

TOWN OF BOONTON
COUNTY OF MORRIS
REPORT OF AUDIT
2019

NISIVOCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF BOONTON

COUNTY OF MORRIS

REPORT OF AUDIT

2019

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TOWN OF BOONTON

PART I

REPORT ON AUDIT AND FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2019

Independent Auditors' Report

The Honorable Mayor and Members
of the Board of Aldermen
Town of Boonton
Boonton, New Jersey

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* - of the various funds of the Town of Boonton, in the County of Morris (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.

The Honorable Mayor and Members
of the Board of Aldermen
Town of Boonton
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, 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 the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund and account group of the Town as of December 31, 2019 and 2018, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Basis for Qualified Opinion

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

Qualified Opinion on Regulatory Basis of Accounting

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

The Honorable Mayor and Members
of the Board of Aldermen
Town of Boonton
Page 3

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 Town'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2020 on our consideration of the Town of Boonton'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 of Boonton's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
July 31, 2020

NISIVOCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
Certified Public Accountant
Registered Municipal Accountant No. 447

TOWN OF BOONTON
COUNTY OF MORRIS
2019
CURRENT FUND

TOWN OF BOONTON
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	December 31,	
		2019	2018
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 5,363,426.51	\$ 5,287,555.87
Change Fund		280.00	280.00
		<u>5,363,706.51</u>	<u>5,287,835.87</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	655,305.45	666,540.72
Tax Title Liens Receivable	A-8	27,148.10	26,401.48
Property Acquired for Taxes at Assessed Valuation		155,100.00	155,100.00
Revenue Accounts Receivable	A-9	7,067.44	13,329.46
Due from Animal Control Trust Fund	B	6,907.98	11,955.12
Due from General Capital Fund	C	12,697.31	4,815.29
Due from Public Assistance Fund	F		45.42
Prepaid Local School Tax	A-10		441,395.60
Total Receivables and Other Assets With Full Reserves		<u>864,226.28</u>	<u>1,319,583.09</u>
Total Current Fund		<u>6,227,932.79</u>	<u>6,607,418.96</u>
Federal and State Grant Fund:			
Due From Current Fund	A	361,239.90	360,851.89
Federal and State Aid Receivable	A-12	42,416.65	28,359.15
Total Federal and State Grant Fund		<u>403,656.55</u>	<u>389,211.04</u>
<u>TOTAL ASSETS</u>		<u>\$ 6,631,589.34</u>	<u>\$ 6,996,630.00</u>

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

	Ref.	December 31,	
		2019	2018
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 417,962.82	\$ 355,668.69
Unencumbered	A-3;A-11	731,624.15	751,014.10
		<u>1,149,586.97</u>	<u>1,106,682.79</u>
Due to Federal and State Grant Fund	A	361,239.90	360,851.89
Due to Other Trust Fund	B	37,408.95	112,418.54
Due to State of New Jersey for Senior Citizen's and Veteran's Deductions		22,282.92	21,908.95
Prepaid Taxes		136,904.39	167,349.67
Due Local School District			52,543.00
Local School District Taxes Payable	A-10	53,563.15	
Library Taxes Payable		2,128.21	2,128.21
Tax Overpayments		40,830.93	57,369.12
Accounts Payable - Vendors		3,395.00	
Reserve for Pepe Park Trust Fund		7,300.43	7,300.43
Reserve for Master Plan		4,532.71	4,532.71
Reserve for Revaluation			25,672.21
Reserve for Preparation of Tax Maps		200.52	200.52
Reserve for Hurricane Irene Damage			14,947.58
Reserve for Pending Tax Appeals		455,212.67	461,176.51
		<u>2,274,586.75</u>	<u>2,395,082.13</u>
Reserve for Receivables and Other Assets	A	864,226.28	1,319,583.09
Fund Balance	A-1	3,089,119.76	2,892,753.74
Total Current Fund		<u>6,227,932.79</u>	<u>6,607,418.96</u>
Federal and State Grant Fund:			
Reserve for Appropriated Grants	A-14	\$ 343,253.93	337,727.98
Reserve for Unappropriated Grants	A-13	60,402.62	51,483.06
Total Federal and State Grant Fund		<u>403,656.55</u>	<u>389,211.04</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 6,631,589.34</u>	<u>\$ 6,996,630.00</u>

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

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

	Ref.	Year Ended December 31,	
		2019	2018
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 2,538,000.00	\$ 2,330,000.00
Miscellaneous Revenue Anticipated		1,595,920.59	1,701,619.14
Receipts from:			
Delinquent Taxes		482,498.80	408,650.40
Current Taxes		32,833,991.21	31,938,526.84
Nonbudget Revenue		359,268.48	289,727.75
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		559,542.24	668,899.26
Interfunds Returned		16,815.83	46,052.79
Prepaid Local School Tax		441,395.60	
Cancellation of Reserve for Revaluation		25,672.21	
Cancellation of Reserve for Hurricane Irene Damage		14,947.58	
Cancellation of Tax Overpayments		11,074.44	4,520.87
Total Income		<u>38,879,126.98</u>	<u>37,387,997.05</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		12,107,665.29	11,668,654.41
Local School District Taxes		20,915,508.00	20,218,617.00
County Taxes		3,061,355.81	3,017,669.26
Refund of Prior Year Revenue		38,699.86	
Reserve for Accumulated Absences			70,000.00
Prior Year Deductions Allowed for Senior and Veterans		1,926.71	
Interfunds Advanced		19,605.29	458,211.43
Total Expenditures		<u>36,144,760.96</u>	<u>35,433,152.10</u>
Excess in Revenue		2,734,366.02	1,954,844.95
<u>Fund Balance</u>			
Balance January 1	A	<u>2,892,753.74</u>	<u>3,267,908.79</u>
		5,627,119.76	5,222,753.74
Decreased by:			
Utilized as Anticipated Revenue		<u>2,538,000.00</u>	<u>2,330,000.00</u>
Balance December 31	A	<u>\$ 3,089,119.76</u>	<u>\$ 2,892,753.74</u>

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

TOWN OF BOONTON
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	\$ 2,538,000.00		\$ 2,538,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverage Licenses	22,000.00		23,314.00	\$ 1,314.00
Other Licenses	16,000.00		18,008.00	2,008.00
Fees and Permits	190,000.00		175,777.59	14,222.41 *
Municipal Court - Fines and Costs	218,000.00		152,824.70	65,175.30 *
Interest and Costs on Taxes	95,000.00		112,394.48	17,394.48
Consolidated Municipal Property Tax Relief Act	90,687.00		52,702.00	37,985.00 *
Energy Receipts Tax (P.L. 1998, Chapters 162 & 167)	816,280.00		854,265.00	37,985.00
Watershed Moratorium Offset Aid	6,533.00		6,533.00	
Uniform Construction Code Fees	90,476.00		79,367.00	11,109.00 *
Recycling Tonnage Grant	12,967.64		12,967.64	
Clean Communities		\$ 18,553.15	18,553.15	
Body Armor Replacement	2,683.97		2,683.97	
Alcohol Education & Rehabilitation Grant		2,411.24	2,411.24	
Municipal Alliance Grant	9,646.00		9,646.00	
Municipal Alliance Grant - Local Share	2,411.50		2,411.50	
Municipal Alliance Grant - Supplemental	1,000.00		1,000.00	
Municipal Alliance Grant - Supplemental Local Share	1,000.00		1,000.00	
PILOT Agreement - Avalon Bay	61,000.00		61,520.00	520.00
Capital Surplus Anticipated	8,541.32		8,541.32	
	<u>1,644,226.43</u>	<u>20,964.39</u>	<u>1,595,920.59</u>	<u>69,270.23 *</u>

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

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Receipts from Delinquent Taxes	\$ 400,000.00		\$ 482,498.80	\$ 82,498.80
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	8,915,475.34		10,264,886.40	1,349,411.06
Minimum Library Tax	386,220.00		386,220.00	
	<u>9,301,695.34</u>		<u>10,651,106.40</u>	<u>1,349,411.06</u>
Budget Totals	13,883,921.77	\$ 20,964.39	15,267,525.79	<u>\$ 1,362,639.63</u>
Nonbudget Revenue			<u>359,268.48</u>	
	<u>\$ 13,883,921.77</u>	<u>\$ 20,964.39</u>	<u>\$ 15,626,794.27</u>	

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

Allocation of Current Tax Collections:		
Revenue from Collection of Current Taxes		\$ 32,833,991.21
Allocated to:		
Local School District Taxes	\$ 20,915,508.00	
County Taxes	3,061,355.81	
		23,976,863.81
Balance for Support of Municipal Budget		8,857,127.40
Add: Appropriation "Reserve for Uncollected Taxes"		1,793,979.00
Realized for Support of Municipal Budget		\$ 10,651,106.40
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		\$ 482,498.80
Analysis of Nonbudget Revenue:		
Treasurer:		
Cable Television Franchise Fees	\$ 35,830.00	
NJ Senior Citizens & Veterans Deductions - Admin Fee	736.69	
Interest on Investments	120,163.14	
Parking Fees	64,054.11	
Fire Safety	12,317.18	
FEMA Reimbursement - Winter Storm Quinn	55,559.13	
Other Miscellaneous	6,680.66	
		\$ 295,340.91
Interest Due from General Capital Fund		42,756.66
Interest Earned in Other Trust Funds		14,262.93
Interest Due from Animal Control Fund		1,126.51
Statutory Excess Due from Animal Control Trust Fund		5,781.47
		\$ 359,268.48

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

TOWN OF BOONTON
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	
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 88,470.00	\$ 78,470.00	\$ 68,919.59	\$ 9,550.41	
Other Expenses	93,366.36	113,366.36	108,536.97	4,829.39	
Board of Alderman:					
Salaries & Wages	44,114.00	39,114.00	37,394.41	1,719.59	
Municipal Clerk:					
Salaries & Wages	71,775.00	71,775.00	71,772.54	2.46	
Other Expenses	28,350.00	28,350.00	28,202.33	147.67	
Financial Administration:					
Salaries & Wages	96,390.00	96,390.00	92,309.93	4,080.07	
Other Expenses	33,350.00	41,350.00	31,689.22	9,660.78	
Audit	29,172.00	29,172.00	7,953.34	21,218.66	
Tax Assessment Administration:					
Salaries & Wages	62,975.00	57,975.00	56,041.02	1,933.98	
Other Expenses	21,670.00	16,670.00	14,418.96	2,251.04	
Revenue Administration (Tax Collection):					
Salaries & Wages	1,200.00	1,200.00	1,200.00		
Other Expenses	6,700.00	6,700.00	5,546.92	1,153.08	
Legal Services and Costs:					
Other Expenses	162,200.00	283,200.00	247,681.93	35,518.07	
Engineering Services:					
Other Expenses	58,000.00	78,000.00	45,847.78	32,152.22	
Contribution to Boonton Main Street, Inc.	34,000.00	34,000.00	34,000.00		
Historical Preservation Commission:					
Other Expenses	1,200.00	1,200.00	735.00	465.00	

TOWN OF BOONTON
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	
GENERAL GOVERNMENT (continued):					
Municipal Land Use Law (N.J.S.A. 40A:55D-1):					
Land Use Board:					
Salaries & Wages	\$ 135,990.00	\$ 95,390.00	\$ 91,448.87	\$ 3,941.13	
Other Expenses	34,525.00	24,025.00	21,668.45	2,356.55	
Insurance:					
Employee Group Insurance	1,303,652.34	1,137,652.34	1,101,278.20	36,374.14	
Workers' Compensation	63,511.00	63,511.00	63,511.00		
General Liability Insurance	97,991.00	77,991.00	74,293.98	3,697.02	
Health Benefit Waiver	25,087.00	25,087.00	24,912.78	174.22	
Unemployment Insurance	1,000.00	1,000.00	1,000.00		
PUBLIC SAFETY:					
Aid to Volunteer Ambulance:					
Other Expenses	40,000.00	40,000.00	40,000.00		
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Fire Department:					
Salaries & Wages	28,450.00	28,450.00	28,357.95	92.05	
Other Expenses	139,892.00	139,892.00	114,058.55	25,833.45	
Emergency Management Services:					
Salaries & Wages	6,370.00	6,370.00	6,366.88	3.12	
Other Expenses	3,000.00				
Police:					
Salaries & Wages	2,695,600.00	2,772,600.00	2,668,339.46	104,260.54	
Other Expenses	219,611.00	218,111.00	163,340.37	54,770.63	
Purchase of Police Vehicles	51,385.00	51,385.00	51,385.00		

TOWN OF BOONTON
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	
PUBLIC SAFETY: (CONTD)					
Police Dispatch/911:					
Salaries & Wages	\$ 199,745.00	\$ 169,745.00	\$ 162,189.94	\$ 7,555.06	
Municipal Prosecutor:					
Other Expenses	16,000.00	16,000.00	16,000.00		
PUBLIC WORKS:					
Road Repair and Maintenance:					
Salaries & Wages	841,190.00	851,190.00	808,267.13	42,922.87	
Other Expenses	200,290.00	200,290.00	192,217.62	8,072.38	
Other Public Works:					
Salaries & Wages	73,430.00	73,430.00	52,333.43	21,096.57	
Other Expenses	79,500.00	71,500.00	65,318.80	6,181.20	
Solid Waste Collection:					
Salaries & Wages	35,465.00	40,465.00	39,854.82	610.18	
Other Expenses	425,000.00	425,000.00	394,771.99	30,228.01	
Public Building and Grounds:					
Other Expenses	92,150.00	112,150.00	105,646.30	6,503.70	
Vehicle Maintenance:					
Other Expenses	31,000.00	37,000.00	34,598.28	2,401.72	
Municipal Services Act (NJSA 40:67-23.2 et seq.):					
Other Expenses	2,500.00	2,500.00	2,102.50	397.50	
HEALTH AND WELFARE:					
Board of Health:					
Salaries & Wages	83,090.00	78,090.00	73,239.52	4,850.48	
Other Expenses	24,390.00	17,890.00	11,652.66	6,237.34	

TOWN OF BOONTON
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	
PARKS AND RECREATION:						
Recreation Services and Programs:						
Salaries & Wages	\$ 144,350.00	\$	144,350.00	\$ 144,350.00		
Other Expenses	60,190.00		52,690.00	37,062.68	\$ 15,627.32	
Celebration of Public Events:						
Other Expenses	7,000.00		7,000.00	3,687.95	3,312.05	
Municipal Court:						
Salaries & Wages	33,785.00		33,785.00	33,783.88	1.12	
Contractual	175,459.30		175,459.30	174,441.75	1,017.55	
Public Defender:						
Other Expenses	8,000.00		8,000.00	8,000.00		
STATE UNIFORM CONSTRUCTION CODE:						
Construction Code Official:						
Salaries & Wages	160,075.00		150,075.00	125,547.66	24,527.34	
Other Expenses	9,900.00		9,900.00	4,588.32	5,311.68	
UNCLASSIFIED:						
Utilities:						
Electricity	50,000.00		62,000.00	55,676.18	6,323.82	
Street Lighting	85,000.00		85,000.00	76,151.79	8,848.21	
Telephone	70,000.00		73,600.00	71,690.34	1,909.66	
Natural Gas	40,000.00		40,000.00	29,875.92	10,124.08	
Telecommunication	5,000.00		6,000.00	5,287.25	712.75	
Gasoline	50,000.00		50,000.00	49,349.49	650.51	

TOWN OF BOONTON
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	
UNCLASSIFIED: (CONTD)					
Landfill/Solid Waste Disposal:					
Recycling and Sanitary Landfill Facilities Closure and Contingency Fund Act	\$ 479,500.00	\$ 479,500.00	\$ 422,366.52	\$ 57,133.48	
Total Operations Within "CAPS"	9,161,006.00	9,131,006.00	8,502,264.15	628,741.85	
Detail:					
Salaries & Wages	4,827,551.00	4,813,951.00	4,586,629.81	227,321.19	
Other Expenses	4,333,455.00	4,317,055.00	3,915,634.34	401,420.66	
DEFERRED CHARGES AND STATUTORY EXPENDITURES:					
Statutory Expenditures:					
Public Employee's Retirement System	130,246.00	130,246.00	130,246.00		
Contribution to Social Security System (O.A.S.I.)	221,003.57	211,003.57	203,617.46	7,386.11	
Police and Fireman's Retirement System of NJ	636,284.00	636,284.00	636,284.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	987,533.57	977,533.57	970,147.46	7,386.11	
Total General Appropriations for Municipal Purposes Within "CAPS"	10,148,539.57	10,108,539.57	9,472,411.61	636,127.96	

