

**BOROUGH OF WOODBURY HEIGHTS  
COUNTY OF GLOUCESTER  
REPORT OF AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2019**



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**BOROUGH OF WOODBURY HEIGHTS**  
**PART 1**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of Woodbury Heights  
Woodbury Heights, New Jersey 08097

### **Report on the Financial Statements**

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Woodbury Heights, in the County of Gloucester, State of New Jersey, as of December 31, 2019 and 2018, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State 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.

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

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

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

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

### *Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Woodbury Heights, in the County of Gloucester, State of New Jersey, as of December 31, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended.

### *Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Woodbury Heights, in the County of Gloucester, State of New Jersey, as of December 31, 2019 and 2018, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2019, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

## **Other Matters**

### *Other Information*

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

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic 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 January 11, 2021 on our consideration of the Borough of Woodbury Heights, in the County of Gloucester, State of New Jersey, 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 Borough of Woodbury Heights'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 Borough of Woodbury Heights's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
January 11, 2021



**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 AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of Woodbury Heights  
Woodbury Heights, New Jersey 08097

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Woodbury Heights, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated January 11, 2021. That report indicated that the Borough of Woodbury Heights' financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Woodbury Heights' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael J. Welding  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
January 11, 2021

**BOROUGH OF WOODBURY HEIGHTS****CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Assets:			
Regular Fund:			
Cash:			
Chief Financial Officer	SA-1	\$ 2,074,278.88	\$ 1,863,876.99
Change Fund	A	<u>225.00</u>	<u>225.00</u>
		<u>2,074,503.88</u>	<u>1,864,101.99</u>
Other Receivables			
Due from State of New Jersey	SA-4	<u>4,000.00</u>	<u>3,913.25</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-2	148,533.05	160,485.97
Tax Title Liens Receivable	SA-3	96,096.99	86,007.03
Property Acquired for Taxes - Assessed			
Valuation	A	95,075.00	95,075.00
Revenue Accounts Receivable	SA-5	3,549.18	3,858.69
Due Animal Control Fund	SB-3	1,634.46	1,548.05
Due from Trust Other Fund	SB-6	777.34	724.48
Due General Capital Fund	SC-6	<u>566.14</u>	<u>365.33</u>
		<u>346,232.16</u>	<u>348,064.55</u>
		<u>2,424,736.04</u>	<u>2,216,079.79</u>
Federal and State Grant Fund:			
Due Current Fund	SA-13	109,774.21	22,809.82
Grants Receivable	SA-14	<u>-</u>	<u>73,384.00</u>
		<u>109,774.21</u>	<u>96,193.82</u>
		<u>\$ 2,534,510.25</u>	<u>\$ 2,312,273.61</u>

(Continued)

**BOROUGH OF WOODBURY HEIGHTS****CURRENT FUND**

## Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

As of December 31, 2019 and 2018

	Ref.	2019	2018
Liabilities, Reserves and Fund Balance:			
Regular Fund:			
Appropriation Reserves	A-3;SA-6	\$ 319,906.03	\$ 359,502.94
Encumbrances Payable	A-3;SA-6	14,180.13	13,947.13
Accounts Payable	SA-1;SA-6	9,551.50	10,201.19
Prepaid Taxes	SA-7	56,939.95	51,194.71
Tax Overpayments	SA-8	12,873.62	21,254.09
Due County for Added and Omitted Taxes	SA-10	1,109.89	1,786.97
Due Federal and State Grant Fund	SA-13	109,774.21	22,809.82
Reserve for Master Plan	A-1	-	1,840.74
Reserve for Insurance Proceeds	A-1	-	5,782.52
		<u>524,335.33</u>	<u>488,320.11</u>
Reserves for Receivables	A	346,232.16	348,064.55
Fund Balance	A-1	<u>1,554,168.55</u>	<u>1,379,695.13</u>
		<u>2,424,736.04</u>	<u>2,216,079.79</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-15	13,597.02	6,748.93
Encumbrances Payable	SA-16	104.98	-
Appropriated Reserves	SA-16	<u>96,072.21</u>	<u>89,444.89</u>
		<u>109,774.21</u>	<u>96,193.82</u>
		<u>\$ 2,534,510.25</u>	<u>\$ 2,312,273.61</u>

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

**BOROUGH OF WOODBURY HEIGHTS****CURRENT FUND**

Statements of Operations and Changes in Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2019 and 2018

	2019	2018
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 390,000.00	\$ 470,000.00
Miscellaneous Revenues Anticipated	611,768.17	534,368.50
Receipts from Delinquent Taxes	184,373.58	174,179.83
Receipts from Current Taxes	11,130,690.53	10,850,055.81
Nonbudget Revenues	120,369.30	107,008.21
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	279,299.86	397,086.54
Interfund Returned	-	427.29
Statutory Excess - Animal Control Fund	1,631.21	1,544.47
Reserve for Master Plan Cancelled	1,840.74	-
Reserve for Insurance Proceeds Cancelled	5,782.52	-
	<u>12,725,755.91</u>	<u>12,534,670.65</u>
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	1,129,150.00	1,106,300.00
Other Expenses	1,414,650.00	1,418,400.00
Deferred Charges and Statutory Expenditures	389,716.00	359,290.00
Appropriations Excluded from "CAPS":		
Operations:		
Salaries and Wages	115,188.04	111,400.00
Other Expenses	324,917.37	238,600.28
Capital Improvements	255,000.00	145,000.00
Municipal Debt Service	259,038.67	365,364.10
County Taxes	1,932,245.08	1,902,837.68
Due County for Added and Omitted Taxes	1,109.89	1,786.97
Local School District Tax	2,789,689.98	2,708,263.50
Regional High School District Tax	3,548,165.98	3,458,119.00
Interfund Created	340.08	290.83
Prior Year Senior Citizen Deduction Disallowed	2,071.40	1,617.30
Federal and State Grant Fund Receivables Canceled	-	723.94
	<u>12,161,282.49</u>	<u>11,817,993.60</u>
Excess in Revenues	564,473.42	716,677.05
Fund Balance January 1	1,379,695.13	1,133,018.08
Total	1,944,168.55	1,849,695.13
Decreased by:		
Utilization as Anticipated Revenue	390,000.00	470,000.00
Fund Balance December 31	\$ <u>1,554,168.55</u>	\$ <u>1,379,695.13</u>

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

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2019

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 390,000.00		\$ 390,000.00	
Licenses:				
Alcoholic Beverages	5,000.00		5,000.00	
Fees and Permits	1,400.00		5,511.92	\$ 4,111.92
Fines and Costs:				
Municipal Court	58,000.00		55,128.04	(2,871.96)
Interest and Costs on Taxes	31,000.00		38,849.74	7,849.74
Interest on Investments and Deposits	7,000.00		18,336.67	11,336.67
Consolidated Municipal Property Tax Relief Aid	9,121.00		9,121.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	290,969.00		290,969.00	
Interlocal Municipal Service Agreements:				
Gateway Regional High School - School Resource Officer	56,765.00	\$ 38,100.00	91,827.39	(3,037.61)
South Harrison Township Agreement - Revenue Admin.	16,960.00		16,960.00	
South Harrison Township Agreement - Financial Admin.	18,290.00		18,290.00	
Public and Private Revenues Offset With Appropriations:				
Body Armor Fund	1,136.99	1,948.04	3,085.03	
Clean Communities Program	6,748.93		6,748.93	
Distracted Driving		4,180.00	4,180.00	
Drive Sober or Get Pulled Over		2,200.00	2,200.00	
Drunk Driving Enforcement Fund		7,000.00	7,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	10,097.00		10,097.00	
Recycling Tonnage Grant	4,115.45		4,115.45	
Safe and Secure Communities Program	24,348.00		24,348.00	
	540,951.37	53,428.04	611,768.17	17,388.76
Receipts from Delinquent Taxes	146,000.00		184,373.58	38,373.58
Subtotal General Revenues	1,076,951.37	53,428.04	1,186,141.75	55,762.34
Amount to be Raised by Taxes for				
Support to Municipal Budget -				
Local Tax for Municipal Purposes	3,027,475.94		3,129,673.54	102,197.60
Budget Totals	4,104,427.31	53,428.04	4,315,815.29	157,959.94
Nonbudget Revenues			120,369.30	120,369.30
	\$ 4,104,427.31	\$ 53,428.04	\$ 4,436,184.59	\$ 278,329.24

(Continued)

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2019

Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections	\$ 11,130,690.53
Allocated to:	
School, County and Special District Taxes	<u>8,271,210.93</u>
Balance for Support of Municipal Budget Revenues	2,859,479.60
Add:	
Appropriation: "Reserve for Uncollected Taxes"	<u>270,193.94</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 3,129,673.54</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 151,810.25
Tax Title Liens	<u>32,563.33</u>
Delinquent Tax Collections	<u><u>\$ 184,373.58</u></u>

Analysis of Non-Budget Revenue:

Cable Television Franchise Fee	\$ 46,499.09
Clerk Licenses	12,616.06
Homestead Rebate Admin Fee	154.80
JIF Dividends	22,078.00
JIF Refunds	2,500.00
JIF Safety Awards	55.00
Off-Duty Police Fees	26,262.66
Police Clerk	708.35
Senior and Veteran Deduction Administrative Fee	759.88
Tax Collector - Miscellaneous	5,100.50
Treasurer - Miscellaneous	<u>3,634.96</u>
	<u><u>\$ 120,369.30</u></u>

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

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2019

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
<u>OPERATIONS WITHIN "CAPS":</u>						
GENERAL GOVERNMENT FUNCTIONS:						
Mayor and Council:						
Salaries and Wages	\$ 20,350.00	\$ 20,350.00	\$ 20,340.00		\$ 10.00	
Other Expenses	9,650.00	9,650.00	3,620.47	\$ 7.99	6,021.54	
Municipal Clerk:						
Salaries and Wages	92,100.00	92,100.00	90,777.29		1,322.71	
Other Expenses	20,000.00	20,000.00	11,246.56	2,520.00	6,233.44	
Financial Administration:						
Salaries and Wages	84,400.00	84,400.00	83,443.81		956.19	
Other Expenses	21,000.00	21,000.00	13,614.79	1,050.00	6,335.21	
Audit Services:						
Other Expenses	48,500.00	48,500.00	6,396.50		42,103.50	
Revenue Administration:						
Salaries and Wages	13,200.00	13,200.00	6,355.84		6,844.16	
Other Expenses	12,000.00	12,000.00	9,930.80		2,069.20	
Legal Services:						
Other Expenses	80,000.00	80,000.00	45,039.83		34,960.17	
Engineering Services:						
Other Expenses	12,000.00	17,000.00	12,965.50		4,034.50	
LAND USE ADMINISTRATION:						
Planning Board:						
Salaries and Wages	5,100.00	5,100.00	4,447.24		652.76	
Other Expenses	12,800.00	12,800.00	8,438.84	468.00	3,893.16	
CODE ENFORCEMENT AND ADMINISTRATION:						
Housing and Lot Maintenance Code:						
Salaries and Wages	4,000.00	4,000.00	3,713.06		286.94	
Other Expenses	500.00	500.00			500.00	
INSURANCE:						
General Liability	88,500.00	88,500.00	86,609.27	400.00	1,490.73	
Workers Compensation	149,800.00	149,800.00	149,600.73		199.27	
Employee Group Health	335,000.00	335,000.00	306,087.95		28,912.05	
Unemployment Compensation Insurance	9,000.00	9,000.00	9,000.00			
PUBLIC SAFETY FUNCTIONS:						
Police Department:						
Salaries and Wages	647,500.00	647,500.00	630,879.16		16,620.84	
Other Expenses	55,000.00	55,000.00	52,678.18	1,720.53	601.29	
Office of Emergency Management:						
Salaries and Wages	1,800.00	1,800.00	1,592.00		208.00	
Other Expenses	1,500.00	1,500.00	446.50	1,052.98	0.52	

