures in the current year. The projects which relate to the loans are complete.



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

11 Lawrence Road
Newton, NJ 07860
973.383.6699

nisivoccia.com

Independent Member
BKR International

Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable Mayor and Members
of the Town Council
Town of Hackettstown, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Town of Hackettstown, in the County of Warren (the "Town") as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated April 3, 2020. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable Mayor and Members
of the Town Council
Town of Hackettstown
Page 2

Compliance and Other Matters

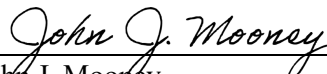
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
April 3, 2020

NISIVOC CIA



John J. Mooney
Certified Public Accountant
Registered Municipal Accountant No. 560

TOWN OF HACKETTSTOWN
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Town prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Town was not subject to the single audit provisions of the Uniform Guidance and New Jersey OMB's Circular 15-08 for the year ended December 31, 2019 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in Uniform Guidance and NJOMB 15-08.

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

TOWN OF HACKETTSTOWN
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Status of Prior Year Findings:

There were no findings in the prior year audit report.

TOWN OF HACKETTSTOWN

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

TOWN OF HACKETTSTOWN
COMMENTS AND RECOMMENDATIONS

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

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

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

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

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

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

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) are \$17,500 for a contracting unit without a qualified purchasing agent and \$40,000 for a contracting unit with a qualified purchasing agent.

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

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

TOWN OF HACKETTSTOWN
COMMENTS AND RECOMMENDATIONS
(Continued)

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes on or before the date when they would become delinquent. On January 1, 2019, the governing body adopted a resolution authorizing interest to be charged at the rate of 8% per annum on the first \$1,500 of delinquent taxes and 18% per annum for delinquent taxes in excess of \$1,500, and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year.

From our testing of the Tax Collector's records, it appeared that interest was charged for delinquent tax payments in accordance with the above resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 21, 2019, and was complete. Inspection of tax sale certificates revealed that all tax sale certificates were available for audit.

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

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|------------------------|
| 2019 | 0 |
| 2018 | 0 |
| 2017 | 0 |

Verification of Delinquent Taxes and Other Charges

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

| <u>Type</u> | <u>Number Mailed</u> |
|------------------------|----------------------|
| Payments of 2020 Taxes | 20 |
| Payments of 2019 Taxes | 20 |
| Delinquent Taxes | 15 |
| Tax Title Liens | 0 |

TOWN OF HACKETTSTOWN
COMMENTS AND RECOMMENDATIONS
(Continued)

Verification of Delinquent Taxes and Other Charges (Cont'd)

Verification notices were mailed to confirm balances as of December 31, 2019. The items that were returned were checked and in agreement with the Town's records. For receivable items not returned, alternative procedures were performed.

Accounting Requirements Under New Jersey Administrative Code

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

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

The Town maintains encumbrance, fixed assets and general ledger accounting systems.

Municipal Court

The Report of the Municipal Court has been forwarded to the Division of Local Government Services and the Town's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2019:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

| <u>Agency</u> | <u>Balance Dec. 31, 2018</u> | <u>Cash Received</u> | <u>Cash Disbursed</u> | <u>Balance Dec. 31, 2019</u> |
|--------------------------------|----------------------------------|--------------------------|---------------------------|----------------------------------|
| Municipal Treasurer: | | | | |
| Fines and Costs | \$ 10,410.85 | \$ 126,190.21 | \$ 130,157.43 | \$ 6,443.63 |
| POAA | 62.00 | 806.00 | 806.00 | 62.00 |
| Restitution | | 2,643.60 | 2,643.60 | |
| Conditional Dismissal | | 75.00 | 75.00 | |
| Public Defender | | 1,125.00 | 1,020.00 | 105.00 |
| County Treasurer: | | | | |
| Fines and Costs | 3,175.50 | 38,928.35 | 40,334.85 | 1,769.00 |
| Weights and Measures | | 550.00 | 550.00 | |
| State Treasurer: | | | | |
| Motor Vehicle Fines/Violations | 7,911.65 | 96,085.05 | 99,413.27 | 4,583.43 |
| Park and Forest | | 375.00 | 375.00 | |
| Conditional Discharge | | 813.00 | 813.00 | |
| Bail | 375.00 | 19,013.00 | 17,638.00 | 1,750.00 |
| | <u>\$ 21,935.00</u> | <u>\$ 286,604.21</u> | <u>\$ 293,826.15</u> | <u>\$ 14,713.06</u> |

TOWN OF HACKETTSTOWN
COMMENTS AND RECOMMENDATIONS
(Continued)

Status of Prior Year Recommendations:

There were no recommendations in the prior year.

TOWN OF HACKETTSTOWN
SUMMARY OF RECOMMENDATIONS

It is recommended that:

None

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