TOWN OF BOONTON
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":					
Fair Housing Act (N.J.S.A. 40A:4-45.3t):					
Land Use Board	\$ 10,000.00	\$ 50,000.00	\$ 44,553.19	\$ 5,446.81	
Length of Service Awards Program ("LOSAP")	65,000.00	65,000.00	58,807.62	6,192.38	
Aid to Library (N.J.S.A. 40:54-35):					
Other Expenses	386,220.00	386,220.00	386,220.00		
Business Personal Property,					
Adjustment for School Purposes	53,556.00	53,556.00	53,556.00		
Recycling Tax	7,500.00	7,500.00		7,500.00	
Reserve for Tax Appeals	25,000.00	25,000.00	25,000.00		
SHARED SERVICE AGREEMENTS:					
Health Services (Rockaway Township):					
Other Expenses	137,624.00	137,624.00	61,267.00	76,357.00	
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:					
Alcohol Education & Rehabilitation Fund (N.J.S.A. 40A:4-87, \$2,411.24)		2,411.24	2,411.24		
Municipal Alliance Program:					
County Share	9,646.00	9,646.00	9,646.00		
Local Share	2,411.50	2,411.50	2,411.50		
Supplemental Grant - County Share	1,000.00	1,000.00	1,000.00		
Supplemental Grant - Local Share	1,000.00	1,000.00	1,000.00		
Clean Communities Grant (N.J.S.A. 40A:4-87, \$18,553.15)		18,553.15	18,553.15		
Recycling Tonnage Grant	12,967.64	12,967.64	12,967.64		
Body Armor Replacement Fund	2,683.97	2,683.97	2,683.97		
Total Operations Excluded from "CAPS"	714,609.11	775,573.50	680,077.31	95,496.19	

TOWN OF BOONTON
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	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":					
Capital Improvement Fund	\$ 140,000.00	\$ 140,000.00	\$ 140,000.00		
Total Capital Improvements - Excluded from "CAPS"	140,000.00	140,000.00	140,000.00		
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":					
Payment of Bond Principal	520,000.00	520,000.00	520,000.00		
Payment of Bond Anticipation Notes and Capital Notes	361,476.00	361,476.00	361,476.00		
Interest on Bonds	142,907.50	142,907.50	142,907.50		
Interest on Notes	62,410.59	62,410.59	59,168.72		\$ 3,241.87
Total Municipal Debt Service - Excluded from "CAPS"	1,086,794.09	1,086,794.09	1,083,552.22		3,241.87
Total General Appropriations - Excluded from "CAPS"	1,941,403.20	2,002,367.59	1,903,629.53	\$ 95,496.19	3,241.87
Subtotal General Appropriations	12,089,942.77	12,110,907.16	11,376,041.14	731,624.15	3,241.87
Reserve for Uncollected Taxes	1,793,979.00	1,793,979.00	1,793,979.00		
Total General Appropriations	\$ 13,883,921.77	\$ 13,904,886.16	\$ 13,170,020.14	\$ 731,624.15	\$ 3,241.87

Ref.

A

TOWN OF BOONTON
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		\$ 13,883,921.77	
Added by N.J.S.A. 40A:4-87		<u>20,964.39</u>	
		<u>\$ 13,904,886.16</u>	
Reserve for Uncollected Taxes			\$ 1,793,979.00
Reserve for Encumbrances	A		417,962.82
Due to Federal and State Grant Fund			50,673.50
Reserve for Pending Tax Appeals			25,000.00
Cash Disbursed			<u>11,543,221.01</u>
			13,830,836.33
Less: Appropriation Refunds			<u>660,816.19</u>
			<u>\$ 13,170,020.14</u>

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

TOWN OF BOONTON
COUNTY OF MORRIS
2019
TRUST FUNDS

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

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2019	2018
Animal Control Fund:			
Cash and Cash Equivalents:			
Cash - Treasurer	B-4	\$ 40,304.27	\$ 46,895.21
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,771,402.39	1,735,106.11
Due from Current Fund	A	37,408.95	112,418.54
Due from Water Utility Operating Fund	D		50,000.00
Due from Sewer Utility Operating Fund	E		50,000.00
		1,808,811.34	1,947,524.65
<u>TOTAL ASSETS</u>		<u>\$ 1,849,115.61</u>	<u>\$ 1,994,419.86</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey:			
Board of Health		\$ 2.40	
Due to Current Fund	A	6,907.98	\$ 11,955.12
Reserve for Animal Control Expenditures	B-6	33,393.89	34,940.09
		40,304.27	46,895.21

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

	Ref.	December 31,	
		2019	2018
<u>LIABILITIES, RESERVES AND FUND BALANCE (Cont'd)</u>			
Other Trust Funds:			
Due to General Capital Fund	C		\$ 85,860.00
Reserve for:			
Tax Sale Premiums		\$ 160,800.00	72,400.00
State Unemployment Insurance		141,460.08	133,837.27
Developers Escrow		206,154.17	436,488.94
Special Deposits		106,667.59	101,633.07
Forfeited Assets		22,188.44	36,281.29
Recycling		69,668.61	77,234.87
Parking Offenses Adjudication Act		8,249.32	6,521.32
Public Defender		24,069.56	
Police Outside Duty		78,622.07	40,797.99
Recreation (Santaland)		13,596.21	12,611.57
Planning Board		59,662.12	58,805.82
Marie Thus Fund		6,145.46	6,145.46
Storm Recovery		156,613.98	156,613.98
Accumulated Absences		357,971.55	357,971.55
Miller-Kingsland Historic Homes		21,112.00	15,112.00
Amount Due to Outside Lienholders			95.00
Forfeited Assets - State		21,815.15	21,815.15
Town 200th Celebration		2,481.12	2,481.12
Community Development Funds		3,891.06	3,891.06
Council on Affordable Housing		204,946.41	223,286.64
Uniform Construction Code Enforcement Fees		3,637.00	
Registrar - Vital Statistics		422.00	
Recreation Trust		138,637.44	97,640.55
		<u>1,808,811.34</u>	<u>1,947,524.65</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 1,849,115.61</u>	<u>\$ 1,994,419.86</u>

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

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

NOT APPLICABLE

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

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

NOT APPLICABLE

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

NOT APPLICABLE

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

TOWN OF BOONTON
COUNTY OF MORRIS
2019
GENERAL CAPITAL FUND

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

<u>ASSETS</u>	Ref.	December 31,	
		2019	2018
Cash and Cash Equivalents	C-2	\$ 1,904,453.85	\$ 2,578,104.53
Due from Other Trust Funds	B		85,860.00
Due from Water Utility Operating Fund	D		5,698.00
Due from Sewer Utility Operating Fund	E		34.00
New Jersey Department of Transportation Grant Receivable		711,814.71	297,884.09
County of Morris - Arch Bridge Grant Receivable		1,280.00	24,000.00
NJ State Highlands Water Protection Grant		15,000.00	
Morris County Improvement of Myrtle Ave and Wootton Street Grant		120,323.00	
Morris County Historic Preservation Grant		54,320.00	
Community Development Block Grant:			
Church Street Grant Receivable		65,000.00	65,000.00
Kanouse Street Playground		80,000.00	
Deferred Charges to Future Taxation:			
Funded		5,123,000.00	5,643,000.00
Unfunded	C-4	2,957,721.00	2,559,106.00
<u>TOTAL ASSETS</u>		<u>\$ 11,032,912.56</u>	<u>\$ 11,258,686.62</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-7	2,668,091.00	2,269,476.00
Serial Bonds Payable	C-8	5,123,000.00	5,643,000.00
Improvement Authorizations:			
Funded	C-5	1,087,082.48	1,131,378.73
Unfunded	C-5	1,626,286.44	1,739,469.95
Due to Current Fund	A	12,697.31	4,815.29
Due to Water Utility Capital Fund	D		5,732.00
Capital Improvement Fund	C-6	147,496.25	97,469.25
Reserve for Encumbrances		9,942.81	9,942.81
Reserves for:			
Purchase of 56 Harrison Street		3,196.38	3,196.38
Hess Corporation Traffic Contribution		6,360.00	6,360.00
Parking Projects		13,000.00	13,000.00
Community Development Block Grant		5,000.00	5,000.00
Recreation Contributions		35,224.93	35,224.93
To Pay Debt Service		55,000.00	55,000.00
Preliminary Engineering Costs		6,245.45	6,245.45
Fund Balance	C-1	234,289.51	233,375.83
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 11,032,912.56</u>	<u>\$ 11,258,686.62</u>

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

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

	<u>Ref</u>	
Balance December 31, 2018	C	\$ 233,375.83
Increased by:		
Premium on Bond Anticipation Notes		9,455.00
		<u>242,830.83</u>
Decreased by:		
Anticipated as a Revenue in Current Fund		8,541.32
		<u>8,541.32</u>
Balance December 31, 2019	C	<u>\$ 234,289.51</u>

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

TOWN OF BOONTON
COUNTY OF MORRIS
2019
WATER UTILITY FUND

TOWN OF BOONTON
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31	
		2019	2018
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 2,622,311.97	\$ 2,900,674.06
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-6	129,134.20	183,300.06
Water Utility Liens Receivable	D-6A		1,648.81
		<u>129,134.20</u>	<u>184,948.87</u>
Total Operating Fund		<u>2,751,446.17</u>	<u>3,085,622.93</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	1,364,902.60	1,589,771.25
Due from General Capital Fund	A		5,732.00
Due from Water Utility Operating Fund	D	120.96	91,576.22
NJEIT Loan Receivable		178,469.00	178,469.00
Fixed Capital	D-7	14,588,299.70	12,272,014.81
Fixed Capital Authorized and Uncompleted	D-8	2,526,080.00	4,498,380.00
Total Capital Fund		<u>18,657,872.26</u>	<u>18,635,943.28</u>
<u>TOTAL ASSETS</u>		<u>\$21,409,318.43</u>	<u>\$21,721,566.21</u>

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3; D-9	\$ 62,566.69	\$ 125,154.42
Encumbered	D-3; D-9	147,951.92	115,622.47
		<u>210,518.61</u>	<u>240,776.89</u>

TOWN OF BOONTON
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE (CONT'D)</u>	<u>Ref.</u>	<u>December 31</u>	
		<u>2019</u>	<u>2018</u>
Due to General Capital Fund	C		\$ 5,698.00
Due to Water Utility Capital Fund	D	\$ 120.96	91,576.22
Due to Sewer Utility Operating Fund	E		692.18
Due to Other Trust Fund	B		50,000.00
Accounts Payable			28,616.81
Accrued Interest on Loans		12,973.77	13,842.94
Accrued Interest on Bonds		33,706.95	37,817.08
Accrued Interest on Bond Anticipation Notes		7,326.80	5,415.48
Water Rent Overpayments		5,065.27	5,190.87
		<u>269,712.36</u>	<u>479,626.47</u>
Reserve for Receivables	D	129,134.20	184,948.87
Fund Balance	D-1	2,352,599.61	2,421,047.59
		<u>2,751,446.17</u>	<u>3,085,622.93</u>
Capital Fund:			
Serial Bonds Payable	D-14	2,274,000.00	2,514,000.00
Bond Anticipation Notes Payable	D-13	552,615.00	475,000.00
NJEIT Loan Payable - 2010	D-15	769,473.05	832,152.39
NJEIT Loan Payable - 2012	D-15A	945,798.60	1,018,365.13
NJEIT Loan Payable - 2014	D-15B	557,718.67	595,930.14
Improvement Authorizations:			
Funded	D-10	394,172.01	552,451.66
Unfunded	D-10	474,725.99	508,417.25
Capital Improvement Fund	D-11	561,090.00	691,175.00
Reserve for Water Tank Inspection		4,000.00	4,000.00
Reserve for Water Capital Equipment		27,645.00	27,645.00
Reserve for Encumbrances			
Deferred Reserve for Amortization	D-12A	324,171.00	124,086.00
Reserve for Amortization	D-12	11,535,424.38	11,055,682.15
Fund Balance	D-1A	237,038.56	237,038.56
		<u>18,657,872.26</u>	<u>18,635,943.28</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$21,409,318.43</u>	<u>\$21,721,566.21</u>

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

TOWN OF BOONTON
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2019	2018
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	275,000.00	\$ 275,000.00
Water Rents		2,114,222.31	2,119,492.37
Miscellaneous		49,769.86	756,989.31
Nonbudget Revenue		83,509.01	74,003.50
Other Credits to Income:			
Prior Year Accounts Payable Cancelled		2,157.04	
Unexpended Balance of Appropriation Reserves		90,288.68	128,702.87
		<u>2,614,946.90</u>	<u>3,354,188.05</u>
Total Income			
<u>Expenditures</u>			
Budget Expenditures:			
Operating		1,555,753.58	1,471,657.67
Capital Improvements		137,880.00	190,500.00
Debt Service		542,740.80	534,381.88
Deferred Charges and Statutory Expenditures		172,020.50	184,079.00
Reserve for Accumulated Absences - Due Other Trust Fund			50,000.00
		<u>2,408,394.88</u>	<u>2,430,618.55</u>
Total Expenditures			
Excess in Revenue		206,552.02	923,569.50
<u>Fund Balance</u>			
Balance January 1		2,421,047.59	1,772,478.09
		<u>2,627,599.61</u>	<u>2,696,047.59</u>
Decreased by:			
Utilized by Water Utility Operating Budget		275,000.00	275,000.00
		<u>275,000.00</u>	<u>275,000.00</u>
Balance December 31	D	<u>\$ 2,352,599.61</u>	<u>\$ 2,421,047.59</u>

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

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>		
Balance December 31, 2018	D	\$	237,038.56
Balance December 31, 2019	D	\$	<u>237,038.56</u>

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

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

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 275,000.00	\$ 275,000.00	
Rents	2,109,654.47	2,114,222.31	\$ 4,567.84
Miscellaneous Revenue Anticipated	25,000.00	49,769.86	24,769.86
	<u>2,409,654.47</u>	<u>2,438,992.17</u>	<u>29,337.70</u>
Nonbudget Revenue		83,509.01	83,509.01
	<u>\$ 2,409,654.47</u>	<u>\$ 2,522,501.18</u>	<u>\$ 112,846.71</u>
 <u>Analysis of Revenue - Rents</u>			
Collections		\$ 2,107,300.63	
Water Utility Liens Redeemed		1,730.81	
Overpayments Applied		<u>5,190.87</u>	
		<u>\$ 2,114,222.31</u>	
 <u>Miscellaneous Revenue Anticipated:</u>			
Collector:			
Water Connection Fees		\$ 37,395.01	
Interest on Delinquent Accounts		<u>12,374.85</u>	
		<u>\$ 49,769.86</u>	
 <u>Nonbudget Revenue:</u>			
Treasurer:			
Interest on Investments		\$ 53,563.37	
Due from Water Utility Capital Fund:			
Interest on Investments		<u>29,945.64</u>	
		<u>\$ 83,509.01</u>	

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

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

	Appropriation		Expended by			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:	\$	\$	\$	\$		
Salaries and Wages	621,560.00	616,560.00	613,421.19	3,138.81		
Other Expenses	878,193.58	939,193.58	881,988.92	57,204.66		
Capital Improvements:						
Capital Improvement Fund	70,000.00	70,000.00	70,000.00			
Capital Outlay	118,880.00	67,880.00	67,880.00			
Debt Service:						
Payment of Bond Principal	240,000.00	240,000.00	240,000.00			
Interest on Bonds	78,699.97	78,699.97	78,699.87			\$ 0.10
Interest on Notes	14,180.00	14,180.00	14,180.00			
Principal & Interest on Loans - NJEIT Loans	211,120.62	211,120.62	209,860.93			1,259.69
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	130,246.00	130,246.00	130,246.00			
Social Security System (O.A.S.I.)	46,774.50	41,774.50	39,551.28	2,223.22		
	<u>\$ 2,409,654.67</u>	<u>\$ 2,409,654.67</u>	<u>\$ 2,345,828.19</u>	<u>\$ 62,566.69</u>	<u>\$ 1,259.79</u>	
				D		
Cash Disbursed			\$ 2,072,291.14			
Accrued Interest on Serial Bonds			78,699.87			
Accrued Interest on Notes			14,180.00			
Accrued Interest on Loans			36,403.59			
Encumbrances Payable			147,951.92			
			<u>2,349,526.52</u>			
Less: Appropriation Refunds			3,698.33			
			<u>\$ 2,345,828.19</u>			