(Continued)



**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2019

	Appropriations		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS" (CONT'D):</b>						
<b>PUBLIC SAFETY FUNCTIONS (CONT'D):</b>						
Aid to Volunteer Fire Companies:						
Other Expenses	\$ 44,200.00	\$ 44,200.00	\$ 37,407.55	\$ 6,460.16	\$ 332.29	
Fire Department:						
Other Expenses	2,100.00	2,100.00	910.00		1,190.00	
<b>PUBLIC WORKS FUNCTIONS:</b>						
Street and Road Maintenance:						
Salaries and Wages	180,000.00	180,000.00	170,602.86		9,397.14	
Other Expenses	50,000.00	50,000.00	33,650.17		16,349.83	
Other Public Works Functions:						
Other Expenses	1,500.00	1,500.00			1,500.00	
Solid Waste Collection:						
Salaries and Wages	80,000.00	72,500.00	53,763.71		18,736.29	
Other Expenses	33,500.00	33,500.00	30,104.33		3,395.67	
Public Building and Grounds:						
Salaries and Wages	8,200.00	8,200.00	8,119.28		80.72	
Other Expenses	50,000.00	50,000.00	39,439.52		10,560.48	
Vehicle Maintenance:						
Other Expenses	62,000.00	62,000.00	54,317.37		7,682.63	
<b>HEALTH AND HUMAN SERVICES FUNCTIONS:</b>						
Public Health Services:						
Other Expenses	100.00	100.00			100.00	
<b>PARK AND RECREATION FUNCTIONS:</b>						
Recreation Services and Programs:						
Other Expenses	10,000.00	10,000.00	6,119.06		3,880.94	
<b>OTHER COMMON OPERATING FUNCTIONS:</b>						
Celebration of Public Events:						
Other Expenses	5,000.00	5,000.00	2,027.40		2,972.60	
Senior Citizens Transportation:						
Other Expenses	5,100.00	5,100.00	4,894.53	105.47	100.00	
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>						
Electricity	36,500.00	36,500.00	21,374.80		15,125.20	
Street Lighting	55,000.00	55,000.00	48,546.90		6,453.10	
Telephone	12,800.00	13,300.00	12,858.60		441.40	
Gas (Natural or Propane)	11,800.00	11,800.00	7,104.55		4,695.45	
Fuel Oil	5,100.00	5,100.00	2,791.23		2,308.77	
Diesel Oil	15,700.00	15,700.00	10,124.75		5,575.25	
Gasoline	20,000.00	20,000.00	17,274.30		2,725.70	

(Continued)

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2019

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
<u>OPERATIONS WITHIN "CAPS" (CONT'D):</u>						
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS:</u>						
Sanitary Landfill:						
Other Expenses	\$ 133,500.00	\$ 133,500.00	\$ 120,775.75		\$ 12,724.25	
Total Operations Within "CAPS"	2,545,800.00	2,543,800.00	2,239,430.98	\$ 13,785.13	290,583.89	-
Detail:						
Salaries and Wages	1,136,650.00	1,129,150.00	1,074,034.25	-	55,115.75	-
Other Expenses	1,409,150.00	1,414,650.00	1,165,396.73	13,785.13	235,468.14	-
<u>DEFERRED CHARGES AND STATUTORY</u>						
<u>EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u>						
<u>STATUTORY EXPENDITURES:</u>						
Contribution to:						
Public Employees' Retirement System	97,377.00	97,377.00	97,377.00			
Social Security System (O.A.S.I.)	105,000.00	107,000.00	105,298.30		1,701.70	
Police and Fireman's Retirement System	184,839.00	184,839.00	184,839.00			
Defined Contribution Retirement Plan	500.00	500.00			500.00	
TOTAL DEFERRED CHARGES AND STATUTORY						
EXPENDITURES - MUNICIPAL WITHIN "CAPS"	387,716.00	389,716.00	387,514.30	-	2,201.70	-
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:</u>						
Interlocal Service Agreement - N.J.S.A. 40A:4-45.3J(3):						
Township of Deptford, Uniform Construction Code Operations	59,000.00	59,000.00	51,244.50		7,755.50	
Mantua Township Municipal Court	107,000.00	107,000.00	106,635.50		364.50	
Gateway Regional High School - School Resource Officers	56,765.00	94,865.00	75,469.56	395.00	19,000.44	
South Harrison Agreement - Revenue Administrator	16,960.00	16,960.00	16,960.00			
South Harrison Agreement - Financial Administrator	18,290.00	18,290.00	18,290.00			
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:</u>						
Safe and Secure Communities Program - State	24,348.00	24,348.00	24,348.00			
Safe and Secure Communities Program - Local	79,692.00	79,692.00	79,692.00			
Drunk Driving Enforcement Fund (N.J.S.A. 40A: 4-87)		7,000.00	7,000.00			
Clean Communities Program Grant	6,748.93	6,748.93	6,748.93			
Municipal Alliance - State	10,097.00	10,097.00	10,097.00			
Municipal Alliance - Local	2,524.00	2,524.00	2,524.00			
Body Armor Grant	1,136.99	1,136.99	1,136.99			
Buckle Up South Jersey (N.J.S.A. 40A: 4-87)		1,948.04	1,948.04			
Recycling Tonnage Grant	4,115.45	4,115.45	4,115.45			

(Continued)

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2019

	Appropriations		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u>						
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (CONT'D):</u>						
Drive Sober or Get Pulled Over (N.J.S.A. 40A: 4-87)		\$ 2,200.00	\$ 2,200.00			
Distracted Driving (N.J.S.A. 40A: 4-87)		4,180.00	4,180.00			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	\$ 386,677.37	440,105.41	412,589.97	\$ 395.00	\$ 27,120.44	
Detail:						
Salaries and Wages	104,040.00	115,188.04	115,188.04			
Other Expenses	282,637.37	324,917.37	297,401.93	395.00	27,120.44	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>						
Capital Improvement Fund	255,000.00	255,000.00	255,000.00			
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":</u>						
Payment of Bond Principal	160,000.00	160,000.00	160,000.00			
Interest on Bonds	37,400.00	37,400.00	37,400.00			
Interest on Notes	61,640.00	61,640.00	61,638.67			\$ 1.33
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	259,040.00	259,040.00	259,038.67	-	-	1.33
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	900,717.37	954,145.41	926,628.64	395.00	27,120.44	1.33
SUBTOTAL GENERAL APPROPRIATIONS	3,834,233.37	3,887,661.41	3,553,573.92	14,180.13	319,906.03	1.33
RESERVE FOR UNCOLLECTED TAXES	270,193.94	270,193.94	270,193.94			
TOTAL GENERAL APPROPRIATIONS	\$ 4,104,427.31	\$ 4,157,855.35	\$ 3,823,767.86	\$ 14,180.13	\$ 319,906.03	\$ 1.33
Original Budget		\$ 4,104,427.31				
N.J.S.A. 40A: 4-87		53,428.04				
Federal and State Grants			\$ 143,990.41			
Reserve for Uncollected Taxes			270,193.94			
Disbursed			3,409,583.51			
		\$ 4,157,855.35	\$ 3,823,767.86			

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

**BOROUGH OF WOODBURY HEIGHTS**  
**TRUST FUND**  
 Statements of Assets, Liabilities and Reserves - Regulatory Basis  
 As of December 31, 2019 and 2018

	Ref.	2019	2018
Assets:			
Animal Control Fund:			
Cash - Chief Financial Officer	SB-1	\$ 7,039.46	\$ 7,647.05
Cash - Collector	SB-2	46.40	19.40
		<u>7,085.86</u>	<u>7,666.45</u>
Other Funds:			
Cash - Chief Financial Officer	SB-1	320,336.90	146,053.19
		<u>\$ 327,422.76</u>	<u>\$ 153,719.64</u>
Liabilities and Reserves:			
Animal Control Fund:			
Due Current Fund	SB-3	\$ 1,634.46	\$ 1,548.05
Due to State of New Jersey	SB-4	2.40	5.40
Reserve for Animal Control Expenditures	SB-5	5,449.00	6,113.00
		<u>7,085.86</u>	<u>7,666.45</u>
Other Funds:			
Due to Current Fund	SB-6	777.34	724.48
Reserve for:			
Escrow Deposits	SB-7	156,445.65	38,690.12
Unemployment Compensation	SB-7	32,883.71	36,462.14
Off Duty Police Employment	SB-7	6,576.00	1,964.76
D.A.R.E.	SB-7	5,676.97	4,502.85
Payroll	SB-7	1,582.94	2,019.16
Tax Sale Premiums	SB-7	52,300.00	15,100.00
Recycling Fees	SB-7	7,324.79	6,640.29
COAH	SB-7	26,545.05	7,812.67
Forfeited Funds	SB-7	754.78	751.01
P.O.A.A.	SB-7	773.00	769.00
Public Defender	SB-7	2,251.00	2,251.00
Trust Donations	SB-7	15,424.24	18,875.27
West Jersey Avenue Park	SB-7	10,595.61	9,484.10
Flexible Spending Account	SB-7	425.82	6.34
		<u>320,336.90</u>	<u>146,053.19</u>
		<u>\$ 327,422.76</u>	<u>\$ 153,719.64</u>

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

**BOROUGH OF WOODBURY HEIGHTS****GENERAL CAPITAL FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2019 and 2018

	Ref.	2019	2018
<b>Assets:</b>			
Cash - Chief Financial Officer	SC-1	\$ 1,430,166.73	\$ 859,159.15
Federal and State Aid Receivable	SC-5	381,603.52	410,083.74
Deferred Charges to Future Taxation:			
Funded	SC-3	3,591,000.00	975,000.00
Unfunded	SC-4	650.00	2,730,650.00
		<u>\$ 5,403,420.25</u>	<u>\$ 4,974,892.89</u>
<b>Liabilities, Reserves and Fund Balance:</b>			
Due Current Fund	SC-6	\$ 566.14	\$ 365.33
Capital Improvement Fund	SC-7	309,782.59	198,882.59
Encumbrances Payable	SC-8	563,280.80	29,958.75
Improvement Authorizations:			
Funded	SC-8	920,293.78	452,276.54
Unfunded	SC-8	650.00	1,052,912.74
Bond Anticipation Notes	SC-9	-	2,247,650.00
General Serial Bonds	SC-10	3,591,000.00	975,000.00
Fund Balance	C	17,846.94	17,846.94
		<u>\$ 5,403,420.25</u>	<u>\$ 4,974,892.89</u>

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

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2019 and 2018

	Ref.	2019	2018
Assets:			
Operating Fund:			
Cash - Chief Financial Officer	SD-1	\$ 2,308,534.54	\$ 2,224,512.11
Change Fund	D	50.00	50.00
Due Utility Capital Fund	SD-9	787.65	790.50
		<u>2,309,372.19</u>	<u>2,225,352.61</u>
Receivables With Full Reserves:			
Consumer Rents Receivable - Water	SD-3	39,809.24	45,732.91
Consumer Rents Receivable - Sewer	SD-3	60,470.98	65,289.24
		<u>100,280.22</u>	<u>111,022.15</u>
Total Operating Fund		<u>2,409,652.41</u>	<u>2,336,374.76</u>
Capital Fund:			
Cash - Chief Financial Officer	SD-1	1,834,977.06	1,858,708.05
Fixed Capital	SD-4	3,721,610.04	3,721,610.04
Fixed Capital Authorized and Uncompleted	SD-5	3,841,439.81	3,413,439.81
Total Capital Fund		<u>9,398,026.91</u>	<u>8,993,757.90</u>
		<u>\$ 11,807,679.32</u>	<u>\$ 11,330,132.66</u>

(Continued)

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2019 and 2018

	Ref.	2019	2018
Liabilities, Reserves and Fund Balance:			
Operating Fund:			
Appropriation Reserves	D-3;SD-6	\$ 218,696.40	\$ 291,228.49
Encumbrances Payable	D-3;SD-6	13,305.10	3,655.08
Accrued Interest on Bonds and Notes	SD-7	37,207.40	17,554.17
Utility Rent Overpayments	SD-8	10,127.94	2,800.17
		<u>279,336.84</u>	<u>315,237.91</u>
Reserve for Receivables	D	100,280.22	111,022.15
Fund Balance	D-1	<u>2,030,035.35</u>	<u>1,910,114.70</u>
Total Operating Fund		<u>2,409,652.41</u>	<u>2,336,374.76</u>
Capital Fund:			
Due Utility Operating Fund	SD-9	787.65	790.50
Reserve for Amortization	SD-10	3,655,941.91	3,630,941.91
Reserve for Deferred Amortization	SD-11	130,107.94	130,107.94
Capital Improvement Fund	SD-12	348,538.89	248,538.89
Encumbrances Payable	SD-13	991.01	177,770.99
Improvement Authorizations:			
Funded	SD-13	1,451,819.39	160,901.58
Unfunded	SD-13	-	1,237,865.97
Bond Anticipation Notes	SD-14	-	3,029,000.00
Water and Sewer Serial Bonds	SD-15	3,777,000.00	345,000.00
Reserve for Preliminary Expenses	D	8,349.25	8,349.25
Fund Balance	D	<u>24,490.87</u>	<u>24,490.87</u>
Total Capital Fund		<u>9,398,026.91</u>	<u>8,993,757.90</u>
		<u>\$ 11,807,679.32</u>	<u>\$ 11,330,132.66</u>

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

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 220,000.00	\$ 221,000.00
Water Rents	547,883.69	530,013.61
Sewer Rents	953,378.04	970,787.05
Mobile Antenna Rental	73,488.57	97,354.91
Miscellaneous Other	38,459.23	33,491.69
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>186,617.97</u>	<u>425,589.57</u>
Total Income	<u>2,019,827.50</u>	<u>2,278,236.83</u>
Expenditures:		
Operations:		
Salaries and Wages	274,575.00	265,535.00
Other Expenses	1,117,250.00	1,124,800.00
Capital Improvement Fund	100,000.00	100,000.00
Capital Outlay	25,000.00	25,000.00
Debt Service	142,081.85	152,661.44
Deferred Charges and Statutory Expenditures	<u>21,000.00</u>	<u>21,000.00</u>
Total Expenditures	<u>1,679,906.85</u>	<u>1,688,996.44</u>
Excess in Revenue	339,920.65	589,240.39
Fund Balance January 1	<u>1,910,114.70</u>	<u>1,541,874.31</u>
Total	2,250,035.35	2,131,114.70
Decreased by:		
Utilization as Anticipated Revenue	<u>220,000.00</u>	<u>221,000.00</u>
Fund Balance December 31	<u><u>\$ 2,030,035.35</u></u>	<u><u>\$ 1,910,114.70</u></u>

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



**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2019

	Anticipated Budget	Realized	Excess or (Deficit)
Operating Fund Balance Anticipated	\$ 220,000.00	\$ 220,000.00	
Water Rents	500,000.00	547,883.69	\$ 47,883.69
Sewer Rents	900,000.00	953,378.04	53,378.04
Mobile Antenna Rental	68,000.00	73,488.57	5,488.57
Miscellaneous Other	<u>                    </u>	<u>38,459.23</u>	<u>38,459.23</u>
	<u>\$ 1,688,000.00</u>	<u>\$ 1,833,209.53</u>	<u>\$ 145,209.53</u>

Analysis of Realized Revenue:

Miscellaneous Other:

Interest on Investments	\$ 20,629.01
Miscellaneous Other	<u>17,830.22</u>
	<u>\$ 38,459.23</u>
Cash Receipts	\$ 29,065.31
Interfunds	<u>9,393.92</u>
	<u>\$ 38,459.23</u>

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

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2019

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 274,575.00	\$ 274,575.00	\$ 225,595.37		\$ 48,979.63	
Other Expenses	1,117,250.00	1,117,250.00	960,618.71	\$ 13,305.10	143,326.19	
Total Operations	1,391,825.00	1,391,825.00	1,186,214.08	13,305.10	192,305.82	-
Capital Improvements:						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00			
Capital Outlay	25,000.00	25,000.00			25,000.00	
	125,000.00	125,000.00	100,000.00	-	25,000.00	-
Debt Service:						
Payment of Bond Principal	25,000.00	25,000.00	25,000.00			
Interest on Bonds	58,465.00	58,465.00	50,373.02			\$ 8,091.98
Interest on Notes	66,710.00	66,710.00	66,708.83			1.17
Total Debt Service	150,175.00	150,175.00	142,081.85	-	-	8,093.15
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to Social Security System	21,000.00	21,000.00	19,609.42		1,390.58	
Total Deferred Charges and Statutory Expenditures	21,000.00	21,000.00	19,609.42	-	1,390.58	-
	<u>\$ 1,688,000.00</u>	<u>\$ 1,688,000.00</u>	<u>\$ 1,447,905.35</u>	<u>\$ 13,305.10</u>	<u>\$ 218,696.40</u>	<u>\$ 8,093.15</u>
Emergency Appropriation						
Accrued Interest on Bonds and Notes			\$ 117,081.85			
Disbursed			1,330,823.50			
			<u>\$ 1,447,905.35</u>			

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

**BOROUGH OF WOODBURY HEIGHTS**  
**GENERAL FIXED ASSET GROUP OF ACCOUNTS**  
Statement of General Fixed Asset Group of Accounts - Regulatory Basis  
For the Year Ended December 31, 2019

	Balance Dec. 31, 2018	Additions	Disposals/ Adjustments	Balance Dec. 31, 2019
General Fixed Assets:				
Land	\$ 482,983.00		\$ (32,104.00)	\$ 450,879.00
Buildings	1,480,602.00			1,480,602.00
Machinery and Equipment	<u>2,525,226.00</u>	<u>\$ 30,049.00</u>	<u>(145,000.00)</u>	<u>2,410,275.00</u>
Total General Fixed Assets	<u>\$ 4,488,811.00</u>	<u>\$ 30,049.00</u>	<u>\$ (177,104.00)</u>	<u>\$ 4,341,756.00</u>
 Total Investment in General Fixed Assets	 <u>\$ 4,488,811.00</u>	 <u>\$ 30,049.00</u>	 <u>\$ (177,104.00)</u>	 <u>\$ 4,341,756.00</u>

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

**BOROUGH OF WOODBURY HEIGHTS**  
Notes to Financial Statements  
For the Year Ended December 31, 2019

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Borough of Woodbury Heights (hereafter referred to as the "Borough") was incorporated as a borough by an act of the New Jersey legislature on April 6, 1915. The Borough, located in Gloucester County, New Jersey, has a total area of approximately 1.2 square miles, and is located approximately twenty miles southeast from the City of Philadelphia. The Borough borders Deptford Township, West Deptford Township, and the City of Woodbury. According to the 2010 census, the population is 3,055.

The Borough is governed under the Mayor-Council form of government, with a mayor and six-member Council. The Mayor and Council are elected directly by the voters in partisan elections, the Mayor to serve a four year term in office and the Council to serve three-year terms of office on a staggered basis, with two seats coming up for election each year. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Administrator/Clerk. Legislative and executive power is vested in the Council.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the Borough contain all funds and account groups in accordance with the *Requirements of Audit* (the "*Requirements*") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

**Current Fund** - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Trust Funds** - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

**General Capital Fund** - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

**Water and Sewer Utility Operating and Capital Funds** - The water and sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer operations.

**General Fixed Asset Group of Accounts** - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 2017 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

**Utility Fixed Assets** - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

**Foreclosed Property** - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

**Fund Balance** - Fund balances included in the current fund and utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Borough of Woodbury Heights School District, and the Gateway Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Borough is responsible for levying, collecting and remitting school taxes for the Borough of Woodbury Heights School District and the Gateway Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school districts for the period from January 1 to December 31.

**County Taxes** - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Gloucester. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

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

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Long-Term Debt** - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2019, the Borough's bank balances of \$8,522,842.67 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ <u>8,522,842.67</u>
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**Note 3: PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

	<u>Year Ended</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2014</u>
Tax Rate	\$ <u>4.517</u>	\$ <u>4.390</u>	\$ <u>4.298</u>	\$ <u>4.187</u>	\$ <u>4.045</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.210	\$ 1.179	\$ 1.158	\$ 1.133	\$ 1.103
County	0.683	0.667	0.658	0.658	0.629
County Library	0.049	0.049	0.050	0.051	0.048
County Open Space					
Preservation Trust Fund	0.042	0.042	0.042	0.043	0.043
Local School	1.115	1.078	1.070	1.029	0.988
Regional High School	1.418	1.375	1.320	1.273	1.234



**Note 3: PROPERTY TAXES (CONT'D)**

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2019	\$ 250,162,420.00
2018	251,390,917.00
2017	253,485,367.00
2016	253,727,377.00
2015	254,310,267.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2019	\$ 11,308,923.72	\$ 11,130,690.53	98.42%
2018	11,051,065.56	10,850,055.81	98.18%
2017	10,911,742.33	10,652,993.75	97.63%
2016	10,646,369.42	10,439,181.32	98.05%
2015	10,295,521.67	10,114,145.95	98.24%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2019	\$ 96,096.99	\$ 148,533.05	\$ 244,630.04	2.16%
2018	86,007.03	160,485.97	246,493.00	2.23%
2017	76,208.55	173,075.25	249,283.80	2.28%
2016	66,615.42	167,375.97	233,991.39	2.20%
2015	66,504.47	145,590.19	212,094.66	2.06%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2019	9
2018	8
2017	8
2016	9
2015	12

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2019	\$ 95,075.00
2018	95,075.00
2017	95,075.00
2016	95,075.00
2015	95,075.00

**Note 5: WATER AND SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of water and sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2019	\$ 111,022.15	\$ -	\$ 1,490,527.29	\$ 1,601,549.44	\$ 1,501,261.73
2018	124,725.69	-	1,487,689.77	1,612,415.46	1,500,800.66
2017	89,013.80	-	1,490,323.14	1,579,336.94	1,454,036.25
2016	75,376.52	-	1,505,578.90	1,580,955.42	1,491,941.62
2015	69,427.30	-	1,502,629.86	1,572,057.16	1,496,678.80

**Note 6: FUND BALANCES APPROPRIATED**

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2019	\$ 1,544,168.55	\$ 430,000.00	27.85%
2018	1,379,695.13	390,000.00	28.27%
2017	1,133,018.08	470,000.00	41.48%
2016	917,055.45	360,000.00	39.26%
2015	881,856.38	475,000.00	53.86%

**Water and Sewer Utility Operating Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2019	\$ 2,030,035.35	\$ 260,000.00	12.81%
2018	1,910,114.70	220,000.00	11.52%
2017	1,541,874.31	221,000.00	14.33%
2016	1,294,829.09	207,700.00	16.04%
2015	1,102,153.38	236,000.00	21.41%

**Note 7: INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 2,977.94	\$ 109,774.21
Federal and State Grant	109,774.21	
Trust - Animal Control		1,634.46
Trust - Other		777.34
General Capital		566.14
Water and Sewer Utility Operating	787.65	
Water and Sewer Utility Capital		787.65
	<u>\$ 113,539.80</u>	<u>\$ 113,539.80</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2020, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 8: PENSION PLANS**

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Borough employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

**General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service 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.