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

TOWN OF BOONTON
COUNTY OF MORRIS
2019
SEWER UTILITY FUND

TOWN OF BOONTON
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2019	2018
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 1,137,544.38	\$ 1,490,820.84
Due from Water Utility Operating Fund	D		692.18
		<u>1,137,544.38</u>	<u>1,491,513.02</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	86,914.61	116,804.78
Total Receivables with Full Reserves		<u>86,914.61</u>	<u>116,804.78</u>
Total Operating Fund		<u>1,224,458.99</u>	<u>1,608,317.80</u>
Assessment Trust Fund:			
Cash and Cash Equivalents	E-4	88,306.30	25,371.18
Assessment Liens Receivable	E-7	482.99	482.99
Due Sewer Utility Operating Fund	E	7.09	62,942.21
Total Assessment Trust Fund		<u>88,796.38</u>	<u>88,796.38</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	316,092.25	345,809.51
Due Sewer Utility Operating Fund	E	161,898.44	167,613.30
Fixed Capital	E-8	6,374,646.73	6,078,523.83
Fixed Capital Authorized and Uncompleted	E-9	133,000.00	421,750.00
Total Capital Fund		<u>6,985,637.42</u>	<u>7,013,696.64</u>
TOTAL ASSETS		<u><u>\$ 8,298,892.79</u></u>	<u><u>\$ 8,710,810.82</u></u>

TOWN OF BOONTON
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2019	2018
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-10	\$ 93,485.85	\$ 86,422.77
Encumbered	E-3;E-10	33,908.59	37,168.25
		<u>127,394.44</u>	<u>123,591.02</u>
Sewer Rent Overpayments		2,874.68	
Accrued Interest on Notes		592.41	1,214.21
Due Other Trust Fund	B		50,000.00
Due General Capital Fund	C		34.00
Due Sewer Utility Capital Fund	E	161,898.44	167,613.30
Due Sewer Utility Assessment Fund	E	7.09	62,942.21
		<u>292,767.06</u>	<u>405,394.74</u>
Reserve for Receivables	E	86,914.61	116,804.78
Fund Balance	E-1	844,777.32	1,086,118.28
		<u>1,224,458.99</u>	<u>1,608,317.80</u>
Total Operating Fund			
Assessment Trust Fund:			
Assessment Overpayments		382.67	382.67
Reserve for Assessments Receivables	E-11	482.99	482.99
Fund Balance	E-1A	87,930.72	87,930.72
		<u>88,796.38</u>	<u>88,796.38</u>
Total Assessment Trust Fund			
Capital Fund:			
Bond Anticipation Notes Payable	E-15	53,250.00	106,500.00
Improvement Authorizations:			
Funded	E-12	105,265.00	119,665.00
Unfunded	E-12		17,950.47
Capital Improvement Fund	E-13	184,075.05	159,075.05
Reserve for:			
Infiltration Study		11,666.23	39,747.88
Purchase of Equipment		124,925.00	124,925.00
Reserve for Amortization	E-14	6,271,706.61	6,161,833.71
Deferred Reserve for Amortization	E-14A	133,000.00	182,250.00
Fund Balance	E-1B	101,749.53	101,749.53
		<u>6,985,637.42</u>	<u>7,013,696.64</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 8,298,892.79</u>	<u>\$ 8,710,810.82</u>

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

TOWN OF BOONTON
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2019	2018
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 410,000.00	\$ 200,000.00
Sewer Rents		1,396,529.07	1,331,630.35
Miscellaneous Revenue Anticipated		46,901.60	646,166.32
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		61,934.44	117,462.88
		<u>1,915,365.11</u>	<u>2,295,259.55</u>
<u>Expenditures</u>			
Operating		1,473,364.58	1,282,987.66
Capital Improvements		41,000.00	45,036.00
Debt Service		55,318.99	38,056.45
Deferred Charges and Statutory Expenditures		177,022.50	182,078.02
Reserve for Accumulated Absences - Due Other Trust Fund			50,000.00
		<u>1,746,706.07</u>	<u>1,598,158.13</u>
Excess in Revenue/Statutory Excess to Fund Balance		168,659.04	697,101.42
<u>Fund Balance</u>			
Balance January 1	E	1,086,118.28	589,016.86
		<u>1,254,777.32</u>	<u>1,286,118.28</u>
Decreased by:			
Utilization as Anticipated Revenue:			
Sewer Utility Operating Budget		410,000.00	200,000.00
		<u>410,000.00</u>	<u>200,000.00</u>
Balance December 31	E	<u>\$ 844,777.32</u>	<u>\$ 1,086,118.28</u>

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

TOWN OF BOONTON
SEWER UTILITY ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>		
Balance December 31, 2018	E	\$	87,930.72
Balance December 31, 2019	E	\$	<u>87,930.72</u>

TOWN OF BOONTON
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE- REGULATORY BASIS

	<u>Ref.</u>		
Balance December 31, 2018	E	\$	101,749.53
Balance December 31, 2019	E	\$	<u>101,749.53</u>

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

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

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Fund Balance Anticipated	\$ 410,000.00	\$ 410,000.00	
Sewer Rents	1,328,327.87	1,396,529.07	\$ 68,201.20
Miscellaneous Revenue	9,000.00	46,901.60	37,901.60
	<u>\$ 1,747,327.87</u>	<u>\$ 1,853,430.67</u>	<u>\$ 106,102.80</u>

Analysis of Sewer Rents

Collections	<u>\$ 1,396,529.07</u>
	<u>\$ 1,396,529.07</u>

Analysis of Miscellaneous Revenue

Collector:	
Interest Earned	\$ 25,870.92
Connection Fees	2,639.21
Interest on Delinquent Accounts	11,510.80
Due from Sewer Utility Capital Fund:	
Interest on Deposits	6,355.70
Due from Sewer Utility Assessment Trust Fund:	
Interest on Assessments	<u>524.97</u>
	<u>\$ 46,901.60</u>

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

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

	Appropriations		Expended by			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Salaries and Wages	\$ 616,560.00	\$ 616,560.00	\$ 610,474.57	\$ 6,085.43		
Other Expenses	856,804.58	856,804.58	786,602.28	70,202.30		
Capital Improvements:						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00			
Capital Outlay	16,000.00	16,000.00	6,000.00	10,000.00		
Debt Service:						
Payment of Note Principal	53,250.00	53,250.00	53,250.00			
Interest on Notes	2,690.79	2,690.79	2,068.99			\$ 621.80
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	130,248.00	130,248.00	130,248.00			
Social Security System (O.A.S.I.)	46,774.50	46,774.50	39,576.38	7,198.12		
	<u>\$ 1,747,327.87</u>	<u>\$ 1,747,327.87</u>	<u>\$ 1,653,220.22</u>	<u>\$ 93,485.85</u>	<u>\$ 621.80</u>	

Ref.

	Cash Disbursed	\$ 1,618,165.01
	Accrued Interest on Notes	2,068.99
E	Encumbrances Payable	33,908.59
		<u>1,654,142.59</u>
	Less: Appropriation Refunds	922.37
		<u>\$ 1,653,220.22</u>

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

TOWN OF BOONTON
COUNTY OF MORRIS
2019
PUBLIC ASSISTANCE FUND

TOWN OF BOONTON
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2019	2018
<u>ASSETS</u>			
Cash and Cash Equivalents:			
Treasurer	F-1	\$ 159,746.02	\$ 162,147.64
TOTAL ASSETS		<u>\$ 159,746.02</u>	<u>\$ 162,147.64</u>
<u>RESERVES</u>			
Due Current Fund	A		\$ 45.42
Reserve for Public Assistance Expenditures		<u>\$ 159,746.02</u>	<u>162,102.22</u>
TOTAL RESERVES		<u>\$ 159,746.02</u>	<u>\$ 162,147.64</u>

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

TOWN OF BOONTON
COUNTY OF MORRIS
2019
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

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

	December 31,	
	2019	2018
<u>ASSETS</u>		
Land	\$ 12,430,917.27	\$ 12,430,917.27
Buildings	3,877,165.00	3,857,000.00
Equipment and Vehicles	8,501,907.75	7,489,147.75
	<u>\$ 24,809,990.02</u>	<u>\$ 23,777,065.02</u>
<u>RESERVES</u>		
Investment in Fixed Assets	\$ 24,809,990.02	\$ 23,777,065.02
	<u>\$ 24,809,990.02</u>	<u>\$ 23,777,065.02</u>

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

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

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

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 Boonton 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 Boonton 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 Fund - Receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

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.

Water Utility Operating and Capital Funds - Account for the operations, and acquisition of capital facilities of the municipally owned water utility.

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

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes. The administration of and the cost of administration of the Public Assistance Trust Fund II assistance program was transferred to the County Welfare Agency in a prior year.

General Fixed Assets Account Group (Unaudited) - These accounts were established with estimated values of land, buildings and certain fixed assets of the Town as discussed in Note 1E.

C. Basis of Accounting

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

The more significant accounting policies in New Jersey follow.

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

Expenditures are charged to operations generally 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.

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

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

C. Basis of Accounting (Cont'd)

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

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

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

D. Deferred Charges to Future Taxation

The General 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, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds or by issuing loans or entering into capital lease agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements required 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.

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

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

E. Other significant accounting policies include (Cont'd):

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

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

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

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

General Fixed Assets (Unaudited) - General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in fixed assets; maintenance and minor parts and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by an "Investment in Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund, Water Utility Capital Fund, and Sewer Utility Capital Fund. The values recorded in the General Fixed Assets Account Group and the Current and Capital Funds may not always agree due to differences in valuation methods, timing or recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water Utility and Sewer Utility Funds are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations of the cost of acquisitions of property, equipment and improvements. The Water Utility and Sewer Utility do not record depreciation on fixed assets.

F. Budget/Budgetary Control

Annual appropriated budgets are usually prepared in the first quarter for current operating, utility, and open space trust funds. The budgets are submitted to the governing body and the State 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 NJSA 40A. All budget amendments/transfers must be approved by the Town during the year.

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

Note 2 - Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance 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 have been pledged to the payment of general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2019	2018	2017
Issued			
General:			
Bonds and Notes	\$7,791,091.00	\$7,912,476.00	\$ 6,959,860.00
Water Utility:			
Bonds, Notes and Loans	5,099,605.32	5,435,447.66	5,790,815.00
Sewer Utility:			
Notes	53,250.00	106,500.00	142,000.00
Net Debt Issued	<u>12,943,946.32</u>	<u>13,454,423.66</u>	<u>12,892,675.00</u>
Authorized but not Issued:			
General:			
Bonds and Notes	289,630.00	289,630.00	289,630.00
Water Utility:			
Bonds and Notes	155,179.00	155,179.00	155,179.00
Sewer Utility:			
Bonds and Notes	49,690.12	49,690.12	49,800.00
Total Authorized but not Issued	<u>494,499.12</u>	<u>494,499.12</u>	<u>494,609.00</u>
Less:			
General:			
Reserve to Pay Debt Service	55,000.00	55,000.00	55,000.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 13,383,445.44</u>	<u>\$ 13,893,922.78</u>	<u>\$ 13,332,284.00</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 0.685%

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

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 16,920,325.00	\$ 16,920,325.00	
Water Utility Debt	5,254,784.32	5,254,784.32	
Sewer Utility Debt	102,940.12	102,940.12	
General Debt	<u>8,080,721.00</u>	<u>55,000.00</u>	<u>\$ 8,025,721.00</u>
	<u>\$ 30,358,770.44</u>	<u>\$ 22,333,049.44</u>	<u>\$ 8,025,721.00</u>

Net Debt: \$8,025,721.00 divided by Average Equalized Valuations of \$1,170,376,738.00 of Real Property = 0.685%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 40,963,185.83
Net Debt	<u>8,025,721.00</u>
Remaining Borrowing Power	<u>\$ 32,937,464.83</u>
<u>Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S. 40A:2-45</u>	
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 2,522,501.18
Deductions:	
Operating and Maintenance Costs	\$ 1,727,774.08
Debt Service Costs	<u>542,740.80</u>
	<u>2,270,514.88</u>
Excess in Revenue	<u>\$ 251,986.30</u>
<u>Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S. 40A:2-45</u>	
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 1,853,430.67
Deductions:	
Operating and Maintenance Costs	\$ 1,650,387.08
Debt Service Costs	<u>55,318.99</u>
	<u>1,705,706.07</u>
Excess in Revenue	<u>\$ 147,724.60</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

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

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

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

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/2017	Additions	Retirements	Balance 12/31/2018
Serial Bonds:				
General Capital Fund	\$ 6,163,000.00		\$ 520,000.00	\$ 5,643,000.00
Water Utility Capital Fund	2,739,000.00		225,000.00	2,514,000.00
Bond Anticipation Notes:				
General Capital Fund	796,860.00	\$ 2,269,476.00	796,860.00	2,269,476.00
Water Utility Capital Fund	475,000.00	475,000.00	475,000.00	475,000.00
Sewer Utility Capital Fund	142,000.00	106,500.00	142,000.00	106,500.00
Loans Payable:				
Water Utility Capital Fund:				
NJ Environmental Infrastructure Loan	2,576,815.00		130,367.34	2,446,447.66
	<u>\$ 12,892,675.00</u>	<u>\$ 2,850,976.00</u>	<u>\$ 2,289,227.34</u>	<u>\$ 13,454,423.66</u>

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2018	Additions	Retirements	Balance 12/31/2019
Serial Bonds:				
General Capital Fund	\$ 5,643,000.00		\$ 520,000.00	\$ 5,123,000.00
Water Utility Capital Fund	2,514,000.00		240,000.00	2,274,000.00
Bond Anticipation Notes:				
General Capital Fund	2,269,476.00	\$ 2,668,091.00	2,269,476.00	2,668,091.00
Water Utility Capital Fund	475,000.00	552,615.00	475,000.00	552,615.00
Sewer Utility Capital Fund	106,500.00	53,250.00	106,500.00	53,250.00
Loans Payable:				
Water Utility Capital Fund:				
NJ Environmental Infrastructure Loan	2,446,447.66		173,457.34	2,272,990.32
	<u>\$ 13,454,423.66</u>	<u>\$ 3,273,956.00</u>	<u>\$ 3,784,433.34</u>	<u>\$ 12,943,946.32</u>

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

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

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

Calendar Year	General		Water Utility		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 525,000.00	\$ 128,295.00	\$ 423,572.34	\$ 108,480.76	\$ 948,572.34	\$ 236,775.76
2021	530,000.00	112,895.00	428,715.34	96,487.72	958,715.34	209,382.72
2022	535,000.00	97,395.00	438,883.34	84,268.78	973,883.34	181,663.78
2023	535,000.00	81,895.00	409,076.34	72,676.56	944,076.34	154,571.56
2024	500,000.00	71,195.00	419,289.34	61,313.74	919,289.34	132,508.74
2025-2028	2,498,000.00	190,975.00	1,975,337.70	146,799.46	4,473,337.70	337,774.46
2029-2033			452,115.92	9,943.16	452,115.92	9,943.16
	<u>\$ 5,123,000.00</u>	<u>\$ 682,650.00</u>	<u>\$4,546,990.32</u>	<u>\$ 579,970.18</u>	<u>\$ 9,669,990.32</u>	<u>\$1,262,620.18</u>

At December 31, 2019, the Town had debt issued and outstanding described as follows:

General Capital Serial Bonds

Purpose	Final Maturity	Interest Rate	Balance
			Dec. 31. 2019
2015 General Improvement Bonds	11/1/2029	2.00% - 2.75%	\$ 4,148,000.00
2016 General Refunding Bonds	1/15/2023	4.00%	975,000.00
			<u>\$ 5,123,000.00</u>

General Capital Bond Anticipation Notes

Purpose	Final Maturity	Interest Rate	Balance
			Dec. 31. 2019
Various Capital Improvements	6/26/2020	2.25%	\$ 796,860.00
Various Capital Improvements	6/26/2020	2.25%	1,111,140.00
Various Capital Improvements	6/26/2020	2.05%	760,091.00
			<u>\$ 2,668,091.00</u>

Water Utility Capital New Jersey Environmental Infrastructure Trust (NJEIT) Loans

Purpose	Final Maturity	Interest Rate	Balance
			Dec. 31. 2019
NJ Environmental Infrastructure - 2010	9/1/2030	5.00 %	\$ 769,473.05
NJ Environmental Infrastructure - 2012	8/1/2031	2.00 - 5.00 %	945,798.60
NJ Environmental Infrastructure - 2014	8/1/2033	0.190 - 3.30 %	557,718.67
			<u>\$ 2,272,990.32</u>

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

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

Water Utility Capital Serial Bonds

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2019
2015 Water Utility Bonds	11/1/2030	2.00% - 2.75%	\$ 419,000.00
2016 Water Utility Refunding Bonds	1/15/2028	3.00% - 4.00%	1,855,000.00
			\$ 2,274,000.00

Water Utility Capital Bond Anticipation Notes

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2019
Various Water Improvements	6/26/2020	2.25%	\$ 475,000.00
Water Supply and Distribution System	6/26/2020	2.05%	77,615.00
			\$ 552,615.00

Sewer Utility Capital Bond Anticipation Notes

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2019
Purchase of Cleaning and Vacuum Truck	6/26/2020	2.25%	\$ 53,250.00
			\$ 12,943,946.32

Water Utility Capital New Jersey Environmental Infrastructure Loans - 2010

On December 2, 2010, the Town of Boonton entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (the "DEP") and the NJ Environmental Infrastructure Trust (the "Trust") in the aggregate amount of \$1,242,694 which represents direct obligations of the Town. The loan agreements were obtained to finance acquisition of property for open space.