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10.0% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2019 was 13.61% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - Based on the most recent PERS measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 is \$90,428.00, and was payable by April 1, 2020. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2018, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$92,207.00, which was paid on April 1, 2019. Employee contributions to the Plan during the year ended December 31, 2019 were \$50,849.08.

**Police and Firemen's Retirement System** - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 10.0% in State fiscal year 2019. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

*Special Funding Situation Component* - 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 specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2019 was 28.90% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 is \$160,362.00, and was payable by April 1, 2020. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2018, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$177,127.00, which was paid on April 1, 2019. Employee contributions to the Plan during the year ended December 31, 2019 were \$55,852.00.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2019 was 3.73% of the Borough's covered payroll.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2019 is \$20,670.00, and was payable by April 1, 2020. Based on the PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2018 was \$19,722.00, which was paid on April 1, 2019.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the years ended December 31, 2019 and 2018, there were no participating employees or Borough contributions. There were no forfeitures during the year.

**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees' Retirement System** - At December 31, 2019, the Borough's proportionate share of the PERS net pension liability was \$1,675,096.00. 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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the Borough's proportion was .0092965451%, which was an increase of .0000264999% from its proportion measured as of June 30, 2018.

At December 31, 2019, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is (\$6,204.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Borough's contribution to PERS was \$92,207.00, and was paid on April 1, 2019.

**Police and Firemen's Retirement System** - At December 31, 2019, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 1,942,838.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	306,778.00
	<u>\$ 2,249,616.00</u>

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - 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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2019 measurement date, the Borough's proportion was .0158756873%, which was a decrease of .0022419911% from its proportion measured as of June 30, 2018. Likewise, at June 30, 2019, the State of New Jersey's proportion, on-behalf of the Borough, was .0158756873%, which was a decrease of .0022419911% from its proportion, on-behalf of the Borough, measured as of June 30, 2018.

At December 31, 2019, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is \$186,378.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Borough's contribution to PFRS was \$177,127.00, and was paid on April 1, 2019.

At December 31, 2019, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2019 measurement date is \$35,645.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2019, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 30,066.00	\$ 16,400.00	\$ 46,466.00	\$ 7,400.00	\$ 12,300.00	\$ 19,700.00
Changes of Assumptions	167,265.00	66,572.00	233,837.00	581,421.00	627,907.00	1,209,328.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	26,442.00	26,325.00	52,767.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	85,522.00	73,883.00	159,405.00	131,973.00	294,965.00	426,938.00
Borough Contributions Subsequent to the Measurement Date	45,214.00	80,181.00	125,395.00	-	-	-
	<u>\$ 328,067.00</u>	<u>\$ 237,036.00</u>	<u>\$ 565,103.00</u>	<u>\$ 747,236.00</u>	<u>\$ 961,497.00</u>	<u>\$ 1,708,733.00</u>

\$45,214.00 and \$80,181.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2020. These amounts were based on an estimated April 1, 2021 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2019 to the Borough's year end of December 31, 2019.



**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	<b>PERS</b>		<b>PFRS</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	5.00	-	5.00	-
June 30, 2016	5.00	-	5.00	-
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
June 30, 2019	-	5.00	-	5.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<b><u>Year Ending Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2020	\$ (103,799.00)	\$ (126,000.00)	\$ (229,799.00)
2021	(173,699.00)	(251,236.00)	(424,935.00)
2022	(129,735.00)	(197,689.00)	(327,424.00)
2023	(50,638.00)	(132,725.00)	(183,363.00)
2024	(6,512.00)	(96,992.00)	(103,504.00)
	<u>\$ (464,383.00)</u>	<u>\$ (804,642.00)</u>	<u>\$ (1,269,025.00)</u>

**Actuarial Assumptions**

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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases (1):		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

(1) Based on Years of Service

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

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

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

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

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2019 was 6.28% for PERS and 6.85% for PFRS. For both PERS and PFRS, the respective single blended discount rates were 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plans' fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057 for PERS and 2076 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 for PERS and 2076 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

**Public Employees' Retirement System (PERS)** - The following presents the Borough's proportionate share of the net pension liability at June 30, 2019, the Plan's measurement date, calculated using a discount rate of 6.28%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (5.28%)</b>	<b>Current Discount Rate (6.28%)</b>	<b>1% Increase (7.28%)</b>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 2,115,919.00</u>	<u>\$ 1,675,096.00</u>	<u>\$ 1,303,641.00</u>

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of June 30, 2019, the Plan's measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 6.85%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (5.85%)</b>	<b>Current Discount Rate (6.85%)</b>	<b>1% Increase (7.85%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 2,626,009.00	\$ 1,942,838.00	\$ 1,377,415.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>414,652.00</u>	<u>306,778.00</u>	<u>217,497.00</u>
	<u>\$ 3,040,661.00</u>	<u>\$ 2,249,616.00</u>	<u>\$ 1,594,912.00</u>

**Note 8: PENSION PLANS (CONT'D)****Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Seven Plan Years)***

	<b>Measurement Date Ended June 30,</b>			
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Borough's Proportion of the Net Pension Liability	0.0092965451%	0.0092700452%	0.0087153058%	0.0093960313%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,675,096.00	\$ 1,825,226.00	\$ 2,028,784.00	\$ 2,782,835.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 663,516.00	\$ 653,908.00	\$ 526,972.00	\$ 627,516.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	252.46%	279.13%	384.99%	443.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%
	<b>Measurement Date Ended June 30,</b>			
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	
Borough's Proportion of the Net Pension Liability	0.0100396425%	0.0104215797%	0.0119161823%	
Borough's Proportionate Share of the Net Pension Liability	\$ 2,253,699.00	\$ 1,951,205.00	\$ 2,277,419.00	
Borough's Covered Payroll (Plan Measurement Period)	\$ 744,772.00	\$ 723,128.00	\$ 824,472.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	302.60%	269.83%	276.23%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%	

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Seven Years)***

	<b>Year Ended December 31,</b>			
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Borough's Contractually Required Contribution	\$ 90,428.00	\$ 92,207.00	\$ 80,738.00	\$ 83,473.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>\$ (90,428.00)</u>	<u>(92,207.00)</u>	<u>(80,738.00)</u>	<u>(83,473.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 664,652.00	\$ 652,792.00	\$ 627,990.00	\$ 576,898.00
Borough's Contributions as a Percentage of Covered Payroll	13.61%	14.13%	12.86%	14.47%
	<b>Year Ended December 31,</b>			
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	
Borough's Contractually Required Contribution	\$ 86,314.00	\$ 85,914.00	\$ 89,786.00	
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(86,314.00)</u>	<u>(85,914.00)</u>	<u>(89,786.00)</u>	
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Borough's Covered Payroll (Calendar Year)	\$ 645,860.00	\$ 696,036.00	\$ 705,774.00	
Borough's Contributions as a Percentage of Covered Payroll	13.36%	12.34%	12.72%	

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Seven Plan Years)***

	<b>Measurement Date Ended June 30,</b>			
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Borough's Proportion of the Net Pension Liability	0.0158756873%	0.0181176784%	0.0180247088%	0.0173331245%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,942,838.00	\$ 2,451,621.00	\$ 2,782,667.00	\$ 3,311,070.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	306,778.00	333,012.00	311,682.00	278,048.00
Total	<u>\$ 2,249,616.00</u>	<u>\$ 2,784,633.00</u>	<u>\$ 3,094,349.00</u>	<u>\$ 3,589,118.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 532,016.00	\$ 587,052.00	\$ 583,452.00	\$ 554,008.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	365.18%	417.62%	476.93%	597.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%
	<b>Measurement Date Ended June 30,</b>			
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	
Borough's Proportion of the Net Pension Liability	0.0172570406%	0.0167892453%	0.0150207432%	
Borough's Proportionate Share of the Net Pension Liability	\$ 2,874,421.00	\$ 2,111,931.00	\$ 1,996,872.00	
State's Proportionate Share of the Net Pension Liability associated with the Borough	252,077.00	227,420.00	186,133.00	
Total	<u>\$ 3,126,498.00</u>	<u>\$ 2,339,351.00</u>	<u>\$ 2,183,005.00</u>	
Borough's Covered Payroll (Plan Measurement Period)	\$ 546,500.00	\$ 530,288.00	\$ 471,400.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.97%	398.26%	423.60%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%	

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Seven Years)***

	<u>Year Ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Contractually Required Contribution	\$ 160,362.00	\$ 177,127.00	\$ 159,522.00	\$ 141,324.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(160,362.00)</u>	<u>(177,127.00)</u>	<u>(159,522.00)</u>	<u>(141,324.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 554,835.00	\$ 522,644.00	\$ 528,589.00	\$ 584,970.00
Borough's Contributions as a Percentage of Covered Payroll	28.90%	33.89%	30.18%	24.16%

  

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 140,274.00	\$ 128,953.00	\$ 109,588.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(140,274.00)</u>	<u>(128,953.00)</u>	<u>(109,588.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 562,453.00	\$ 549,318.00	\$ 531,661.00
Borough's Contributions as a Percentage of Covered Payroll	24.94%	23.48%	20.61%



**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

None

**Changes in Assumptions**

The Discount Rate changed at June 30th over the following years: 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years: 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 Experience Study. For pre-retirement mortality, 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 was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

***Police and Firemen's Retirement System (PFRS)*****Changes in Benefit Terms**

In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

**Changes in Assumptions**

The Discount Rate changed at June 30th over the following years: 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017, 6.51% 2018 and 6.85% 2019.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years: 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2013 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-201 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 was used. For healthy retirees, the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For beneficiaries mortality, the Pub-2010 General Retiree Below-Median Income Weighted mortality table, unadjusted, and with future improvement from the base year of 2010 on a generational basis was used. For disabled mortality, 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 was used. For mortality improvement, Scale MP-2019 was used.

For 2016, the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS****General Information about the OPEB Plan**

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

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

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

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

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****General Information about the OPEB Plan (Cont'd)**

**Contributions** - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Borough was billed monthly by the Plan and paid \$41,236.92 for the year ended December 31, 2019, representing 3.38% of the Borough's covered payroll. During the year ended December 31, 2019, retirees were not required to contribute to the Plan.