Principal payments on the loan commenced on September 1, 2012 and will continue on a semiannual basis over 19 years at zero interest. Principal payments on the Trust loan agreement commenced on September 1, 2011 and will continue on a semiannual basis over 19 years at interest rate of 5.00%.

Also, annual administrative fees of three-tenths of one percent (.30%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time and of one percent (1.00%) of the initial principal amount of the loan or such lesser amount, if any, as the State may approve from time to time are payable on these loans.

Water Utility Capital New Jersey Environmental Infrastructure Loans - 2012

On May 3, 2010, the Town of Boonton entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (the "DEP") and the NJ Environmental Infrastructure Trust (the "Trust") in the aggregate amount of \$767,479 which represents direct obligations of the Town. The loan agreements were obtained to finance acquisition of property for open space.

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

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

Water Utility Capital New Jersey Environmental Infrastructure Loans – 2012 (Cont'd)

Principal payments on the loan commenced on August 1, 2013 and will continue on a semiannual basis over 19 years at zero interest. Principal payments on the Trust loan agreement commenced on August 1, 2012 and will continue on a semiannual basis over 19 years at interest rates from 2.00% to 5.00%.

Also, annual administrative fees of three-tenths of one percent (.30%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time and of one percent (1.00%) of the initial principal amount of the loan or such lesser amount, if any, as the State may approve from time to time are payable on these loans.

Water Utility Capital New Jersey Environmental Infrastructure Loans - 2014

On June 5, 2014, the Town of Boonton entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection (the "DEP") and the NJ Environmental Infrastructure Trust (the "Trust") in the aggregate amount of \$1,482,142 which represents direct obligations of the Town. The loan agreements were obtained to finance acquisition of property for open space.

Principal payments on the loan commenced on August 1, 2015 and will continue on a semiannual basis over 19 years at zero interest. Principal payments on the Trust loan agreement commenced on August 1, 2014 and will continue on a semiannual basis over 19 years at interest rates from 0.190% to 3.30%.

Also, annual administrative fees of three-tenths of one percent (.30%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time and of one percent (1.00%) of the initial principal amount of the loan or such lesser amount, if any, as the State may approve from time to time are payable on these loans.

Note 3 - Fund Balances Appropriated

The amount of fund balance at December 31, 2019 which is included in the Current Fund, Water Operating Fund and Sewer Operating Fund budgets for the year ending December 31, 2020, is \$2,278,000, \$275,000 and \$501,616, respectively.

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

Note 4 - Pension Plans

Town employees participate in one of two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to 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 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 before age 62 with 25 or more years of service credit 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 members 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 50 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.

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

Note 4 - Pension Plans

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

Contributions

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

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

Town contributions to PERS amounted to \$390,740.00 for 2019.

The employee contribution rate was 7.5% effective July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2019, the Town's liability was \$7,016,424 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The 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, 2019, the Town's proportion was 0.038%, which was a decrease of 0.0005% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Town recognized actual pension expense in the amount of \$390,740.00

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

Note 4 - Pension Plans (Cont'd)

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

Actuarial Assumptions

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2019 are summarized in the table on the following page:

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

Note 4 - Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Note 4 - Pension Plans (Cont'd)

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

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, 2019 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:

	June 30, 2019		
	At 1% Decrease (5.28%)	At Current Discount Rate (6.28%)	At 1% Increase (7.28%)
Town's proportionate share of the Net Pension Liability	\$ 8,862,885	\$ 7,016,424	\$ 5,460,521

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

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

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for PFRS:

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

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

Note 4 - Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. The June 30, 2019 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense for the fiscal year ended June 30, 2019 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2019. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

Note 4 - Pension Plans (Cont'd)

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

Special Funding Situation

Town contributions to PFRS amounted to \$636,284 for the year ended December 31, 2019. During the fiscal year ended June 30, 2019, the State of New Jersey contributed \$85,298 to the PFRS for normal pension benefits on behalf of the Town, which is less than the contractually required contribution of \$147,091.

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

Pension Liabilities and Pension Expense

At June 30, 2019 the Town's liability for its proportionate share of the net pension liability was \$8,017,232. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The 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, 2019, the Town's proportion was 0.065%, which was a decrease of 0.002% from its proportion measured as of June 30, 2018.

Additionally, the State's proportionate share of the net pension liability attributable to the Town is \$1,265,936 as of June 30, 2019. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The State's proportionate share of the net pension liability associated with the 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, 2019, the State's proportion was 0.065%, which was a decrease of 0.002% from its proportion measured as of June 30, 2018 which is the same proportion as the Town's.

Town's Proportionate Share of the Net Pension Liability	\$ 8,017,232
State's Proportionate Share of the Net Pension Liability Associated with the Town	<u>1,265,936</u>
Total Net Pension Liability	<u>\$ 9,283,168</u>

For the year ended December 31, 2019, the Town recognized total pension expense of \$636,284.

Actuarial Assumptions

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

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

Note 4 - Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

Pre-retirement mortality rates were based on the RP-2010 Safety Employee Mortality Table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted Retiree mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2003 to June 30, 2008.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2019 are summarized in the following table:

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

Note 4 - Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on 70% of the actuarially contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Note 4 - Pension Plans (Cont'd)

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

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the 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, 2019 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (5.85%)	At Current Discount Rate (6.85%)	At 1% Increase (7.85%)
Town's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Town	\$ 12,547,460	\$ 9,283,168	\$ 6,581,496

Note 5 - Accrued Sick, Vacation, and Compensatory Time Off

The Town of Boonton permits employees to accrue a limited amount of unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed-upon rate. The Town maintains records for their employees who are allowed to accrue unused sick, and vacation time. The maximum liability for the thirty-seven eligible employees would be \$1,008,829. This amount, as directed by accounting requirements of the Division of Local Government Services, is not reported as an expenditure or liability. Such compensation would be included in the Town's budget operating expenditures in the year it is paid. The Town has reserved \$357,971.55 for accumulated absences in the Other Trust Fund as of December 31, 2019.

Note 6 - 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.

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

Note 6 - Selected Tax Information (Cont'd)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	\$ 3.029	\$ 2.949	\$ 2.826
<u>Apportionment of Tax Rate</u>			
Municipal	0.846	0.833	0.820
County	0.280	0.276	0.276
Local School	1.903	1.840	1.730
<u>Assessed Valuations</u>			
2019	<u>\$ 1,098,717,900.00</u>		
2018		<u>\$ 1,098,526,900.00</u>	
2017			<u>\$ 1,105,992,700.00</u>

Comparison of Tax Levies and Collections 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	\$ 33,316,647.18	\$ 32,833,991.21	98.55%
2018	32,424,127.53	31,938,526.84	98.50%
2017	31,315,331.57	30,682,063.10	97.97%

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 7 - Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts on deposit, 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.

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

Note 7 - Cash and Cash Equivalents (Cont'd)

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 New Jersey municipalities are permitted to invest their funds.

Deposits

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

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

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

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value 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;

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

Note 7 - Cash and Cash Equivalents (Cont'd)

Investments (Cont'd)

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

Note 7 - Cash and Cash Equivalents (Cont'd)

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

<u>Fund</u>	Cash on Hand	Checking Accounts	NJ Cash Management Fund	Totals
Current Fund	\$ 280.00	\$ 5,359,459.33	\$ 3,967.18	\$ 5,363,706.51
Animal Control Fund		40,304.27		40,304.27
Other Trust Fund		1,595,254.36	176,148.03	1,771,402.39
General Capital Fund		1,862,913.82	41,540.03	1,904,453.85
Water Utility Operating Fund		2,117,817.80	504,494.19	2,622,311.99
Water Utility Capital Fund		1,364,902.60		1,364,902.60
Sewer Utility Operating Fund		1,054,910.18	82,634.20	1,137,544.38
Sewer Utility Assessment Trust Fund		88,306.30		88,306.30
Sewer Utility Capital Fund		316,092.25		316,092.25
Public Assistance Fund		159,746.02		159,746.02
	<u>\$ 280.00</u>	<u>\$ 13,959,706.93</u>	<u>\$ 808,783.63</u>	<u>\$ 14,768,770.56</u>

The carrying amount of the Town's cash and cash equivalents at December 31, 2019, was \$14,768,770.56 and the bank balance was \$14,767,012.09. The \$808,783.63 in the NJ Cash Management Fund is uninsured and unregistered.

Note 8 - 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.

Property and Liability Insurance

The Town of Boonton is currently a member of Morris County Municipal Joint Insurance Fund (the "Fund"). The Fund provides their members with Liability, Property and Workers' Compensation Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of governmental entities established for the purpose of providing low-cost insurance coverage for 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 are elected.

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

Note 8 - 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 Fund's 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 the individual assessment relates to the total assessment of the membership body.

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

Total Assets	<u>\$ 35,348,941</u>
Net Position	<u>\$ 12,793,902</u>
Total Revenue	<u>\$ 21,031,442</u>
Total Expenses	<u>\$ 21,821,417</u>
Change in Net Position	<u>\$ (789,975)</u>
Members Dividends	<u>\$ -0-</u>

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

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 contributions, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Town's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ 1,000.00	\$ 7,822.67	\$ 2,836.86	\$ 4,036.72	\$ 141,460.08
2018	1,000.00	8,082.69	2,275.47	1,162.02	133,837.27
2017	1,000.00	7,682.03	515.72	874.52	123,641.13

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

Note 9 - Fixed Assets (Unaudited)

The following is a summarization of the activity of the Town of Boonton's fixed assets for the year ended December 31, 2019:

	Balance Dec. 31, 2018	Additions	Deletions	Balance Dec. 31, 2019
Land	\$12,430,917.27			\$ 12,430,917.27
Buildings	3,857,000.00	\$ 20,165.00		3,877,165.00
Equipment and Vehicles	7,489,147.75	1,012,760.00		8,501,907.75
	<u>\$23,777,065.02</u>	<u>\$ 1,032,925.00</u>	<u>\$ -0-</u>	<u>\$ 24,809,990.02</u>

Note 10 - Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 19,605.29	\$ 398,648.85
Federal and State Grant Fund	361,239.90	
Animal Control Fund		6,907.98
Other Trust Fund	37,408.95	
General Capital Fund		12,697.31
Water Utility Operating Fund		120.96
Water Utility Capital Fund	120.96	
Sewer Utility Operating Fund		161,905.53
Sewer Utility Assessment Trust Fund	7.09	
Sewer Utility Capital Fund	161,898.44	
	<u>\$ 580,280.63</u>	<u>\$ 580,280.63</u>

The amount due from the Current Fund to the Federal and State Grant Fund is due to the fact that there is no separate Federal and State Grant Fund bank account. The interfund due from Current Fund to Other Trust Funds represents trust funds collected. The interfund due from Animal Control Fund to Current Fund represents the statutory excess in the reserve for animal control expenditures. The interfund payable in General Capital Fund is for interest due to Current Fund that was not turned over at year end. The interfund receivable in Water Utility Capital Fund is for funds advanced to Water Utility Operating Fund. The interfund Payable in Sewer Utility Operating Fund due to Sewer Utility Assessment Trust Fund and Sewer Utility Capital Fund is for prior year interfund that was not cleared as of year end. It is anticipated that all other interfunds will be liquidated during the subsequent calendar year.

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

Note 11 - Deferred Compensation

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

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 its financial position.

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.

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 Town Tax Assessor will aggressively defend the Town's assessments. The Town has recorded a reserve for pending tax appeals in the amount of \$430,212.67 as of December 31, 2019 which it feels should be sufficient to cover any potential reductions in assessments and taxes.

Note 13 - Local School District Taxes

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

Note 14 - Economic Dependency

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

Note 15 - Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019, the Town had no deferred charges.

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

Note 16 - 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. 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 www.state.nj.us/treasury/pensions/financial-reports.shtml.

Benefits Provided

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

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

Employees hired before January 1, 2020 will receive benefits if they have worked 25 years in the State Pension System. Employees are entitled to Medicare Part B reimbursement after age 65. Spouses do not receive continuing benefits.

Employees hired on or after January 1, 2020 are not eligible to receive post-retirement benefits.

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

Note 16 - Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

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

Contributions

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages were rounded for presentation purposes.

OPEB Expense Related to OPEB

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

At June 30, 2019, the Town had a liability of \$12,234,134 for its proportionate share of the net OPEB liability. At June 30, 2019, the Town's proportion was .0963% which was a decrease of .009% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019 the Town's OPEB expense as determined by the State of New Jersey Division of Pensions and Benefits was \$84,785.

The Town's actual post retirement payments in 2019 for 35 retiree employees were \$471,319.31.

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

Note 16 - Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

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

Actuarial Assumptions and Other Inputs

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

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

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

Mortality:

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

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

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

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

Health Care Trend Assumptions

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

Discount Rate

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

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

Note 17 - Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

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

Sensitivity of the Net OPEB Liability Attributable to the Town to Changes in the Discount Rate

The following presents the net OPEB Liability of the Town as of June 30, 2017, calculated using the discount rate as disclosed in this note, as well as what the net OPEB Liability of the Town would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1%	At	At 1%
	Decrease	Discount Rate	Increase
	(2.50%)	(3.50%)	(4.50%)
Net OPEB Liability			
Attributable to the Town	\$ 14,145,771	\$ 12,234,134	\$ 10,680,676

Sensitivity of the Net OPEB Liability Attributable to the Town to Changes in the Healthcare Trend Rate

The following presents the net OPEB Liability of the Town as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the net OPEB Liability of the Town would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1%	Healthcare	1%
	Decrease	Cost Trend Rate	Increase
Net OPEB Liability			
Attributable to the Town	\$ 10,324,102	\$ 12,234,134	\$ 14,670,702

Note 18 - Tax Abatements

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

As of December 31, 2019, the Town provides a tax abatement to a redeveloper for its 350 residential apartment unit property in the Town pursuant to N.J.S.A 40A:20-1 et seq., the Long Term Tax Exemption Law, and a financial agreement between the Town and the redeveloper. The agreement is for a period of 35 years from the effective date or 30 years from the date of substantial completion. 2019 was the first year in which the payments under this agreement was effective. In consideration of the Town granting the redeveloper this tax abatement the developer will be required to pay to the Town an annual service charge as follows: Stage One (years 1-15) – the annual service charge shall be 10% of gross revenue; Stage Two (years 16-21) – the annual service charge as defined in Stage One or 20% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 3 (years

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

Note 18 - Tax Abatements (Cont'd)

22-27) – the annual service charge as defined in Stage One or 40% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 4 (years 28-29) – the annual service charge as defined in Stage One or 60% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 5 (year 30) – the annual service charge as defined in Stage One or 80% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater. The minimum annual service charge per the agreement shall be the amount of total taxes levied against all real property in the area covered under this tax abatement in the last full tax year in which that area was subject to taxation, and the minimum annual service charge shall be paid in each year in which the other provisions of the financial agreement would result in less than the minimum annual service charge being paid. In the event that the net profits on the redevelopment property exceed the allowable net profits for such period the redeveloper shall pay such excess net profits to the Town as an additional service charge. Additionally, the Town shall remit to the County of Morris on a quarterly basis, 5% of the Annual Service Charge received from the redeveloper in accordance with N.J.S.A. 40A:20-12b. The Town recognized revenue in the amount of \$61,520 from this annual service charge or payment in lieu of taxes recorded as an anticipated miscellaneous revenue in the Current Fund. The taxes which would have been paid on this property for 2019 without the abatement would have been \$689,098 of which \$192,465 would have been for the local municipal tax, minimum library tax and municipal open space tax.