*Special Funding Situation Component* - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

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

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

The Borough does not have a Special Funding Situation within the Plan.

**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

**OPEB Liability** - At December 31, 2019 the Borough's proportionate share of the net OPEB liability was \$3,270,563.00.

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The Borough's proportion of the net OPEB liability was 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. For the June 30, 2019 measurement date, the Borough's proportion was .024144% which was a decrease of .002893% from its proportion measured as of the June 30, 2018 measurement date.

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

**OPEB (Benefit) Expense** - At December 31, 2019, the Borough's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is (\$119,983.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Borough made contributions to the Plan totaling \$41,236.92.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2019, the Borough had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ -	\$ 956,440.00
Changes of Assumptions	-	1,159,015.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	2,694.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	385,745.00	932,508.00
Borough Contributions Subsequent to the Measurement Date	20,618.46	-
	<u>\$ 409,057.46</u>	<u>\$ 3,047,963.00</u>

\$20,618.46 reported as deferred outflows of resources resulting from the Borough's contributions subsequent to the measurement date will be included as a reduction of the Borough's net OPEB liability during the year ending December 31, 2020.

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** - The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
June 30, 2017	-	-
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<b>Year Ending Dec. 31,</b>	
2020	\$ (433,601.00)
2021	(433,601.00)
2022	(433,812.00)
2023	(434,153.00)
2024	(434,465.00)
Thereafter	(489,892.00)
	<u>\$ (2,659,524.00)</u>

**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate Through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Years	3.25% to 15.25%

\* Salary Increases are Based on Years of Service  
Within the Respective Plan

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

PFRS mortality rates were based on 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 July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Actuarial Assumptions (Cont'd)**

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

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

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

**Sensitivity of the net OPEB Liability to Changes in the Discount Rate**

The Borough's proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 3,781,603.00</u>	<u>\$ 3,270,563.00</u>	<u>\$ 2,855,276.00</u>

**Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The Borough's proportionate share of the net OPEB Liability as of June 30, 2019, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 2,759,952.00</u>	<u>\$ 3,270,563.00</u>	<u>\$ 3,921,933.00</u>



**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the Borough's Proportionate Share of the net OPEB Liability (Last Three Plan Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.024144%	0.027037%	0.024782%
Borough's Proportionate Share of the Net OPEB Liability	\$ 3,270,563.00	\$ 4,235,784.00	\$ 5,059,441.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,236,874.00	\$ 1,102,071.00	\$ 1,217,006.00
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	264.42%	384.35%	415.73%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

***Schedule of the Borough's Contributions (Last Three Years)***

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Required Contributions	\$ 41,236.92	\$ 64,699.32	\$ 54,079.39
Borough's Contributions in Relation to the Required Contribution	(41,236.92)	(64,699.32)	(54,079.39)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 1,219,487.00	\$ 1,175,436.00	\$ 1,156,579.00
Borough's Contributions as a Percentage of Covered Payroll	3.38%	5.50%	4.68%

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

In 2019, there were slight changes to the Chapter 48 provisions.

**Changes in Assumptions**

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS and July 1, 2014 - June 30, 2018 PERS experience studies. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used. For mortality related to PERS members and retirees, the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

In 2017, the discount rate changed to 3.58% from 2.85%.

**Note 10: COMPENSATED ABSENCES**

Employees covered under the AFL/CIO agreement, office employees and public works employees, are granted sick and vacation time based on years of service. The employees can accumulate up to thirty sick days and the current policy provides one compensated day for every two days accumulated. Employees can carry over up to half of the current period's accumulation provided that the employee uses half of vacation granted. All compensation is computed using the rate in effect at termination or retirement.

Employees covered under the PBA agreement, police officers and related staff, are granted twelve (12) sick days per year and vacation is granted based on years of service. Employees can accumulate up to 120 sick days and can carryover up to sixty percent of the current period's vacation accrual provided that the employee utilizes forty percent during the year. All compensation is computed using the rate in effect at termination or retirement.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2019, accrued benefits for compensated absences are valued at \$186,530.90

**Note 11: DEFERRED COMPENSATION SALARY ACCOUNT**

The Borough offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**Note 12: CAPITAL DEBT****General Improvement Bonds**

General Obligation Bonds, Series 2009 - On December 14, 2009, the Borough issued \$2,485,000.00 of general obligation bonds, consisting of \$1,955,000.00 general improvement bonds and \$530,000.00 water and sewer utility bonds, with a net interest cost of 3.692%. The bonds were issued for the purpose of funding various capital acquisitions and improvements with in the Borough. The final maturity of the general improvement bonds is December 1, 2024 and December 1, 2029 for the water and sewer utility bonds.

General Obligation Bonds, Series 2019 - On July 31, 2019, the Borough issued \$6,233,000.00 of general obligation bonds, consisting of \$2,776,000.00 general improvement bonds and \$3,457,000.00 water and sewer utility bonds, with a net interest cost of 2.304%. The bonds were issued for the purpose of funding various capital acquisitions and improvements with in the Borough. The final maturity of the general improvement bonds is July 15, 2029 and July 15, 2034 for the water and sewer utility bonds.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>General</u>		<u>Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 406,000.00	\$ 86,114.74	\$ 217,000.00	\$ 88,934.69	\$ 798,049.43
2021	410,000.00	77,556.26	220,000.00	87,437.50	794,993.76
2022	425,000.00	66,556.26	225,000.00	82,600.00	799,156.26
2023	430,000.00	54,756.26	235,000.00	77,500.00	797,256.26
2024	440,000.00	42,856.26	240,000.00	72,200.00	795,056.26
2025-2029	1,480,000.00	95,700.04	1,320,000.00	274,006.26	3,169,706.30
2030-2034			1,320,000.00	111,256.28	1,431,256.28
	<u>\$ 3,591,000.00</u>	<u>\$ 423,539.82</u>	<u>\$ 3,777,000.00</u>	<u>\$ 793,934.73</u>	<u>\$ 8,585,474.55</u>

**Note 12: CAPITAL DEBT (CONT'D)**

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 3,591,000.00	\$ 3,222,650.00	\$ 3,516,750.00
Water and Sewer Utility:			
Bonds and Notes	3,777,000.00	3,374,000.00	2,928,000.00
Total Issued	<u>7,368,000.00</u>	<u>6,596,650.00</u>	<u>6,444,750.00</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	650.00	483,000.00	
Water and Sewer Utility:			
Bonds and Notes			188,000.00
Total Authorized but not Issued	<u>650.00</u>	<u>483,000.00</u>	<u>188,000.00</u>
Total Issued and Authorized but not Issued	<u>7,368,650.00</u>	<u>7,079,650.00</u>	<u>6,632,750.00</u>
<b><u>Deductions</u></b>			
Water and Sewer Utility:			
Self-Liquidating	3,777,000.00	3,374,000.00	3,116,000.00
<b>Net Debt</b>	<u>\$ 3,591,650.00</u>	<u>\$ 3,705,650.00</u>	<u>\$ 3,516,750.00</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 indicated a statutory net debt of 1.353%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 207,516.00	\$ 207,516.00	
Regional High School District	1,288,023.88	1,288,023.88	
Water and Sewer Utility	3,777,000.00	3,777,000.00	
General	3,591,650.00		\$ 3,591,650.00
	<u>\$ 8,864,189.88</u>	<u>\$ 5,272,539.88</u>	<u>\$ 3,591,650.00</u>

Net debt \$3,591,650.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$265,362,291.00 equals 1.353%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 9,287,680.19
Less: Net Debt	<u>3,591,650.00</u>
Remaining Borrowing Power	<u>\$ 5,696,030.19</u>

**Note 12: CAPITAL DEBT (CONT'D)****Calculation of "Self-Liquidating Purpose,"  
Water and Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance		
Anticipated, Interest and Other Investment		
Income, and Other Charges for the Year	\$	1,833,209.53
Deductions:		
Operating and Maintenance Costs	\$	1,412,825.00
Debt Service		142,081.85
Total Deductions		1,554,906.85
Excess in Revenue	\$	278,302.68

**Note 13: RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ 9,000.00	\$ 2,513.69	\$ 199.67	\$ 15,291.79	\$ 1,201.71
2018	9,000.00	747.77	170.21	7,487.76	4,780.14
2017	10,000.00		73.71	7,723.79	2,349.92

**Joint Insurance Pool** - The Borough of Woodbury Heights is a member of the Gloucester, Salem, Cumberland County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability  
General Liability including Police Professional and Employee Benefit Liability  
Automobile Liability  
Blanket Crime including Public Employee Dishonesty  
Property Including Boiler and Machinery  
Public Officials and Employment Practices Liability  
Volunteer Directors and Officers Liability  
Cyber Liability

**Note 13: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool (Cont'd)** - The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation  
Excess General Liability  
Non-Owned Aircraft Liability  
Excess Auto Liability  
Fidelity and Performance (Blanket)  
Excess Property including Boiler and Machinery  
Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Borough's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2019, which can be obtained from:

Gloucester, Salem, Cumberland County  
Municipal Joint Insurance Fund  
P.O. Box 490  
Marlton, New Jersey 08053

**Note 14: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

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

**Note 15: CONCENTRATIONS**

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 16: SUBSEQUENT EVENTS**

**Authorization of Debt** - Subsequent to December 31, the Borough authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>General Improvements</b>		
Reconstruction/Repaving of Fordham Road	5/20/2020	\$ 100,000.00
<b>Utility Improvements</b>		
Various Improvements to the Water and Sewer Utility System	5/20/2020	250,000.00

**COVID-19** - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Borough's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2020.

## **SUPPLEMENTAL EXHIBITS**



**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Current Cash - Chief Financial Officer  
For the Year Ended December 31, 2019

	<u>Current Fund</u>	
Balance December 31, 2018	\$ 1,863,876.99	
Increased by Receipts:		
Taxes Receivable	\$ 11,172,861.88	
Tax Title Liens Receivable	32,563.33	
Prepaid Taxes	56,939.95	
Tax Overpayments	24,580.44	
Due State of New Jersey - Senior Citizens and Veterans Deductions	37,993.90	
Revenue Accounts Receivable	549,307.80	
Miscellaneous Revenue Not Anticipated	120,369.30	
Federal & State Grants Receivable	142,006.50	
Due Animal Control Fund	1,548.05	
Due General Capital Fund	365.33	
Due Trust Other Fund	63.71	
	<u>12,138,600.19</u>	
		14,002,477.18
Decreased by Disbursements:		
2018 Appropriation Reserves	91,712.21	
2019 Appropriations	3,409,583.51	
County Taxes	1,932,245.08	
Due County for Added and Omitted Taxes	1,786.97	
Local District School Tax	2,789,689.98	
Regional High School Tax	3,548,165.98	
Refund Tax Overpayments	14,668.77	
Accounts Payable	3,087.69	
Federal & State Grant Expenditures	137,258.11	
	<u>11,928,198.30</u>	
Balance December 31, 2019	\$ <u><u>2,074,278.88</u></u>	

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2019

Year	Balance Dec. 31, 2018	2019 Levy	Added Taxes	Collections		Over- Payments Applied	Canceled	Transferred To Tax Title Liens	Balance Dec. 31, 2019
				2018	2019				
2016	\$ 221.28								\$ 221.28
2017	291.44				\$ 291.44				
2018	159,973.25		\$ 2,071.40		151,518.81			\$ 10,525.56	0.28
	160,485.97	-	2,071.40	-	151,810.25	-	-	10,525.56	221.56
2019		\$ 11,308,923.72		\$ 51,194.71	11,061,203.68	\$ 18,292.14	\$ 41.73	29,879.97	148,311.49
	<u>\$ 160,485.97</u>	<u>\$ 11,308,923.72</u>	<u>\$ 2,071.40</u>	<u>\$ 51,194.71</u>	<u>\$ 11,213,013.93</u>	<u>\$ 18,292.14</u>	<u>\$ 41.73</u>	<u>\$ 40,405.53</u>	<u>\$ 148,533.05</u>

Taxes Receivable \$ 11,172,861.88  
Senior Citizens and Veterans 40,152.05  
\$ 11,213,013.93

Analysis of 2019 Property Tax Levy

Tax Yield:

General Property Tax \$ 11,302,456.49  
Added Taxes (54:4-63.1 et. seq.) 6,467.23  
\$ 11,308,923.72

Tax Levy:

Local School District Tax (Abstract) \$ 2,789,689.98  
Regional High School Tax (Abstract) 3,548,165.98

County Taxes:

County Tax (Abstract) \$ 1,932,245.08  
Due County for Added Taxes 1,109.89  
1,933,354.97

Local Tax for Municipal Purposes 3,027,475.94  
Add: Additional Tax Levied 10,236.85

3,037,712.79  
\$ 11,308,923.72

**BOROUGH OF WOODBURY HEIGHTS**  
CURRENT FUND  
Statement of Tax Title Liens  
For the Year Ended December 31, 2019

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Balance December 31, 2018		\$	86,007.03
Increased by:			
Transfers from Taxes Receivable	\$	40,405.53	
Interest and Costs on Sale		<u>2,247.76</u>	
			<u>42,653.29</u>
			128,660.32
Decreased by:			
Collections			<u>32,563.33</u>
Balance December 31, 2019		\$	<u><u>96,096.99</u></u>

**BOROUGH OF WOODBURY HEIGHTS****CURRENT FUND**Statement of Due State of New Jersey - Senior Citizen's and Veteran's Deductions  
For the Year Ended December 31, 2019

Balance December 31, 2018		\$	3,913.25
Increased by:			
Deductions per Tax Billing:			
Senior Citizens	\$	6,750.00	
Veterans		33,000.00	
Deductions Allowed by Collector - 2019 Taxes		<u>750.00</u>	
			<u>40,500.00</u>
			44,413.25
Decreased by:			
Received from State of New Jersey		37,993.90	
Deductions Disallowed by Collector - 2018 Taxes		2,071.40	
Deductions Disallowed by Collector - 2019 Taxes		<u>347.95</u>	
			<u>40,413.25</u>
Balance December 31, 2019		\$	<u><u>4,000.00</u></u>
<u>Analysis of Amount Realized:</u>			
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$	39,750.00	
Senior Citizens' and Veterans' Deductions Allowed - 2019		<u>750.00</u>	
			\$ 40,500.00
Less:			
Senior Citizens' and Veterans' Deductions Disallowed - 2019			<u>347.95</u>
		\$	<u><u>40,152.05</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
**Statement of Revenue Accounts Receivable**  
**For the Year Ended December 31, 2019**

	Balance Dec. 31, 2018	Accrued In 2019	Collected	Balance Dec. 31, 2019
Miscellaneous Revenue Anticipated:				
Licenses:				
Alcoholic Beverages		\$ 5,000.00	\$ 5,000.00	
Fees and Permits		5,511.92	5,511.92	
Fines and Costs:				
Municipal Court	\$ 3,858.69	54,818.53	55,128.04	\$ 3,549.18
Interest on Taxes		38,849.74	38,849.74	
Interest on Investments		18,336.67	18,336.67	
Consolidated Municipal Property				
Tax Relief Aid		9,121.00	9,121.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167		290,969.00	290,969.00	
Gateway Regional High School - School Resource Officer		91,827.39	91,827.39	
South Harrison Township Shared Service:				
Revenue Administration		16,960.00	16,960.00	
Finance Administration		18,290.00	18,290.00	
	<u>\$ 3,858.69</u>	<u>\$ 549,684.25</u>	<u>\$ 549,993.76</u>	<u>\$ 3,549.18</u>
Cash Received			\$ 549,307.80	
Interfunds			<u>685.96</u>	
			<u>\$ 549,993.76</u>	

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2019

	Balance December 31, 2018		Balance	Paid or	Balance
	Encumbered	Reserved	After Modification	Charged	Lapsed
<u>Operations Within "CAPS":</u>					
Mayor and Council:					
Salaries and Wages		\$ 142.00	\$ 142.00	\$	142.00
Other Expenses		4,062.85	2,362.85	\$ 380.28	1,982.57
Municipal Clerk:					
Salaries and Wages		1,197.67	1,197.67		1,197.67
Other Expenses	\$ 43.34	12,480.42	12,523.76	3,615.54	8,908.22
Financial Administration:					
Salaries and Wages		2,870.43	2,870.43		2,870.43
Other Expenses	1,122.14	7,311.94	8,434.08	2,186.01	6,248.07
Audit Services:					
Other Expenses		29,127.00	29,127.00	29,127.00	
Revenue Administration:					
Salaries and Wages		1,119.80	1,119.80		1,119.80
Other Expenses	14.54	4,655.65	4,670.19	305.80	4,364.39
Legal Services:					
Other Expenses	5,613.00	27,497.79	33,110.79	8,906.00	24,204.79
Engineering Services:					
Other Expenses		3,831.17	3,831.17	462.44	3,368.73
Planning Board:					
Salaries and Wages		660.08	660.08		660.08
Other Expenses		4,942.79	4,942.79	969.43	3,973.36
Housing and Lot Maintenance Code:					
Salaries and Wages		358.96	358.96		358.96
Other Expenses		500.00	500.00		500.00
Insurance:					
General Liability		2,676.73	2,676.73	400.00	2,276.73
Workers Compensation		645.27	645.27		645.27
Employee Group Insurance		34,028.01	34,028.01		34,028.01
Police Department:					
Salaries and Wages		60,275.47	60,275.47		60,275.47
Other Expenses	1,156.51	4,532.95	5,689.46	2,982.43	2,707.03
Office of Emergency Management:					
Salaries and Wages		240.00	240.00		240.00
Other Expenses	1,290.00	10.25	1,300.25	1,290.00	10.25
Aid to Volunteer Fire Companies:					
Other Expenses	2,388.00	2,227.79	4,615.79	2,982.89	1,632.90
Fire Department:					
Other Expenses		1,394.00	1,394.00		1,394.00
Street and Road Maintenance:					
Salaries and Wages		2,463.12	2,463.12		2,463.12
Other Expenses	6.75	23,931.54	23,938.29	1,923.47	22,014.82
Other Public Works Functions:					
Other Expenses		1,500.00	1,500.00		1,500.00
Solid Waste Collection					
Salaries and Wages		15,486.83	10,486.83		10,486.83
Other Expenses		4,378.33	9,378.33	6,575.41	2,802.92
Public Building and Grounds:					
Salaries and Wages		39.84	39.84		39.84
Other Expenses	931.00	841.37	1,772.37	1,659.00	113.37
Vehicle Maintenance:					
Other Expenses		26,240.14	26,240.14	7,857.66	18,382.48
Public Health Services:					
Other Expenses		100.00	100.00		100.00

(Continued)

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2019

	Balance December 31, 2018		Balance	Paid or	Balance
	Encumbered	Reserved	After Modification	Charged	Lapsed
<u>Operations Within "CAPS" (CONT'D):</u>					
Recreation Services and Programs:					
Other Expenses		\$ 6,033.34	\$ 6,033.34		\$ 6,033.34
Celebration of Public Events:					
Other Expenses		1,092.24	1,092.24		1,092.24
Senior Citizens Transportation:					
Other Expenses		100.00	100.00		100.00
Utilities:					
Electricity		12,543.61	12,543.61	\$ 1,686.53	10,857.08
Street Lighting		9,867.25	9,867.25	4,691.23	5,176.02
Telephone		917.20	917.20		917.20
Gas (Natural or Propane)	\$ 407.79	42.33	2,150.12	1,653.04	497.08
Fuel Oil		55.50	55.50	55.50	
Diesel Oil		5,934.22	5,934.22	1,373.17	4,561.05
Gasoline		5,224.66	5,224.66	1,449.15	3,775.51
Sanitary Landfill:					
Other Expenses		13,447.75	13,447.75	10,644.21	2,803.54
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		0.42	0.42		0.42
Social Security System (O.A.S.I.)		8,828.68	8,828.68		8,828.68
Defined Contribution Retirement Plan		500.00	500.00		500.00
Total General Appropriations for Municipal Purposes Within "CAPS"	12,973.07	346,357.39	359,330.46	93,176.19	266,154.27
<u>OPERATIONS EXCLUDED FROM "CAPS":</u>					
Interlocal Service Agreements:					
Township of Deptford, UCC Operations		7,692.50	7,692.50		7,692.50
Mantua Township Municipal Court		555.40	555.40		555.40
Gateway Regional School Agreement - SRO	974.06	4,897.65	5,871.71	974.02	4,897.69
Total General Appropriations for Municipal Purposes Excluded from "CAP"	974.06	13,145.55	14,119.61	974.02	13,145.59
	<u>\$ 13,947.13</u>	<u>\$ 359,502.94</u>	<u>\$ 373,450.07</u>	<u>\$ 94,150.21</u>	<u>\$ 279,299.86</u>
		Cash Disbursements		\$ 91,712.21	
		Accounts Payable		2,438.00	
				<u>\$ 94,150.21</u>	



**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2019

---

Balance December 31, 2018 (2019 Taxes)	\$ 51,194.71
Increased by: Collection (2020 Taxes)	<u>56,939.95</u>
	108,134.66
Decreased by: Application to 2019 Taxes	<u>51,194.71</u>
Balance December 31, 2019 (2020 Taxes)	<u><u>\$ 56,939.95</u></u>

## Exhibit SA-8

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2019

---

Balance December 31, 2018	\$ 21,254.09
Increased by: Overpayments Received	<u>24,580.44</u>
	45,834.53
Decreased by: Refunded	\$ 14,668.77
Applied	<u>18,292.14</u>
	<u>32,960.91</u>
Balance December 31, 2019	<u><u>\$ 12,873.62</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2019

---

2019 Levy:			
County General	\$	1,706,235.07	
County Library		120,891.18	
County Open Space		<u>105,118.83</u>	
			\$ 1,932,245.08
Decreased by:			
Disbursements			\$ <u><u>1,932,245.08</u></u>

## Exhibit SA-10

**BOROUGH OF WOODBURY HEIGHTS**  
**CURRENT FUND**  
Statement of Amount Due to County for Added and Omitted Taxes  
For the Year Ended December 31, 2019

---

Balance December 31, 2018	\$	1,786.97	
Increased by:			
County Share of 2019 Levy		<u>1,109.89</u>	
			2,896.86
Decreased by:			
Disbursements		<u>1,786.97</u>	
Balance December 31, 2019	\$	<u><u>1,109.89</u></u>	