In the event that the redeveloper fails to make the required Annual Service Charge payment within the required period of time which would constitute a breach of the agreement, the Town has the right as one of the allowable remedies to proceed against the redeveloper pursuant to the In-Rem Foreclosure Act. Upon the termination or expiration of this agreement the property under this agreement shall be assessed and taxed as applicable to other taxable property within the Town.

Note 19 - Subsequent Event

The COVID-19 outbreak in the United States and specifically in New Jersey has 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 Operating Funds.

TOWN OF BOONTON

SUPPLEMENTARY DATA

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Richard J. Corcoran III	Mayor	
Joseph E. Bock, Jr.	Alderman	
Cy Wekilsky	Alderman	
Dr. Edina Renfro-Michel	Alderwoman	
Marie DeVenezia	Alderwoman	
Edward W. Robillard III	Alderman	
Joseph Fenske	Alderman	
James Lynch	Alderman	
Michael Wade	Alderman	
Neil Henry	Town Administrator	(A)
Cynthia Oravits	Town Clerk	(A)
Yolanda Dykes	Chief Financial Officer	(A)
Jennifer Muscara	Tax Collector	(A)
Elizabeth Bonsiewich	Water and Sewer Billing	(A)

All bonds were examined and were properly executed.

(A) All employees are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by the Morris County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund, respectively.

TOWN OF BOONTON
COUNTY OF MORRIS
2019
CURRENT FUND

TOWN OF BOONTON
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2018	A	\$ 5,287,555.87
Increased by Receipts:		
Tax Collector	\$ 33,363,629.99	
Revenue Accounts Receivable	1,424,311.29	
Miscellaneous Revenue Not Anticipated	295,340.91	
Due Animal Control Trust Fund:		
Interfund Returned	11,955.12	
Due Other Trust Funds:		
Interfund Advanced	35,864.81	
Interest Earned	12,972.02	
Due General Capital Fund:		
Interest Earned	42,756.66	
Interfund Advanced	659.30	
Due Public Assistance Fund:		
Interfund Returned	45.42	
Due State of New Jersey:		
Veterans and Senior Citizens' Deductions	36,834.25	
Appropriation Refunds	660,816.19	
Due Federal and State Grant Fund:		
Federal and State Grants Received	36,616.00	
Unappropriated Grant Reserve	8,919.56	
	<hr/>	35,930,721.52
		<hr/> 41,218,277.39
Decreased by Disbursements:		
2019 Appropriation Expenditures	11,543,221.01	
2018 Appropriation Reserves	543,745.55	
Local School Taxes	20,420,549.25	
Business Personal Property Tax Due to		
Local School District	52,543.00	
County Taxes	3,061,355.81	
Due Other Trust Funds:		
Interfund Returned	148,283.35	
Reserve for Pending Tax Appeals	30,963.84	
Due Federal and State Grant Fund:		
Appropriated Grant Reserves	45,147.55	
Tax Overpayments	9,041.52	
	<hr/>	35,854,850.88
Balance December 31, 2019	A	<hr/> <hr/> \$ 5,363,426.51

TOWN OF BOONTON
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2019

Increased by Receipts:

Taxes Receivable	\$ 33,082,032.82
Interest and Costs on Taxes	112,394.48
2020 Prepaid Taxes	136,904.39
Tax Overpayments	<u>32,298.30</u>

\$ 33,363,629.99

Decreased by Disbursements:

Paid to Treasurer	<u><u>\$ 33,363,629.99</u></u>
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TOWN OF BOONTON
SCHEDULE OF CASH - FEDERAL AND STATE GRANT FUNDS
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

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

Year	Balance Dec. 31, 2018	2019 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Overpayments Applied	Cancelled	Transferred to Tax Title Liens	Balance Dec. 31, 2019
			2018	2019					
2017	\$ 181,730.00							\$ 181,730.00	
2018	484,810.00		\$ 482,498.80	\$ (1,926.71)	\$ 4,237.91				
2019		\$ 33,316,647.18	\$ 167,349.67	38,386.99	8,180.90	\$ 28,720.53	\$ 899.62	473,575.45	
	<u>\$ 666,540.00</u>	<u>\$ 33,316,647.18</u>	<u>\$ 167,349.67</u>	<u>\$ 36,460.28</u>	<u>\$ 12,418.81</u>	<u>\$ 28,720.53</u>	<u>\$ 899.62</u>	<u>\$ 655,305.45</u>	

Ref. A

A

Analysis of 2019 Property Tax Levy:

General Purpose Tax	\$ 33,280,165.19
Added and Omitted Taxes	36,481.99
	<u>\$ 33,316,647.18</u>

Tax Levy:

Local School District Taxes	\$ 20,915,508.00
County Taxes	\$ 2,969,648.13
County Open Space	88,334.03
County Added and Omitted Taxes	3,373.65
	<u>3,061,355.81</u>
	<u>23,976,863.81</u>
Local Tax for Municipal Purposes Levied	8,915,475.34
Minimum Library Tax	386,220.00
Add: Additional Tax Levied	38,088.03
	<u>9,339,783.37</u>
	<u>\$ 33,316,647.18</u>

TOWN OF BOONTON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2018	A	\$ 26,401.48
Increased by:		
Transfer from Taxes Receivable		899.62
		<hr/> 27,301.10
Decreased by:		
Cancelled		153.00
		<hr/>
Balance December 31, 2019	A	<u><u>\$ 27,148.10</u></u>

TOWN OF BOONTON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Accrued In</u> <u>2019</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Municipal Clerk:				
Alcoholic Beverage Licenses		\$ 23,314.00	\$ 23,314.00	
Other Licenses		18,008.00	18,008.00	
Fees and Permits		175,777.59	175,777.59	
Finds and Costs:				
Municipal Court	\$ 13,329.46	146,562.68	152,824.70	\$ 7,067.44
Consolidated Municipal				
Property Tax Relief Program		52,702.00	52,702.00	
PILOT Agreement - Avalon Bay		61,520.00	61,520.00	
Energy Receipts Taxes		854,265.00	854,265.00	
Watershed Moratorium Offset Aid		6,533.00	6,533.00	
Uniform Construction Code Fees		79,367.00	79,367.00	
	<u>\$ 13,329.46</u>	<u>\$ 1,418,049.27</u>	<u>\$ 1,424,311.29</u>	<u>\$ 7,067.44</u>
<u>Ref.</u>	A			A

TOWN OF BOONTON
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2019

Balance December 31, 2018 (Prepaid)	<u>Ref.</u> A	\$ (441,395.60)
Increased by:		
Levy - Calendar Year 2019		20,915,508.00
		<u>20,474,112.40</u>
Decreased by:		
Payments to Local School District		20,420,549.25
		<u>20,420,549.25</u>
Balance December 31, 2019	A	<u>\$ 53,563.15</u>

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

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
GENERAL GOVERNMENT:				
General Administration:				
Salaries & Wages	\$ 11,341.98	\$ 11,341.98	\$ 4,255.56	\$ 7,086.42
Other Expenses	38,033.65	38,033.65	6,547.08	31,486.57
Board of Alderman:				
Salaries & Wages	376.50	376.50		376.50
Municipal Clerk:				
Salaries & Wages	4.65	4.65		4.65
Other Expenses	1,159.25	1,159.25	1,065.75	93.50
Financial Administration:				
Salaries & Wages	1,596.03	1,596.03		1,596.03
Other Expenses	5,158.03	5,158.03	5,158.03	
Audit Services:				
Other Expenses	24,440.00	24,440.00	24,439.99	0.01
Assessment of Taxes:				
Salaries & Wages	6,229.92	5,479.92	3,025.06	2,454.86
Other Expenses	409.17	1,159.17	1,156.56	2.61
Revenue Administration (Tax Collection):				
Other Expenses	1,655.56	1,655.56		1,655.56
Legal Services and Costs:				
Other Expenses - Fees	19,595.86	19,595.86	13,372.12	6,223.74
Municipal Court:				
Salaries & Wages	1.12	1.12		1.12
Other Expenses	448.02	448.02	448.02	
Contractual	41,829.22	41,829.22	41,828.26	0.96
Public Defender (P.L. 1997, c.256):				
Other Expenses	1,400.00	1,400.00		1,400.00
Engineering Services:				
Other Expenses	15,734.27	15,734.27	11,694.95	4,039.32
Historical Preservation Commission				
	966.07	966.07		966.07
Municipal Land Use Law (N.J.S.A. 40:55D-1):				
Land Use Board:				
Salaries & Wages	5,094.78	5,094.78	5,094.78	
Other Expenses	13,530.99	13,530.99	787.00	12,743.99
Insurance:				
Employee Group Insurance	36,512.04	36,512.04		36,512.04
General Liability Insurance	1,623.41	1,623.41	6.18	1,617.23

TOWN OF BOONTON
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019
(Continued)

	Balance Dec. 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY (CONT'D)				
Fire:				
Salaries & Wages	\$ 4.12	\$ 4.12		\$ 4.12
Other Expenses	44,618.29	44,618.29	\$ 42,221.89	2,396.40
Municipal Prosecutor:				
Other Expenses	1,333.37	1,333.37	1,333.37	
Police:				
Salaries & Wages	34,193.76	34,193.76	10,347.08	23,846.68
Other Expenses	55,630.06	55,630.06	25,933.81	29,696.25
Purchase of Police Vehicles	36,887.00	36,887.00	36,879.25	7.75
Police Dispatch/911:				
Salaries & Wages	25,607.34	25,607.34	11,666.71	13,940.63
Emergency Management Services:				
Salaries & Wages	3.12	3.12		3.12
Other Expenses	2,294.87	2,294.87		2,294.87
STREETS AND ROADS:				
Road Repairs and Maintenance:				
Salaries & Wages	53,634.44	53,634.44	3,546.18	50,088.26
Other Expenses	119,873.00	119,873.00	91,627.41	28,245.59
Other Public Works Functions:				
Salaries & Wages	11,151.58	11,151.58		11,151.58
Other Expenses	48,493.80	48,493.80	43,014.38	5,479.42
Solid Waste Collection:				
Salaries & Wages	5,478.04	5,478.04		5,478.04
Other Expenses	43,950.40	43,950.40	27,836.07	16,114.33
Public Building and Grounds:				
Other Expenses	12,874.39	12,874.39	3,339.60	9,534.79
Vehicle Maintenance:				
Other Expenses	4,144.84	4,144.84	3,280.43	864.41
Municipal Services Act (N.J.S.A. 40:67-23.2 et seq.)				
Other Expenses	3,125.00	3,125.00		3,125.00
HEALTH AND WELFARE:				
Board of Health:				
Salaries & Wages	4,741.44	4,741.44	4,741.44	
Other Expenses	7,603.87	7,603.87	2,964.96	4,638.91
RECREATION AND EDUCATION:				
Recreation Services and Programs:				
Salaries & Wages	854.74	854.74	854.74	
Other Expenses	11,423.70	11,423.70	392.84	11,030.86
Celebration of Public Event:				
Other Expenses	3,748.25	3,748.25	105.75	3,642.50

TOWN OF BOONTON
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019
(Continued)

	Balance Dec. 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
UNIFORM CONSTRUCTION CODE:				
Construction Code Official:				
Salaries & Wages	\$ 9,683.81	\$ 9,683.81	\$ 4,737.03	\$ 4,946.78
Other Expenses	2,449.54	2,449.54	436.29	2,013.25
UNCLASSIFIED:				
Utilities:				
Electricity	12,497.38	12,497.38	4,649.22	7,848.16
Street Lighting	13,595.88	13,595.88	6,408.58	7,187.30
Telephone	5,409.73	5,409.73	5,212.51	197.22
Natural Gas	16,094.32	16,094.32	7,091.72	9,002.60
Gasoline	47,198.76	47,198.76	5,275.81	41,922.95
Landfill/Solid Waste Disposal Costs:				
Recycling and Sanitary Landfill Facilities				
Closure and Contingency Fund Act	156,334.91	156,334.91	81,971.09	74,363.82
STATUTORY EXPENDITURES:				
Contribution to Social Security System (O.A.S.I.)	19,408.69	19,408.69	2,393.05	17,015.64
Length of Service Awards Program	65,000.00	65,000.00		65,000.00
Recycling Tax	1.28	1.28		1.28
	\$ 1,106,682.79	\$ 1,106,682.79	\$ 547,140.55	\$ 559,542.24

Ref.

Analysis of Balance December 31, 2018:

Unencumbered	A	\$	751,014.10
Encumbered	A		355,668.69
			\$ 1,106,682.79

Analysis of Paid or Charged

Cash Disbursed	\$ 543,745.55
Accounts Payable	3,395.00
	\$ 547,140.55

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

	Balance Dec. 31, 2018	2019 Budget Revenue Realized	Cash Receipts	Balance Dec. 31, 2019
Municipal Alliance	\$ 28,359.15	\$ 14,057.50		\$ 42,416.65
Recycling Tonnage		12,967.64	\$ 12,967.64	
Alcohol Education and Rehabilitation Fund		2,411.24	2,411.24	
Body Armor Grant		2,683.97	2,683.97	
Clean Communities		18,553.15	18,553.15	
	<u>\$ 28,359.15</u>	<u>\$ 50,673.50</u>	<u>\$ 36,616.00</u>	<u>\$ 42,416.65</u>

Ref.

A

A

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

	Balance Dec. 31, 2018	Transferred from 2019 Budget	Cash Disbursed	Balance Dec. 31, 2019
Body Armor Grant	\$ 12,453.43	\$ 2,683.97	\$ 6,793.78	\$ 8,343.62
Clean Communities	48,992.16	18,553.15	19,955.88	47,589.43
Click It or Ticket	21,682.70			21,682.70
Distracted Driving	4,998.56			4,998.56
Domestic Violence	2,146.38			2,146.38
Drive Sober or Get Pulled Over	18,091.89			18,091.89
Drunk Driving Enforcement Fund	42,799.72		634.28	42,165.44
Morris County Economic Development Alliance	79.29			79.29
Municipal Alliance:				
State	19,776.21	10,646.00	4,336.15	26,086.06
Matching	1,576.41	3,411.50	2,065.38	2,922.53
Alcohol Education & Rehabilitation	12,717.68	2,411.24	5,600.00	9,528.92
NJEDA Site Remediation Fund	2,096.23			2,096.23
NJEDA Hazardous Site Remediation Fund	83,954.28			83,954.28
Recreation Opportunities for Individuals with Disabilities Grant:				
State	3,845.50			3,845.50
Matching	103.43			103.43
Recycling Tonnage	62,350.11	12,967.64	5,762.08	69,555.67
Assistance to Firefighters Grant	64.00			64.00
	<u>\$ 337,727.98</u>	<u>\$ 50,673.50</u>	<u>\$ 45,147.55</u>	<u>\$ 343,253.93</u>

Ref. A

State Grants \$ 43,082.17
Local Match 2,065.38

\$ 45,147.55

A

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

	Balance Dec. 31, 2018	Cash Received	Balance Dec. 31, 2019
Alcohol Education and Rehabilitation Fund	\$ 3,152.66		\$ 3,152.66
Body Armor Grant	2,428.28		2,428.28
Clean Communities	17,373.74		17,373.74
Drive Sober or Get Pulled Over	7,607.76		7,607.76
Drunk Driving Enforcement Fund	6,616.69		6,616.69
Recycling Tonnage	14,303.93		14,303.93
Pedestrian Safety Grant		\$ 8,919.56	8,919.56
	<u>\$ 51,483.06</u>	<u>\$ 8,919.56</u>	<u>\$ 60,402.62</u>

Ref.

A

A

TOWN OF BOONTON
COUNTY OF MORRIS
2019
TRUST FUNDS

TOWN OF BOONTON
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2018	B	\$ 46,895.21	\$ 1,735,106.11
Increased by Receipts:			
Due Current Fund:			
Interest on Investments			\$ 14,262.93
Interfund Returned			148,283.35
Due from Water Utility Operating Fund			50,000.00
Due from Sewer Utility Operating Fund			50,000.00
Dog License Fees	\$	13,066.60	
Cat License Fees		2,244.00	
Interest Earned		1,126.51	
State Registration Fees		1,217.40	
Miscellaneous Fees		1,778.00	
Developer's Deposits			40,119.08
Special Deposits			107,158.49
Tax Sale Premiums			149,600.00
Public Defender			3,610.00
Third Party Lien Redemptions			165,720.32
Council on Affordable Housing			23,710.57
Parking Offense Adjudication Act			1,728.00
Miller-Kingsland Historic Home			6,000.00
Unemployment Insurance Deposits			11,659.53
Forfeited Assets			713.15
Recycling			3,351.98
Recreation Trust			137,466.87
Police Outside Duty			356,828.37
		<u>19,432.51</u>	<u>1,270,212.64</u>
			<u>3,005,318.75</u>

TOWN OF BOONTON
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Due Current Fund:			
Interfund Returned	\$	11,955.12	
Interest Earned			\$ 12,972.02
Interfund Advanced			35,864.81
Prior Year Interfund Recreation			803.10
Due to General Capital Fund			85,860.00
State of New Jersey Board of Health Expenditures Under R.S. 4:19-15.11		1,215.00	
Tax Sale Premiums		12,853.33	
Unemployment Insurance Expenditures			61,200.00
Developers Deposits			4,036.72
Special Deposits			270,453.85
Public Defender			99,176.73
Third Party Lien Redemptions			4,801.78
Recreation Trust			165,581.80
Police Outside Duty			96,469.98
Forfeited Assets			320,276.53
Council on Affordable Housing			14,806.00
Registrar - Vital Statistics			42,050.80
Outside Lien Holders			30.00
Uniform Construction Code Enforcement Fees			95.00
Recycling			8,519.00
		\$ 26,023.45	\$ 1,233,916.36
Balance December 31, 2019	B	\$ 40,304.27	\$ 1,771,402.39

TOWN OF BOONTON
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2018	B	\$ 34,940.09
Increased by:		
Dog and Cat License Fees		\$ 15,310.60
Miscellaneous Fees		1,778.00
		17,088.60
		52,028.69
Decreased by:		
Expenditures Under R.S. 4:19-15.11		12,853.33
Statutory Excess Due to Current Fund		5,781.47
		18,634.80
Balance December 31, 2019	B	\$ 33,393.89

<u>License Fees Collected</u>	<u>Amount</u>
<u>Year</u>	
2017	\$ 18,015.69
2018	15,378.20
	33,393.89
Maximum Allowable Reserve	\$ 33,393.89

TOWN OF BOONTON
COUNTY OF MORRIS
2019
GENERAL CAPITAL FUND

TOWN OF BOONTON
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2018	C	\$ 2,578,104.53
Increased by:		
Bond Anticipation Notes Proceeds		\$ 760,091.00
NJ Department of Transportation Grant - North Main Street		141,069.38
Morris County Grant Receivable		22,720.00
Due Current Fund:		
Interest		42,756.66
Budget Appropriation		140,000.00
Due Other Trust Fund:		
Interfund Returned		85,860.00
Due Water Utility Operating Fund:		
Interfund Returned		5,698.00
Due Sewer Utility Operating Fund:		
Interfund Returned		34.00
Premium on Bond Anticipation Notes		9,455.00
		1,207,684.04
		3,785,788.57
Decreased by:		
Improvement Authorizations		1,832,186.76
Due Current Fund:		
Interest		42,756.66
Interfund Returned		659.30
Due Water Utility Capital Fund:		
Interfund Returned		5,732.00
		1,881,334.72
Balance December 31, 2019	C	\$ 1,904,453.85

TOWN OF BOONTON
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2018	Receipts		Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2019
		Miscellaneous	Appropriation	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	From	To	
Capital Fund Balance	\$ 233,375.83	\$ 9,455.00	\$ 140,000.00						\$ 234,289.51
Capital Improvement Fund	97,469.25							89,973.00	147,496.25
Interfund Accounts (Receivable)/Payable:									
Due to Current Fund	4,815.29	42,756.66			\$ 43,415.96				12,697.31
Other Trust Fund - Library Trust Fund	(85,860.00)	85,860.00							
Due Water Utility Operating Fund	(5,698.00)	5,698.00							
Due Water Utility Capital Fund	5,732.00				5,732.00				
Sewer Utility Operating Fund	(34.00)	34.00							
Federal, State, and Other Aid Receivable:									
NJDOT Spruce Street Grant	(82,884.09)								(82,884.09)
NJDOT North Main Street Grant	(215,000.00)	141,069.38				555,000.00			(73,930.62)
NJDOT Lathrop Ave & Highland Ave Grant									(555,000.00)
Community Development Block Grant:									
Church Street	(65,000.00)								(65,000.00)
Kanouse Street Playground						80,000.00			(80,000.00)
Morris County Grants	(24,000.00)	22,720.00							(1,280.00)
Morris County Historic Preservation Grant						54,320.00			(54,320.00)
NJ State Highlands Water Protection Grant						15,000.00			(15,000.00)
Morris County Improvement of Myrtle Ave and Wootton Street Grant						120,323.00			(120,323.00)
Reserve for:									
Preliminary Engineering Costs	6,245.45								6,245.45
Purchase of 56 Harrison Street	3,196.38								3,196.38
Parking Improvements	13,000.00								13,000.00
Hess Corporation Traffic Contributions	6,360.00								6,360.00
Recreation Contributions	35,224.93								35,224.93
Community Development Funds	5,000.00								5,000.00
Reserve for Encumbrances	9,942.81								9,942.81
Reserve to Pay Debt Service	55,000.00								55,000.00

TOWN OF BOONTON
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2018	Receipts		Bond Anticipation Notes	Disbursements		Transfers		Balance/ (Deficit) Dec. 31, 2019
			Miscellaneous	Appropriation		Improvement Authorizations	Miscellaneous	From	To	
20-04	Installation of Air Conditioning System	\$ 17,000.00								\$ 17,000.00
20-06	Various Capital Improvements	1,684.24								1,684.24
08-07	Various Capital Improvements	11,282.27								11,282.27
03-11	Municipal Property Improvements	6,265.70			\$ 3,817.45					2,448.25
12-11	Various Capital Improvements	11,030.65			2,431.00					8,599.65
08-14	Various Capital Improvements	23,553.84								23,553.84
17-14	Improvement of Grace Lord Park	(19,000.00)								(19,000.00)
01-15	Birch Street Steps Improvements	19,365.92								19,365.92
05-15	Various Capital Improvements	71,446.29				298.73				71,147.56
09-16	Various Capital Improvements	(245,644.09)				482.75				(246,126.84)
08-17	Various Capital Improvements	241,868.04				3,953.35				237,914.69
30-17	Mold Remediation and Boiler Replacement	6,750.00								6,750.00
09-18	Various Capital Improvements	691,482.93				344,450.51				347,032.42
10-18	Various Capital Improvements	1,667,132.89				1,063,355.30				603,777.59
25-18	Mason Dump Chassis with Plow	77,000.00				75,157.99				1,842.01
05-19	Various General Improvements			\$ 760,091.00		324,469.68		\$ 594,716.00		1,030,337.32
06-19	Various Capital Improvements					13,770.00		319,900.00		306,130.00
		\$ 2,578,104.53	\$ 307,593.04	\$ 140,000.00	\$ 760,091.00	\$ 1,832,186.76	\$ 49,147.96	\$ 923,157.32	\$ 923,157.32	\$ 1,904,453.85

TOWN OF BOONTON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2018	C	\$ 97,469.25
Increased by:		
Current Fund Budget Appropriation		<u>140,000.00</u>
		237,469.25
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>89,973.00</u>
Balance December 31, 2019	C	<u><u>\$ 147,496.25</u></u>

TOWN OF BOONTON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2018	Issued	Matured	Balance Dec. 31, 2019
		Original Issue	Issue					
08-17	Various Capital Improvements	06/30/17	06/28/18 06/27/19	2.25% 2.25%	\$ 796,860.00	\$ 796,860.00	\$ 796,860.00	\$ 796,860.00
10-18	Various Capital Improvements	07/19/18	06/28/18 06/27/19	2.25% 2.25%	1,472,616.00	1,111,140.00	1,472,616.00	1,111,140.00
05-19	Various General Improvements	07/26/19	07/26/19	2.05%	760,091.00	760,091.00	760,091.00	760,091.00
					<u>\$2,269,476.00</u>	<u>\$2,668,091.00</u>	<u>\$2,269,476.00</u>	<u>\$2,668,091.00</u>
				<u>Ref.</u>	<u>C</u>			<u>C</u>
					Renewed	\$1,908,000.00	\$1,908,000.00	
					New Issues	760,091.00	361,476.00	
					Paid by Budget Appropriation			
						<u>\$2,668,091.00</u>	<u>\$2,269,476.00</u>	

TOWN OF BOONTON
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Matured	Balance Dec. 31, 2018	Balance Dec. 31, 2019
			Date	Amount				
General Improvement Bonds	10/21/15	\$5,213,000.00	11/01/20	\$280,000.00	2.00%	\$275,000.00	\$4,423,000.00	\$4,148,000.00
			11/01/21	285,000.00	2.00%			
			11/01/22	290,000.00	2.00%			
			11/01/23	295,000.00	2.00%			
			11/01/24	500,000.00	2.00%			
			11/01/25	500,000.00	2.00%			
			11/01/26	500,000.00	2.50%			
			11/01/27	500,000.00	2.50%			
			11/01/28	500,000.00	2.50%			
			11/01/29	498,000.00	2.75%			
General Refunding Bonds	11/21/16	1,222,000.00	01/15/20	245,000.00	4.00%	245,000.00	1,220,000.00	975,000.00
			01/15/21	245,000.00	4.00%			
			01/15/22	245,000.00	4.00%			
			01/15/23	240,000.00	4.00%			
							<u>\$5,643,000.00</u>	<u>\$5,123,000.00</u>

Ref. C C

TOWN OF BOONTON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. Number	Ord. Date	Improvement Description	Balance	2019	Bond	Balance
			Dec. 31, 2018	Authorizations	Anticipation Notes Issued	Dec. 31, 2019
17-14	09/15/14	Improvement of Grace Lord Park	\$ 19,000.00			\$ 19,000.00
09-16	05/02/16	Various Capital Improvements	270,630.00			270,630.00
05-19	05/22/19	Various General Improvements		\$ 760,091.00	\$ 760,091.00	
			<u>\$ 289,630.00</u>	<u>\$ 760,091.00</u>	<u>\$ 760,091.00</u>	<u>\$ 289,630.00</u>

TOWN OF BOONTON
COUNTY OF MORRIS
2019
WATER UTILITY FUND

TOWN OF BOONTON
WATER UTILITY FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2018	D	\$ 2,900,674.06	\$ 1,589,771.25
Increased by Receipts:			
Water Utility Collector		\$ 2,163,866.57	
Interest on Investments		53,563.37	
Appropriation Refunds		3,698.33	
Budget Appropriation:			
Capital Improvement Fund			\$ 70,000.00
Bond Anticipation Note Proceeds			77,615.00
Due General Capital Fund:			
Interfund Returned			5,732.00
Due Water Utility Capital Fund:			
Interest Earned		30,860.42	
Due Water Utility Operating Fund:			
Interest Earned			29,945.64
Interfund Returned			91,576.22
		<u>2,251,988.69</u>	<u>274,868.86</u>
		5,152,662.75	1,864,640.11
Decreased by Disbursements:			
2019 Budget Appropriations		2,072,291.14	
2018 Appropriation Reserves		150,488.21	
Accounts Payable		26,459.77	
Accrued Interest on:			
Bond Anticipation Notes		13,062.50	
Bonds		82,810.00	
Loans		37,272.76	
Improvement Authorizations			468,877.09
Due General Capital Fund:			
Interfund Returned		5,698.00	
Due from Other Trust Fund:			
Interfund Returned		50,000.00	
Due Water Capital Fund:			
Interfund Returned		91,576.22	
Due Sewer Utility Operating Fund:			
Interfund Returned		692.18	
Due Water Utility Operating Fund:			
Interfund Returned			30,860.42
		<u>2,530,350.78</u>	<u>499,737.51</u>
Balance December 31, 2019	D	<u>\$ 2,622,311.97</u>	<u>\$ 1,364,902.60</u>

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2018	D	\$ 183,300.06
Increased by:		
Water Rents Levied		2,058,419.64
		<u>2,241,719.70</u>
Decreased by:		
Cash Received	\$ 2,107,300.63	
Transferred to Water Utility Liens Receivable	94.00	
Overpayments Applied	<u>5,190.87</u>	
		<u>2,112,585.50</u>
Balance December 31, 2019	D	<u><u>\$ 129,134.20</u></u>

TOWN OF BOONTON
WATER UTILITY OPERATING FUND
SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2018	D	\$ 1,648.81
Increased by:		
Transferred from Water Rents		94.00
		<u>1,742.81</u>
Decreased by:		
Cash Received	\$	1,730.81
Rents Cancelled		12.00
		<u>1,742.81</u>
Balance December 31, 2019	D	<u>\$ -0-</u>

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2018	D	\$ 12,272,014.81
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted Capital Outlay Expenditures	\$ 2,250,000.00 66,284.89	 <u>2,316,284.89</u>
Balance December 31, 2019	D	<u>\$ 14,588,299.70</u>

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Transfer to Fixed Capital	Balance Dec. 31, 2019
25-09	Construction of New Water Tank	\$ 1,320,380.00			\$ 1,320,380.00
13-11	Demolition and Construction of New Water Tank on Green Street	1,600,000.00		\$ 1,600,000.00	
10-13	Demolition and Construction of New Water Tank on Green Street	650,000.00		650,000.00	
06-15	Improvement of the Water Supply and Distribution System	270,000.00			270,000.00
08-16	Various Water Utility Improvements	158,000.00			158,000.00
09-17	Various Water Utility Improvements	500,000.00			500,000.00
07-19	Improvements to Water Supply and Distribution System		\$ 81,700.00		81,700.00
08-19	Green Street Water Tank Final Site Remediation		196,000.00		196,000.00
		<u>\$ 4,498,380.00</u>	<u>\$277,700.00</u>	<u>\$2,250,000.00</u>	<u>\$ 2,526,080.00</u>
	<u>Ref.</u>	D			D

TOWN OF BOONTON
WATER UTILITY OPERATING FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019

	Balance Dec. 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 27,874.05	\$ 27,874.05	\$ 7,991.18	\$ 19,882.87
Other Expenses	123,936.03	123,936.03	97,618.89	26,317.14
Capital Outlay	85,391.88	85,391.88	44,538.10	40,853.78
Deferred Charges/Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Social Security System (OASI)	3,574.93	3,574.93	340.04	3,234.89
	<u>\$ 240,776.89</u>	<u>\$ 240,776.89</u>	<u>\$ 150,488.21</u>	<u>\$ 90,288.68</u>

Ref.Balance December 31, 2018:

Unencumbered	D	\$ 125,154.42
Encumbered	D	<u>115,622.47</u>
		<u>\$ 240,776.89</u>

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2018		Paid or Charged	2019 Authorizations		Balance Dec. 31, 2019
				Funded	Unfunded		Capital Improvement Fund	Deferred Charges to Future Revenue	
25-09 13-11	Various Water Utility Improvements Demolition and Construction of New Water Tank on Green Street	09/08/2009	\$ 1,450,000.00	\$ 286,760.14		\$ 6,078.05	\$ 280,682.09		
10-13	Demolition and Construction of New Water Tank on Green Street	07/18/2011	1,600,000.00	14,359.66	\$ 379.00	14,738.66			
06-15	Improvement of the Water Supply and Distribution System (Supplements Ord. No. 13-11)	05/20/2013	650,000.00	222,874.60		222,874.60			
08-16	Improvement of the Taylortown Plant	04/06/2015	270,000.00	9,282.85			9,282.85	\$ 28,548.25	
08-16	Acquisition of Backhoe	05/02/2016	108,000.00		28,548.25			4,490.00	
09-17	Improvement of the Green Street Tank	05/02/2016	50,000.00		4,490.00			200,081.06	
09-17	Improvement of the Wall Field Plant	05/01/2017	330,000.00	12,011.41	313,500.00	125,430.35		168,663.00	
07-19	Improvements to Water Supply and Distribution System	05/01/2017	170,000.00	7,163.00	161,500.00				
08-19	Green Street Water Tank Final Site Remediation	06/17/2019	81,700.00			8,756.32		72,943.68	
		08/19/2019	196,000.00			91,792.93	104,207.07		
				\$552,451.66	\$508,417.25	\$469,670.91	\$394,172.01	\$474,725.99	
			Ref.	D	D	D	D	D	D
						Cash Disbursed			
					Due to Water Utility Operating Fund	\$468,877.09			
						793.82			
						\$469,670.91			