**BOROUGH OF WOODBURY HEIGHTS**  
CURRENT FUND  
Statement of Local School District Tax  
For the Year Ended December 31, 2019

---

2019 Levy-Calendar Year	\$ 2,789,689.98
Decreased by:	
Disbursements	\$ <u>2,789,689.98</u>

## Exhibit SA-12

**BOROUGH OF WOODBURY HEIGHTS**  
CURRENT FUND  
Statement of Regional High School District Tax  
For the Year Ended December 31, 2019

---

2019 Levy-Calendar Year	\$ 3,548,165.98
Decreased by:	
Disbursements	\$ <u>3,548,165.98</u>

**BOROUGH OF WOODBURY HEIGHTS**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Due Current Fund  
For the Year Ended December 31, 2019

---

Balance December 31, 2018		\$	22,809.82
Increased by:			
Grant Revenues Deposited to Current Fund	\$	142,006.50	
Local Match due from Current Fund		<u>82,216.00</u>	
			<u>224,222.50</u>
			247,032.32
Decreased by:			
Grant Expenditures Paid by Current Fund			<u>137,258.11</u>
Balance December 31, 2019		\$	<u><u>109,774.21</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal and State Grants Receivable  
For the Year Ended December 31, 2019

<u>Program</u>	<u>Balance Dec. 31, 2018</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2019</u>
Federal Grants:				
Bulletproof Vests		\$ 1,948.04	\$ 1,948.04	
Distracted Driving		4,180.00	4,180.00	
Drive Sober or Get Pulled Over	\$ 1,540.00	2,200.00	3,740.00	
Total Federal Grants	1,540.00	8,328.04	9,868.04	-
State Grants:				
Alcohol, Education, Rehabilitation and Enforcement Grant		200.94	200.94	
Body Armor Grant		1,136.99	1,136.99	
Clean Communities Program		7,533.13	7,533.13	
Drunk Driving Enforcement Fund		7,000.00	7,000.00	
Municipal Alliance Grant: 2019 Award		10,097.00	10,097.00	
Recycling Tonnage Grant		8,778.40	8,778.40	
Safe and Secure Communities Program	71,844.00	25,548.00	97,392.00	
Total State Grants	71,844.00	60,294.46	132,138.46	-
	\$ 73,384.00	\$ 68,622.50	\$ 142,006.50	\$ -

**BOROUGH OF WOODBURY HEIGHTS**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants - Unappropriated  
For the Year Ended December 31, 2019

<u>Program</u>	<u>Balance Dec. 31, 2018</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Revenue in 2019 Budget</u>	<u>Balance Dec. 31, 2019</u>
Federal Grants:				
Bulletproof Vests		\$ 1,948.04	\$ 1,948.04	
Distracted Driving		4,180.00	4,180.00	
Drive Sober or Get Pulled Over		2,200.00	2,200.00	
Total Federal Grants	-	8,328.04	8,328.04	-
State Grants:				
Alcohol, Education, Rehabilitation and Enforcement Grant		200.94		\$ 200.94
Body Armor Grant		1,136.99	1,136.99	
Clean Communities Program	\$ 6,748.93	7,533.13	6,748.93	7,533.13
Drunk Driving Enforcement Fund		7,000.00	7,000.00	
Municipal Alliance Grant		10,097.00	10,097.00	
Recycling Tonnage Grant		8,778.40	4,115.45	4,662.95
Safe and Secure Communities Program		25,548.00	24,348.00	1,200.00
Total State Grants	6,748.93	60,294.46	53,446.37	13,597.02
	<u>\$ 6,748.93</u>	<u>\$ 68,622.50</u>	<u>\$ 61,774.41</u>	<u>\$ 13,597.02</u>

**BOROUGH OF WOODBURY HEIGHTS**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants - Appropriated  
For the Year Ended December 31, 2019

<u>Program</u>	<u>Balance Dec. 31, 2018 Appropriated</u>	<u>Transferred from 2019 Budget Appropriation</u>	<u>Disbursed</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2019</u>
Federal Grants:					
Bulletproof Vests		\$ 1,948.04	\$ 1,906.96		\$ 41.08
Distracted Driving		4,180.00	4,180.00		
Drive Sober or Get Pulled Over	\$ 1,540.00	2,200.00	3,740.00		
Total Federal Grants	1,540.00	8,328.04	9,826.96	-	41.08
State Grants:					
Body Armor Grant - 2019		1,136.99	1,136.99		
Body Armor Grant - 2017	1,104.44		901.73		202.71
Body Armor Grant - 2015	13.43				13.43
Body Armor Grant - 2012	436.73				436.73
Body Armor Grant - 2010	1,051.73				1,051.73
Body Armor Grant - 2009	543.15				543.15
Clean Communities Program	19,379.22	6,748.93	4,960.35		21,167.80
Drunk Driving Enforcement Fund	1,576.05	7,000.00	4,224.35	\$ 104.98	4,246.72
Municipal Alliance Grant	104.23	12,621.00	12,578.79		146.44
Recycling Tonnage Grant	40,453.56	4,115.45	2,244.11		42,324.90
Safe and Secure Communities Program	23,242.35	104,040.00	101,384.83		25,897.52
Total State Grants	87,904.89	135,662.37	127,431.15	104.98	96,031.13
	\$ 89,444.89	\$ 143,990.41	\$ 137,258.11	\$ 104.98	\$ 96,072.21
Realized as Revenue in Budget		\$ 61,774.41			
Local Match - Due from Current Fund		82,216.00			
		\$ 143,990.41			

**SUPPLEMENTAL EXHIBITS**

**TRUST FUNDS**



**BOROUGH OF WOODBURY HEIGHTS**  
**TRUST FUND**  
Statement of Trust Cash - Chief Financial Officer  
For the Year Ended December 31, 2019

	<u>Animal Control</u>	<u>Trust Other</u>
Balance December 31, 2018	\$ 7,647.05	\$ 146,053.19
Increased by Receipts:		
Animal Control Collector	\$ 2,544.00	
Due Current Fund	41.63	\$ 646.24
Miscellaneous Trust Reserves	<u>                    </u>	<u>2,118,956.05</u>
	<u>2,585.63</u>	<u>2,119,602.29</u>
	10,232.68	2,265,655.48
Decreased by Disbursements:		
Animal Control Expenses	1,606.79	
Due Current Fund	1,586.43	593.38
Miscellaneous Trust Reserves	<u>                    </u>	<u>1,944,725.20</u>
	<u>3,193.22</u>	<u>1,945,318.58</u>
Balance December 31, 2019	<u><u>\$ 7,039.46</u></u>	<u><u>\$ 320,336.90</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**TRUST -- ANIMAL CONTROL FUND**  
Statement of Trust Cash - Animal Control Collector  
For the Year Ended December 31, 2019

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Balance December 31, 2018		\$ 19.40
Increased by Receipts:		
Animal Control Fees	\$ 2,574.00	
State Dog License Fees	<u>415.20</u>	
		<u>2,989.20</u>
		3,008.60
Decreased by Disbursements:		
Due to State of New Jersey	418.20	
Payment to Treasurer	<u>2,544.00</u>	
		<u>2,962.20</u>
Balance December 31, 2019		<u><u>\$ 46.40</u></u>

## Exhibit SB-3

**BOROUGH OF WOODBURY HEIGHTS**  
**TRUST -- ANIMAL CONTROL FUND**  
Statement of Due Current Fund  
For the Year Ended December 31, 2019

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Balance December 31, 2018		\$ 1,548.05
Increased by:		
Statutory Excess Reserve Due to Current Fund	\$ 1,631.21	
Interest Earned	<u>41.63</u>	
		<u>1,672.84</u>
		3,220.89
Decreased by:		
Disbursements		<u>1,586.43</u>
Balance December 31, 2019		<u><u>\$ 1,634.46</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**TRUST -- ANIMAL CONTROL FUND**  
Statement of Amount Due to State of New Jersey - Department of Health  
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 5.40
Increased by:	
State License Fees	<u>415.20</u>
	420.60
Decreased by:	
Disbursements to the State	<u>418.20</u>
Balance December 31, 2019	<u><u>\$ 2.40</u></u>

## Exhibit SB-5

**BOROUGH OF WOODBURY HEIGHTS**  
**TRUST -- ANIMAL CONTROL FUND**  
Statement of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 6,113.00
Increased by:	
Dog License Fees	\$ 2,038.00
Cat License Fees	266.00
Late Fees Collected	<u>270.00</u>
	<u>2,574.00</u>
	8,687.00
Decreased by:	
Animal Control Expenses	1,606.79
Statutory Excess Due to Current Fund	<u>1,631.21</u>
	<u>3,238.00</u>
Balance December 31, 2019	<u><u>\$ 5,449.00</u></u>

Animal License Fees Collected	
Year	Amount
2017	\$ 2,922.00
2018	<u>2,527.00</u>
	<u><u>\$ 5,449.00</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
TRUST -- OTHER FUND  
Statement of Due Current Fund  
For the Year Ended December 31, 2019

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Balance December 31, 2018	\$ 724.48
Increased by:	
Interest Earned	<u>646.24</u>
	1,370.72
Decreased by:	
Disbursements	<u>593.38</u>
Balance December 31, 2019	<u><u>\$ 777.34</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**TRUST -- OTHER FUND**  
Statement of Miscellaneous Trust Reserves  
For the Year Ended December 31, 2019

	Balance Dec. 31, 2018	Receipts	Disbursements	Balance Dec. 31, 2019
Escrow Deposits	\$ 38,690.12	\$ 179,800.56	\$ 62,045.03	\$ 156,445.65
Unemployment Compensation	36,462.14	11,713.36	15,291.79	32,883.71
Off Duty Police Employment	1,964.76	95,816.75	91,205.51	6,576.00
D.A.R.E.	4,502.85	2,174.12	1,000.00	5,676.97
Payroll	2,019.16	1,767,242.37	1,767,678.59	1,582.94
Tax Sale Premiums	15,100.00	37,200.00		52,300.00
Recycling Fees	6,640.29	704.50	20.00	7,324.79
COAH	7,812.67	18,732.38		26,545.05
Forfeited Funds	751.01	3.77		754.78
P.O.A.A.	769.00	4.00		773.00
Public Defender	2,251.00			2,251.00
Trust Donations	18,875.27		3,451.03	15,424.24
West Jersey Avenue Park	9,484.10	3,799.25	2,687.74	10,595.61
Flexible Spending Account	6.34	1,764.99	1,345.51	425.82
	<u>\$ 145,328.71</u>	<u>\$ 2,118,956.05</u>	<u>\$ 1,944,725.20</u>	<u>\$ 319,559.56</u>

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**BOROUGH OF WOODBURY HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash - Chief Financial Officer  
For the Year Ended December 31, 2019

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Balance December 31, 2018		\$ 859,159.15
Increased by Receipts:		
General Serial Bonds Issued	\$ 2,776,000.00	
Federal and State Aid Receivable	273,480.22	
Capital Improvement Fund	255,000.00	
Due Current Fund	5,227.99	
	<u>                    </u>	<u>3,309,708.21</u>
		4,168,867.36
Decreased by Disbursements:		
Improvement Authorizations	486,023.45	
Bond Anticipation Notes	2,247,650.00	
Due Current Fund	5,027.18	
	<u>                    </u>	<u>2,738,700.63</u>
Balance December 31, 2019		\$ <u><u>1,430,166.73</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**GENERAL CAPITAL FUND**  
**Analysis of General Capital Cash**  
**For the Year Ended December 31, 2019**