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2018	D	\$ 691,175.00
Increased by:		
2019 Budget Appropriation		70,000.00
		<u>761,175.00</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		200,085.00
		<u>200,085.00</u>
Balance December 31, 2019	D	<u>\$ 561,090.00</u>

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2018	D	\$ 11,055,682.15
Increased by:		
Budget Appropriations:		
Capital Outlay	\$ 66,284.89	
NJ Environmental Infrastructure Loans	173,457.34	
Serial Bonds Paid by Operating Budget	<u>240,000.00</u>	
		<u>479,742.23</u>
Balance December 31, 2019	D	<u>\$ 11,535,424.38</u>

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2018	2019 Authorizations	Balance Dec. 31, 2019
25-09	New Water Storage Tank	09/08/2009	\$ 77,686.00		\$ 77,686.00
06-15	Improvement of the Water Supply and Distribution System	04/06/2015	13,500.00		13,500.00
08-16	Improvement of the Taylortown Plant	05/02/2016	5,400.00		5,400.00
08-16	Acquisition of Backhoe	05/02/2016	2,500.00		2,500.00
09-17	Improvement of the Green Street Tank	05/01/2017	16,500.00		16,500.00
09-17	Improvement of the Well Field Plant	05/01/2017	8,500.00		8,500.00
07-19	Improvements to Water Supply and Distribution System	06/17/2019		\$ 4,085.00	4,085.00
08-19	Green Street Water Tank Final Site Remediation	08/19/2019		196,000.00	196,000.00
			<u>\$ 124,086.00</u>	<u>\$ 200,085.00</u>	<u>\$ 324,171.00</u>
	<u>Ref.</u>		D		D

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER CAPITAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding				Balance Dec. 31, 2018	Matured	Balance Dec. 31, 2019
			Date	December 31, 2019	Interest Rate	Amount			
Water Utility Bonds of 2015	11/4/2015	\$ 519,000.00	11/1/2020	\$ 25,000.00	2.000%				
			11/1/2021	25,000.00	2.000%				
			11/1/2022	25,000.00	2.000%				
			11/1/2023	40,000.00	2.000%				
			11/1/2024	40,000.00	2.000%				
			11/1/2024	40,000.00	2.000%				
			11/1/2026	45,000.00	2.500%				
			11/1/2027	45,000.00	2.500%				
			11/1/2028	45,000.00	2.500%				
			11/1/2029	45,000.00	2.750%				
			11/1/2030	44,000.00	2.750%		\$ 444,000.00	\$ 25,000.00	\$ 419,000.00
Water Utility Refunding Bond 12/13/2016		2,215,000.00	1/15/2020	225,000.00	4.000%				
			1/15/2021	230,000.00	4.000%				
			1/15/2022	235,000.00	4.000%				
			1/15/2023	185,000.00	4.000%				
			1/15/2024	195,000.00	4.000%				
			1/15/2025	200,000.00	4.000%				
			1/15/2026	200,000.00	3.000%				
			1/15/2027	195,000.00	3.000%				
		1/15/2028	190,000.00	3.000%		2,070,000.00	215,000.00	1,855,000.00	
						\$ 2,514,000.00	\$ 240,000.00	\$ 2,274,000.00	

Ref.

D

D

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2018	D	\$ 832,152.39
Decreased by:		
Principal Matured		62,679.34
Balance December 31, 2019	D	\$ 769,473.05

Schedule of Principal and Interest Payments Outstanding December 31, 2019

Payment Number	Due Date	Loan Interest	Loan Principal	Trust Principal	Balance of Loan
					\$ 769,473.05
18	3/1/20	\$ 10,250.00		\$ 10,893.11	758,579.94
19	9/1/20	10,250.00	\$ 30,000.00	21,786.23	706,793.71
20	3/1/21	9,500.00		10,893.11	695,900.60
21	9/1/21	9,500.00	30,000.00	21,786.23	644,114.37
22	3/1/22	8,750.00		10,893.11	633,221.26
23	9/1/22	8,750.00	30,000.00	21,786.23	581,435.03
24	3/1/23	8,000.00		10,893.11	570,541.92
25	9/1/23	8,000.00	35,000.00	21,786.23	513,755.69
26	3/1/24	7,125.00		10,893.11	502,862.58
27	9/1/24	7,125.00	35,000.00	21,786.23	446,076.35
28	3/1/25	6,250.00		10,893.11	435,183.24
29	9/1/25	6,250.00	35,000.00	21,786.23	378,397.01
30	3/1/26	5,375.00		10,893.11	367,503.90
31	9/1/26	5,375.00	40,000.00	21,786.23	305,717.67
32	3/1/27	4,375.00		10,893.11	294,824.56
33	9/1/27	4,375.00	40,000.00	21,786.23	233,038.33
34	3/1/28	3,375.00		10,893.11	222,145.22
35	9/1/28	3,375.00	45,000.00	21,786.23	155,358.99
36	3/1/29	2,250.00		10,893.11	144,465.88
37	9/1/29	2,250.00	45,000.00	21,786.23	77,679.65
38	3/1/30	1,125.00		10,893.11	66,786.54
39	9/1/30	1,125.00	45,000.00	21,786.54	-0-
		\$ 132,750.00	\$ 410,000.00	\$ 359,473.05	

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2018	D	\$ 1,018,365.13
Decreased by:		
Principal Matured		<u>72,566.53</u>
Balance December 31, 2019	D	<u>\$ 945,798.60</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2019

<u>Payment Number</u>	<u>Due Date</u>	<u>Loan Interest</u>	<u>Loan Principal</u>	<u>Trust Principal</u>	<u>Balance of Loan</u>
					\$ 945,798.60
16	2/1/20	\$ 5,196.88		\$ 19,188.84	926,609.76
17	8/1/20	5,196.88	\$ 15,000.00	38,377.69	873,232.07
18	2/1/21	4,821.88		19,188.84	854,043.23
19	8/1/21	4,821.88	15,000.00	38,377.69	800,665.54
20	2/1/22	4,446.88		19,188.84	781,476.70
21	8/1/22	4,446.88	20,000.00	38,377.69	723,099.01
22	2/1/23	3,946.88		19,188.84	703,910.17
23	8/1/23	3,946.88	20,000.00	38,377.69	645,532.48
24	2/1/24	3,446.88		19,188.84	626,343.64
25	8/1/24	3,446.88	20,000.00	38,377.69	567,965.95
26	2/1/25	2,946.88		19,188.84	548,777.11
27	8/1/25	2,946.88	20,000.00	38,377.69	490,399.42
28	2/1/26	2,446.88		19,188.84	471,210.58
29	8/1/26	2,446.88	20,000.00	38,377.69	412,832.89
30	2/1/27	1,946.88		19,188.84	393,644.05
31	8/1/27	1,946.88	25,000.00	38,377.69	330,266.36
32	2/1/28	1,571.88		19,188.84	311,077.52
33	8/1/28	1,571.88	25,000.00	38,377.69	247,699.83
34	2/1/29	1,196.88		19,188.84	228,510.99
35	8/1/29	1,196.88	25,000.00	38,377.69	165,133.30
36	2/1/30	806.25		19,188.84	145,944.46
37	8/1/30	806.25	25,000.00	38,377.69	82,566.77
38	2/1/31	406.25		19,188.84	63,377.93
39	8/1/31	406.25	25,000.00	38,377.93	-0-
		<u>\$ 66,362.60</u>	<u>\$ 255,000.00</u>	<u>\$ 690,798.60</u>	

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2018	D	\$ 595,930.14
Decreased by:		
Principal Matured		38,211.47
Balance December 31, 2019	D	\$ 557,718.67

Schedule of Principal and Interest Payments Outstanding December 31, 2019

<u>Payment Number</u>	<u>Due Date</u>	<u>Loan Interest</u>	<u>Loan Principal</u>	<u>Trust Principal</u>	<u>Balance of Loan</u>
					\$ 557,718.67
12	2/1/20	\$ 2,007.25		\$ 9,659.49	548,059.18
13	8/1/20	2,007.25	\$ 9,348.00	19,318.98	519,392.20
14	2/1/21	1,935.73		9,659.49	509,732.71
15	8/1/21	1,935.73	9,491.00	19,318.98	480,922.73
16	2/1/22	1,851.26		9,659.49	471,263.24
17	8/1/22	1,851.26	9,659.00	19,318.98	442,285.26
18	2/1/23	1,755.15		9,659.49	432,625.77
19	8/1/23	1,755.15	9,852.00	19,318.98	403,454.79
20	2/1/24	1,648.74		9,659.49	393,795.30
21	8/1/24	1,648.74	10,065.00	19,318.98	364,411.32
22	2/1/25	1,533.49		9,659.49	354,751.83
23	8/1/25	1,533.49	10,295.00	19,318.98	325,137.85
24	2/1/26	1,408.40		9,659.49	315,478.36
25	8/1/26	1,408.40	10,545.00	19,318.98	285,614.38
26	2/1/27	1,270.78		9,659.49	275,954.89
27	8/1/27	1,270.78	10,820.00	19,318.98	245,815.91
28	2/1/28	1,121.46		9,659.49	236,156.42
29	8/1/28	1,121.46	11,119.00	19,318.98	205,718.44
30	2/1/29	962.45		9,659.49	196,058.95
31	8/1/29	962.45	11,437.00	19,318.98	165,302.97
32	2/1/30	789.75		9,659.49	155,643.48
33	8/1/30	789.75	11,782.00	19,318.98	124,542.50
34	2/1/31	608.89		9,659.49	114,883.01
35	8/1/31	608.89	12,144.00	19,318.98	83,420.03
36	2/1/32	417.01		9,659.49	73,760.54
37	8/1/32	417.01	12,528.00	19,318.98	41,913.56
38	2/1/33	213.43		9,659.49	32,254.07
39	8/1/33	213.43	12,935.00	19,319.07	-0-
		\$ 35,047.58	\$ 152,020.00	\$ 405,698.67	

TOWN OF BOONTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance	2019	Bond	Balance
		Dec. 31, 2018	Improvement Authorizations	Anticipation Notes Issued	Dec. 31, 2019
13-11	Demolition and Construction of New Water Tank on Green Street	\$ 379.00			\$ 379.00
08-16	Acquisition of Scales and Controllers	4,700.00			4,700.00
08-16	Improvement of the Taylortown Plant	102,600.00			102,600.00
08-16	Acquisition of Backhoe	47,500.00			47,500.00
07-19	Water Supply and Distribution System		\$ 77,615.00	\$ 77,615.00	
		<u>\$ 155,179.00</u>	<u>\$ 77,615.00</u>	<u>\$ 77,615.00</u>	<u>\$ 155,179.00</u>

TOWN OF BOONTON
COUNTY OF MORRIS
2019
SEWER UTILITY FUND

TOWN OF BOONTON
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

Ref.	Operating	Assessment Trust	Capital
Balance December 31, 2018	\$ 1,490,820.84	\$ 25,371.18	\$ 345,809.51
Increased by Receipts:			
Sewer Utility Collector	\$ 1,439,424.68		
Appropriation Refunds	922.37		
Due Sewer Utility Operating Fund:			
Interest Earned		\$ 524.97	\$ 6,355.70
Interfund Returned		62,942.21	
Due Sewer Utility Assessment Trust Fund:			
Interest Earned	532.06		
Due Sewer Utility Capital Fund:			
Interest Earned	640.84		
Due Water Utility Operating Fund:			
Interfund Returned	692.18		
Budget Appropriation:			
Capital Improvement Fund	1,442,212.13	63,467.18	25,000.00
	<u>2,933,032.97</u>	<u>88,838.36</u>	<u>31,355.70</u>
Decreased by Disbursements:			
2019 Appropriation Expenditures	1,618,165.01		
2018 Appropriation Reserves	61,656.58		
Accrued Interest on Bond Anticipation Notes	2,690.79		
Due Other Trust Fund:			
Interfund Returned	50,000.00		
Due General Capital Fund:			
Interfund Returned	34.00		
Due Sewer Utility Operating Fund:			
Interest Earned		532.06	640.84
Due Sewer Assessment Fund:			
Interfund Returned	62,942.21		
Reserve for Sewer Infiltration Study		28,081.65	
Improvement Authorizations		<u>32,350.47</u>	<u>61,072.96</u>
Balance December 31, 2019	<u>\$ 1,137,544.38</u>	<u>\$ 88,306.30</u>	<u>\$ 316,092.25</u>

TOWN OF BOONTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2019

Increased by Receipts:

Sewer Rents	\$ 1,396,529.07
Connection Fees	2,639.21
Overpayment on Rents	2,874.68
Interest Earned	25,870.92
Late Payment Interest	<u>11,510.80</u>

\$ 1,439,424.68

Decreased by Disbursements:

Paid to Treasurer	<u><u>\$ 1,439,424.68</u></u>
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TOWN OF BOONTON
SEWER UTILITY ASSESSMENT TRUST FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2018	Receipts		Disbursements Miscellaneous	Balance/ (Deficit) Dec. 31, 2019
		Receivable	Miscellaneous		
Assessment Fund Balance	\$ 87,930.72				\$ 87,930.72
Assessment Overpayments	382.67				382.67
Due Sewer Utility Operating Fund	(62,942.21)	\$ 62,942.21	\$ 524.97	\$ 532.06	(7.09)
	<u>\$ 25,371.18</u>	<u>\$ 62,942.21</u>	<u>\$ 524.97</u>	<u>\$ 532.06</u>	<u>\$ 88,306.30</u>

TOWN OF BOONTON
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2018	Receipts			Disbursements			Balance/ (Deficit) Dec. 31, 2019
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous			
Capital Fund Balance	\$ 101,749.53						\$ 101,749.53	
Capital Improvement Fund	159,075.05	\$ 25,000.00					184,075.05	
Due Sewer Utility Operating Fund	(167,613.30)		\$ 6,355.70		\$ 640.84		(161,898.44)	
Reserve for:								
Infiltration Study	39,747.88					28,081.65	11,666.23	
Purchase of Equipment	124,925.00						124,925.00	
Ord.								
No.								
12-06	Sewer Pump						5,050.00	
12-10	Purchase of Cleaning and Vacuum Truck			\$ 17,950.47				
07-16	Acquisition of Backhoe						(49,690.12)	
15-17	Replace Sewer Connection						59,615.00	
21-18	Chestnut St Sewer Cleaning & Lining			14,400.00			40,600.00	
		\$ 25,000.00	\$ 6,355.70	\$ 32,350.47	\$ 28,722.49		\$ 316,092.25	

TOWN OF BOONTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2018	E	\$ 116,804.78
Increased by:		
Sewer Rents Levied		<u>1,366,638.90</u>
		1,483,443.68
Decreased by:		
Collections		<u>1,396,529.07</u>
Balance December 31, 2019	E	<u><u>\$ 86,914.61</u></u>

TOWN OF BOONTON
SEWER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE

Ord. No.	Improvement Description	Date of Confirmation	Annual Installments	Due Dates	Balance Dec. 31, 2018	Balance Dec. 31, 2019	Balance Pledged to Reserve
40-90	Sanitary Sewer (V)	5/2/1994	15	7/1/1995-2009	\$ 482.99	\$ 482.99	\$ 482.99
					\$ 482.99	\$ 482.99	\$ 482.99

Ref. E E

TOWN OF BOONTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2018	E	\$ 6,078,523.83
Increased by:		
Transfer from Fixed Capital Authorized and Uncompleted	\$	288,750.00
Capital Outlay:		
Operating Budget	6,000.00	
Appropriation Reserve	1,372.90	
		<u>296,122.90</u>
Balance December 31, 2019	E	<u>\$ 6,374,646.73</u>

TOWN OF BOONTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2018	Costs to Fixed Capital	Balance Dec. 31, 2019
		Date	Amount			
12-6	Sewer Pump	05/15/06	\$ 18,000.00	\$ 18,000.00	\$	\$ 18,000.00
12-10	Purchases of Cleaning and Vacuum Truck	06/21/10	288,750.00	288,750.00	\$ 288,750.00	
15-17	Replace Sewer Connection	09/05/17	60,000.00	60,000.00		60,000.00
21-18	Chestnut Street Sewer Cleaning & Lining	09/04/18	55,000.00	55,000.00		55,000.00
				<u>\$ 421,750.00</u>	<u>\$ 288,750.00</u>	<u>\$ 133,000.00</u>
		<u>Ref.</u>		E		E

TOWN OF BOONTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 30,712.31	\$ 30,712.31	\$ 7,991.18	\$ 22,721.13
Other Expenses	72,425.55	72,425.55	51,952.45	20,473.10
Capital Outlay	15,347.43	15,347.43	1,372.90	13,974.53
Contribution to:				
Social Security System (O.A.S.I.)	<u>5,105.73</u>	<u>5,105.73</u>	<u>340.05</u>	<u>4,765.68</u>
	<u>\$ 123,591.02</u>	<u>\$ 123,591.02</u>	<u>\$ 61,656.58</u>	<u>\$ 61,934.44</u>

Ref.

Analysis of Balance December 31, 2018:

Appropriation Reserves:

Unencumbered	E \$ 86,422.77
Encumbered	E <u>37,168.25</u>
	<u>\$ 123,591.02</u>

TOWN OF BOONTON
SEWER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
40-90	Sanitary Sewer (V)	\$ 482.99	\$ 482.99
		<u>\$ 482.99</u>	<u>\$ 482.99</u>
	<u>Ref.</u>	E	E

TOWN OF BOONTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2018		Paid or Charged	Balance Dec. 31, 2019 Funded
		Date	Amount	Funded	Unfunded		
12-06	Sewer Pump	5/15/16	\$ 18,000.00	\$ 5,050.00			\$ 5,050.00
12-10	Purchase of Cleaning and Vacuum Truck	6/21/10	288,750.00		\$ 17,950.47	\$ 17,950.47	
15-17	Replace Sewer Connection	9/5/17	60,000.00	59,615.00			59,615.00
21-18	Chestnut St Sewer Cleaning and Lining	9/4/18	55,000.00	55,000.00		14,400.00	40,600.00
				<u>\$ 119,665.00</u>	<u>\$ 17,950.47</u>	<u>\$ 32,350.47</u>	<u>\$ 105,265.00</u>
		<u>Ref.</u>	E	E	E	E	E

TOWN OF BOONTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2018	E	\$ 159,075.05
Increased by:		
Budget Appropriation		<u>25,000.00</u>
Balance December 31, 2019	E	<u><u>\$ 184,075.05</u></u>

TOWN OF BOONTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2018	E	\$ 6,161,833.71
Increased by:		
Sewer Utility Operating Budget:		
Capital Outlay:		
Operating		6,000.00
Appropriation Reserve		1,372.90
Transfer from Deferred Reserve for Amortization		102,500.00
		109,872.90
Balance December 31, 2019	E	\$ 6,271,706.61

TOWN OF BOONTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Ord. Date	Balance Dec. 31, 2018	Notes Paid From Operating Budget	To Reserve for Amortization	Balance Dec. 31, 2019
12-06	Sewer Pump	05/15/06	\$ 18,000.00			\$ 18,000.00
12-10	Purchase of Cleaning and Vacuum Truck	06/21/10	49,250.00	\$ 53,250.00	\$ 102,500.00	
15-17	Replace Sewer Connection	09/05/17	60,000.00			60,000.00
21-18	Chestnut Street Sewer Cleaning & Lining	09/04/18	55,000.00			55,000.00
			<u>\$ 182,250.00</u>	<u>\$ 53,250.00</u>	<u>\$ 102,500.00</u>	<u>\$ 133,000.00</u>
		<u>Ref.</u>	E			E

TOWN OF BOONTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of		Interest Rate	Maturity	Balance Dec. 31, 2018	Issued	Matured	Balance Dec. 31, 2019
		Issue	Original Note						
12-10	Purchase of Cleaning and Vacuum Truck	6/28/18 6/27/19	11/24/10	2.75% 2.25%	6/28/19 6/26/20	\$ 106,500.00	\$ 53,250.00	\$ 106,500.00	\$ 53,250.00
						<u>\$ 106,500.00</u>	<u>\$ 53,250.00</u>	<u>\$ 106,500.00</u>	<u>\$ 53,250.00</u>
				<u>Ref.</u>					E
					Renewals		\$ 53,250.00	\$ 53,250.00	
					Paid from Sewer Utility Operating Budget		<u>53,250.00</u>	<u>53,250.00</u>	
							<u>\$ 53,250.00</u>	<u>\$ 106,500.00</u>	

TOWN OF BOONTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>	<u>Balance Dec. 31, 2019</u>
07-16	Acquisition of Backhoe	<u>\$ 49,690.12</u>	<u>\$ 49,690.12</u>
		<u>\$ 49,690.12</u>	<u>\$ 49,690.12</u>

TOWN OF BOONTON
COUNTY OF MORRIS
2019
PUBLIC ASSISTANCE FUND

TOWN OF BOONTON
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Fund Total</u>
Balance December 31, 2018	F	\$ 162,147.64
Increased by Receipts:		
Miscellaneous Donations		9,317.03
		<u>171,464.67</u>
Decreased by Disbursements:		
Expenditures Ineligible for State Aid	\$ 11,673.23	
Due Current Fund - Interfund Returned	<u>45.42</u>	
		<u>11,718.65</u>
Balance December 31, 2019	F	<u>\$ 159,746.02</u>

TOWN OF BOONTON

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2019

TOWN OF BOONTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Funding Department	Federal Program	CFDA #	State Pass Through Entity ID	Grant Name	Grant Period		Grant Award Amount	Grant Receipts	Amount of Expenditures	Cumulative Expenditures	Amount Paid to Subrecipients
					From	To					
U.S. Department of Housing and Urban Development: (Passed Through County of Morris Department of Community Development)	Community Development Block Grants	14.218	N/A	Kanouse Playground	01/01/19	12/31/20	\$ 80,000.00		\$ 13,770.00	\$ 13,770.00	
									13,770.00	13,770.00	
Total Department of Housing and Urban Development											
U.S. Department of Transportation: Municipal Aid Program: (Passed through New Jersey Department of Law & Public Safety)	Severe Winter & Snow Storm	97.036	100-066-1200-C27-063430	Quinn	03/06/18	03/06/18	55,559.13	\$ 55,559.13	55,559.13 *	55,559.13	
	North Main Street	20.205	480-078-6320 AMQ-605177	N/A	06/04/18	12/31/20	215,000.00	141,069.38	52,186.89	215,000.00	
	Lathrop & Highland Ave	20.205	N/A	N/A	05/22/19	12/31/20	555,000.00		324,469.68	324,469.68	
Total Department of Transportation											
TOTAL FEDERAL AWARDS								205,545.07	432,215.70	595,028.81	
N/A - Not Available/Applicable								\$205,545.07	\$445,985.70	\$608,798.81	\$ - 0 -

* - Expended in Prior Year

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWN OF BOONTON
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

New Jersey Agency or Department	Name of Program	State Grant Award Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
			From	To				
Department of Treasury:								
Passed through the County of Morris:								
Morris: Governor's Council on Alcoholism and Drug Abuse	Municipal Alliance to Prevent Alcoholism and Drug Abuse	100-082-2000- 044-995120	07/01/18 07/01/19	06/30/19 06/30/20	\$ 9,646.00 10,646.00	\$ 2,189.34 2,146.81	\$ 7,456.66 2,146.81	
Subtotal - Department of Treasury						4,336.15	9,603.47	
Department of Environmental Protection	Clean Communities Act	765-042-4900- 004-178910	01/01/16 01/01/17 01/01/19	12/31/19 12/31/19 12/31/20	17,123.37 17,373.74 18,553.15	14,995.00 4,960.88	17,123.37 4,960.88	
	Recycling Grant	100-042-4910 224-238490	01/01/11 01/01/19	12/31/18 12/31/20	16,567.26 12,967.64	5,762.08	5,914.37	
Subtotal - Department of Environmental Protection						31,520.79	27,998.62	
Department of Law and Public Safety	Body Armor Replacement	718-066-1020 001-090160	01/01/12 01/01/13 01/01/14 01/01/15 01/01/19	12/31/19 12/31/19 12/31/19 12/31/19 12/31/20	2,251.31 2,783.30 2,271.38 2,268.08 2,683.97	518.22 2,783.30 2,271.38 1,220.88	2,251.31 2,783.30 2,271.38 1,220.88	
	Drunk Driving Enforcement Fund	100-078-6400- 260-YYYY	01/01/12	12/31/18	16,076.06	634.28	10,320.52	
Subtotal - Department of Law and Public Safety						2,683.97	10,320.52	
Department of Health and Senior Services	Alcohol Education and Rehabilitation	760-098-9735 001-060000	01/01/15 01/01/16 01/01/16 01/01/19	12/31/19 12/31/19 12/31/19 12/31/20	3,131.25 2,946.66 2,598.55 2,411.24	54.79 2,946.66 2,598.55	3,131.25 2,946.66 830.50	
Subtotal - Department of Health and Senior Services						2,411.24	6,908.41	
TOTAL STATE AWARDS						\$ 36,616.00	\$ 43,082.17	\$ 54,831.02

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

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

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

B. BASIS OF ACCOUNTING

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 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.

C. 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.

D. STATE LOANS OUTSTANDING

The Town of Boonton has the following loans outstanding as of December 31, 2019:

NJ Environmental Infrastructure Trust Loan Payable - 2010	\$ 769,473.05
NJ Environmental Infrastructure Trust Loan Payable - 2012	945,798.60
NJ Environmental Infrastructure Trust Loan Payable - 2014	<u>557,718.67</u>
	<u><u>\$ 2,272,990.32</u></u>

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.



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

Independent Auditors' Report

The Honorable Mayor and Members
of the Board of Aldermen
Town of Boonton
Boonton, 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 Boonton, in the County of Morris (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 July 31, 2020. These financial statements have been prepared in conformity with accounting principles prescribed or permitted by the Division, to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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.

The Honorable Mayor and Members
of the Board of Aldermen
Town of Boonton
Page 2

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2019-001, that we consider to be a significant deficiency.

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*.

The Town's Response to the Finding

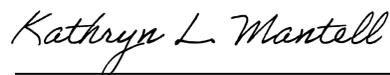
The Town's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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
July 31, 2020

NISIVOCCIA LLP



Kathryn L. Mantell

Certified Public Accountant

Registered Municipal Accountant No. 447

TOWN OF BOONTON
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Town's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- A significant deficiency disclosed during the audit of the financial statements is 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 material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Town 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's OMB 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 the Uniform Guidance and NJOMB 15-08.

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2019-001 Fixed Assets:

Criteria

A fixed assets accounting and reporting system is required by the New Jersey Administrative Code.

Condition

The Town has not maintained and updated its fixed assets accounting and reporting system. A fixed assets accounting and reporting system would be used to identify assets held by the Town, their cost, acquisition date, location, and other pertinent information.

Cause

The Town is in the process of updating its fixed asset inventory records; however, the final report has not yet been obtained from the independent appraisal company (due to delays caused by COVID-19) and reviewed for its completeness and accuracy.

Effect or Potential Effect

The Town is not yet in compliance with the accounting requirements contained in New Jersey Administrative Code, and fixed assets records are not available which could possibly be used to aid in planning for replacement of assets.

TOWN OF BOONTON
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Government Auditing Standards Generally Accepted in the United States of America: (Cont'd)

Finding 2019-001 Fixed Assets: (Cont'd)

Recommendation

It is recommended that the Town obtain the updated fixed asset inventory report from the independent appraisal company and review it for completeness and accuracy to adequately maintain its fixed assets accounting and reporting system.

Management's Response

The CFO will obtain the updated fixed asset inventory report from the independent appraisal company and review it for completeness and accuracy to adequately maintain the Town's fixed asset accounting and reporting system.

Findings and Questioned Costs for Federal Awards:

- Not applicable – Federal award expenditures are less than the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable – State award expenditures are less than the single audit threshold.

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

The Town's prior year finding 2018-001 regarding maintenance of its fixed asset accounting and reporting system has not been completely resolved and is included as finding 2019-001.

TOWN OF BOONTON

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

TOWN OF BOONTON
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required Advertisement for Bids

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

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

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

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

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

Effective July 1, 2015 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$40,000.

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

TOWN OF BOONTON
COMMENTS AND RECOMMENDATIONS
(Continued)

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

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

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 and Assessments

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

The following resolutions were adopted in 2019:

BE IT RESOLVED by the Mayor and Board of Aldermen of the Town of Boonton, Morris County, New Jersey, that the rate of interest charges on delinquent taxes in this Town shall be as follows:

On all delinquents to and including December 31, 2019, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2019 at the rate of 8% per annum for and upon the first \$1,500 of the delinquency and at the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.

BE IT RESOLVED, that the collector of the Town be and is hereby directed to collect interest on all taxes accordingly.

BE IT RESOLVED by the Mayor and Board of Aldermen of the Town of Boonton, Morris County, New Jersey, that the rate of interest charges on delinquent utility charges in this Town shall be as follows:

On all delinquents to and including December 31, 2019, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2019 at the rate of 8% per annum for and upon the first \$1,500 of the delinquency and at the rate of 18% per annum for and upon any amount of the delinquency in excess of \$1,500; and that a grace period of 30 days will be allowed on charges due April 1, July 1, October 1, and December 1. If charges are not paid 30 days after the end of each quarter, interest shall be charged from the due date.

BE IT RESOLVED, that the collector of the Town be and is hereby directed to collect interest on all utility charges accordingly.

It appears from our testing that interest was charged in accordance with the above resolutions.

TOWN OF BOONTON
COMMENTS AND RECOMMENDATIONS
(Continued)

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 10, 2019.

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	10
2018	11
2017	11

Municipal Court

The transactions for the year 2019 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
State of New Jersey	\$ 8,822.04	\$ 89,514.57	\$ 93,903.85	\$ 4,432.76
County of Morris	2,783.50	22,156.75	24,121.75	818.50
Municipality:				
Fines and Fees	13,329.46	146,562.68	152,824.70	7,067.44
POAA	112.00	1,708.00	1,728.00	92.00
Conditional Dismissal	145.00	525.00	670.00	
Public Defender	450.00	3,330.00	3,610.00	170.00
Conditional Discharge		965.00	770.00	195.00
Fish and Game		60.00	60.00	
Weights and Measures	5,000.00	57,450.00	59,250.00	3,200.00
Restitution		974.42	974.42	
Cash Bail	1,150.41	13,085.00	13,585.00	650.41
	<u>\$ 31,792.41</u>	<u>\$ 336,331.42</u>	<u>\$ 351,497.72</u>	<u>\$ 16,626.11</u>

TOWN OF BOONTON
COMMENTS AND RECOMMENDATIONS
(Continued)

New Jersey Administrative Code Accounting Requirements

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

1. Maintenance of an encumbrance accounting system
2. Maintenance of a fixed asset accounting and reporting system
3. Maintenance of a general ledger accounting system

The Town currently maintains an encumbrance and general ledger accounting system and is in the process of updating its fixed asset accounting and reporting system. The Town has contracted with an independent appraisal company to prepare and update the Town's fixed asset inventory but has not yet received or reviewed the inventory report due to delays caused by COVID-19.

Recommendation

It is recommended that the Town obtain the updated fixed asset inventory report from the independent appraisal company and review it for its completeness and accuracy to adequately maintain its fixed assets accounting and reporting system.

Management's Response

The CFO will obtain the updated fixed asset inventory report from the independent appraisal company and review it for its completeness and accuracy to adequately maintain the Town's fixed asset accounting and reporting system.

Interfund Balances

Interfund transactions are continually monitored, controlled and limited; however, there were several interfund balances as of December 31, 2019.

It is recommended that a continued effort be made to ensure that all interfund balances are liquidated in a timely manner.

Management's Response

The CFO will continue to monitor cash balances and ensure that interfund balances are liquidated as soon as possible.

Management Suggestions

Federal and State Grant Appropriated and Unappropriated Grant Reserves and Capital Grants Receivable

There are several appropriated and unappropriated reserve grant balances in the Federal and State Grant Fund and several grants receivable in the General Capital Fund that are a few years old. We suggest that the various grant reserve balances be reviewed for appropriations, expenditure, or cancellation and receivables be reviewed for collection.

TOWN OF BOONTON
COMMENTS AND RECOMMENDATIONS
(Continued)

Status of Prior Year Recommendations

The prior year recommendations regarding court deposits and monthly outside department reports were resolved in the current year. The prior year recommendations regarding a fixed asset accounting system and interfund balances were not completely resolved and are included as current year recommendations.

TOWN OF BOONTON
SUMMARY OF RECOMMENDATIONS

It is recommended that:

- 1) The Town obtain the updated fixed asset inventory report from the independent appraisal company and review it for its completeness and accuracy to adequately maintain its fixed assets accounting and reporting system.
- 2) A continued effort be made to ensure that all interfund balances are liquidated in a timely manner.

* * * * *