	Balance Dec. 31, 2018	Receipts		Disbursements			Transfers		Balance Dec. 31, 2019
		Bond Proceeds	Miscellaneous	Improvement Authorizations	Anticipation Notes	Miscellaneous	From	To	
Capital Improvement Fund	\$ 198,882.59		\$ 255,000.00				\$ 144,100.00		\$ 309,782.59
Encumbrances Payable	29,958.75						29,958.75	\$ 563,280.80	563,280.80
Due Current Fund	365.33		5,227.99			\$ 5,027.18			566.14
Fund Balance	17,846.94								17,846.94
<b>Improvement Authorizations:</b>									
Ordinance Number									
12-2009b Recreation Building	16,768.91								16,768.91
07-2010a Improvements to Fire House Facilities	36,939.15								36,939.15
07-2010c Reconstruction of West Jersey Ave.	11,973.14								11,973.14
15-2012a Reconstruction of Lake Ave	10,424.59	\$ 20,000.00		\$ 10,424.59	\$ 20,000.00				
15-2012b Reconstruction of Helen Ave	20,450.58	55,000.00			55,650.00				19,800.58
07-2013 Site Remediation Phase I	4,689.00								4,689.00
08-2013 Lake Avenue Phase II	6,168.08		15,614.45						21,782.53
03-2014 Acquisition of Trash Truck		127,000.00			127,000.00				
05-2016 Various Capital Improvements	26,582.76			26,582.76					
Various Road Improvements:									
06-2016a West Jersey Avenue Phase I	122,304.13	145,000.00		8,439.93	145,000.00		17,007.50		96,856.70
06-2016b Various Borough Streets	248,040.07	950,000.00		29,700.25	950,000.00				218,339.82
08-2016 Various Capital Improvements	21,402.46			15,738.25					5,664.21
03-2017a Reconstruction of Various Borough Streets	92,396.21	950,000.00			950,000.00				92,396.21
03-2017b Reconstruction of Curbing at Clement and Glassboro Roads	4,622.87								4,622.87
06-2017 Repaving of West Jersey Avenue Phase II	(44,716.59)		48,209.34	13,436.50				29,958.75	20,015.00
02-2018 Reconstruction / Repaving of Central Avenue	(6,777.67)		50,000.00	43,222.33					
03-2018 Reconstruction / Repaving of Academy Avenue	(33,931.00)		159,656.43	225,641.96					(99,916.53)
08-2018 Acquisition of Fire Truck	26,000.00	483,000.00					491,951.00		17,049.00
11-2018 Purchase of Technology Equipment	16,768.85			852.00			4,789.52		11,127.33
12-2018 Purchase of Technology Equipment - Police	32,000.00			30,048.72					1,951.28
03-2019 Municipal Building Improvements				33,755.00				40,000.00	6,245.00
06-2019 Reconstruction / Repaving of Central Avenue		46,000.00		3,461.75				4,000.00	46,538.25
08-2019 Purchase Police Department SUV				3,018.62			49,532.78	53,100.00	548.60
09-2019 Emergency Stormwater Repairs - Municipal Complex				41,700.79				47,000.00	5,299.21
	<u>\$ 859,159.15</u>	<u>\$ 2,776,000.00</u>	<u>\$ 533,708.21</u>	<u>\$ 486,023.45</u>	<u>\$ 2,247,650.00</u>	<u>\$ 5,027.18</u>	<u>\$ 737,339.55</u>	<u>\$ 737,339.55</u>	<u>\$ 1,430,166.73</u>



**BOROUGH OF WOODBURY HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Funded  
For the Year Ended December 31, 2019

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Balance December 31, 2018	\$ 975,000.00
Increased by:	
Serial Bonds Issued	<u>2,776,000.00</u>
	3,751,000.00
Decreased by:	
2019 Budget Appropriation to Pay:	
General Serial Bonds	<u>160,000.00</u>
Balance December 31, 2019	<u><u>\$ 3,591,000.00</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Unfunded  
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Transferred to Deferred Charges to Future Taxation - Funded	Balance Dec. 31, 2019	Analysis of Balance December 31, 2019 Unexpended Improvement Authorization
15-2012a	Reconstruction of Lake Ave	\$ 20,000.00		\$ 20,000.00		
15-2012b	Reconstruction of Helen Ave	55,650.00		55,000.00	\$ 650.00	\$ 650.00
03-2014	Acquisition of Trash Truck	127,000.00		127,000.00		
	Various Road Improvements:					
06-2016a	West Jersey Avenue Phase I	145,000.00		145,000.00		
06-2016b	Various Borough Streets	950,000.00		950,000.00		
03-2017a	Reconstruction of Various Borough Streets	950,000.00		950,000.00		
08-2018	Acquisition of Fire Truck	483,000.00		483,000.00		
06-2019	Reconstruction / Repaving of Central Avenue		\$ 46,000.00	46,000.00		
		<u>\$ 2,730,650.00</u>	<u>\$ 46,000.00</u>	<u>\$ 2,776,000.00</u>	<u>\$ 650.00</u>	<u>\$ 650.00</u>

**BOROUGH OF WOODBURY HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of Federal and State Aid Receivable  
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 410,083.74
Increased by:	
NJ Department of Transportation Trust Fund	<u>245,000.00</u>
	655,083.74
Decreased by:	
Cash Receipts	<u>273,480.22</u>
Balance December 31, 2019	<u><u>\$ 381,603.52</u></u>
Analysis:	
NJ Department of Transportation - West Jersey Avenue Phase I	\$ 23,619.05
NJ Department of Transportation - West Jersey Avenue Phase II	2,640.90
NJ Department of Transportation - Academy Avenue	110,343.57
NJ Department of Transportation - Central Avenue	<u>245,000.00</u>
	<u><u>\$ 381,603.52</u></u>

## Exhibit SC-6

**BOROUGH OF WOODBURY HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of Due Current Fund  
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 365.33
Increased by:	
Interest Earned	<u>5,227.99</u>
	5,593.32
Decreased by:	
Interest Earned Transferred	<u>5,027.18</u>
Balance December 31, 2019	<u><u>\$ 566.14</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
GENERAL CAPITAL FUND  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2019

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Balance December 31, 2018	\$ 198,882.59
Increased by:	
Budget Appropriation	<u>255,000.00</u>
	453,882.59
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>144,100.00</u>
Balance December 31, 2019	<u><u>\$ 309,782.59</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2018		Prior Year Encumbrances	2019 Authorizations	Paid or Charged	Year End Encumbrances	Balance December 31, 2019	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
12-2009b	Construction of Recreation Building	10/21/09	\$ 699,000.00	\$ 16,768.91						\$ 16,768.91	
07-2010a	Improvements to Fire House Facilities	04/01/10	200,000.00		\$ 36,939.15					36,939.15	
07-2010c	Reconstruction of West Jersey Ave.	04/01/10	200,000.00		11,973.14					11,973.14	
15-2012a	Reconstruction of Lake Ave	05/16/12	210,000.00		10,424.59			\$ 10,424.59			
15-2012b	Reconstruction of Helen Ave	05/16/12	101,000.00		20,450.58					19,800.58	\$ 650.00
07-2013	Site Remediation Phase I	04/17/13	30,000.00		4,689.00					4,689.00	
08-2013	Lake Avenue Phase II	06/19/13	240,450.00	21,782.53						21,782.53	
05-2016	Various Capital Improvements	05/18/16	49,114.98	26,582.76				26,582.76			
06-2016a	Various Road Improvements: West Jersey Avenue Phase I	05/18/16	346,000.00	923.18	145,000.00			8,439.93	\$ 17,007.50	120,475.75	
06-2016b	Various Borough Streets	05/18/16	1,000,000.00		248,040.07			29,700.25		218,339.82	
08-2016	Various Capital Improvements	05/18/16	37,593.18	21,402.46				15,738.25		5,664.21	
03-2017a	Reconstruction of Various Borough Streets	03/15/17	1,000,000.00		92,396.21					92,396.21	
03-2017b	Reconstruction of Curbing at Clement and Glassboro Roads	03/15/17	20,408.00	4,622.87						4,622.87	
06-2017	Repaving of West Jersey Avenue Phase II	07/19/17	185,000.00	6,133.65		\$ 29,958.75		13,436.50		22,655.90	
02-2018	Reconstruction / Repaving of Central Avenue	03/28/18	50,000.00	43,222.33				43,222.33			
03-2018	Reconstruction / Repaving of Academy Avenue	03/28/18	270,000.00	236,069.00				225,641.96		10,427.04	
08-2018	Acquisition of Fire Truck	05/16/18	509,000.00	26,000.00	483,000.00				491,951.00	17,049.00	
11-2018	Purchase of Technology Equipment	07/18/18	25,000.00	16,768.85				852.00	4,789.52	11,127.33	
12-2018	Purchase of Technology Equipment - Police	11/20/18	32,000.00	32,000.00				30,048.72		1,951.28	
03-2019	Municipal Building Improvements	03/20/19	40,000.00				\$ 40,000.00	33,755.00		6,245.00	
06-2019	Reconstruction / Repaving of Central Avenue	05/15/19	294,350.00				295,000.00	3,461.75		291,538.25	
08-2019	Purchase Police Department SUV	07/17/19	53,100.00				53,100.00	3,018.62	49,532.78	548.60	
09-2019	Emergency Stormwater Repairs - Municipal Complex	08/21/19	47,000.00				47,000.00	41,700.79		5,299.21	
				<u>\$ 452,276.54</u>	<u>\$ 1,052,912.74</u>	<u>\$ 29,958.75</u>	<u>\$ 435,100.00</u>	<u>\$ 486,023.45</u>	<u>\$ 563,280.80</u>	<u>\$ 920,293.78</u>	<u>\$ 650.00</u>
							Capital Improvement	\$ 144,100.00			
							Deferred Charges to Future Taxation	46,000.00			
							Federal and State Aid Receivable	245,000.00			
							Cash Disbursements				
								<u>\$ 486,023.45</u>			
								<u>\$ 435,100.00</u>	<u>\$ 486,023.45</u>		

**BOROUGH OF WOODBURY HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Decreased
15-2012	Various Capital Improvements	8/17/12	8/2/18	8/1/19	2.750%	\$ 75,650.00	\$ 75,650.00
03-2014	Acquisition of Trash Truck	8/13/14	8/2/18	8/1/19	2.750%	127,000.00	127,000.00
06-2016	Various Road Improvements	8/9/16	8/2/18	8/1/19	2.750%	1,095,000.00	1,095,000.00
03-2017a	Various Road Improvements	8/7/17	8/2/18	8/1/19	2.750%	<u>950,000.00</u>	<u>950,000.00</u>
						<u>\$ 2,247,650.00</u>	<u>\$ 2,247,650.00</u>

**BOROUGH OF WOODBURY HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of General Serial Bonds  
For the Year Ended December 31, 2019

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
General Improvement Bonds	12/14/09	\$ 1,955,000.00	12/1/20	\$ 160,000.00	3.750%				
			12/1/21	160,000.00	3.750%				
			12/1/22	165,000.00	4.000%				
			12/1/23	165,000.00	4.000%				
			12/1/24	165,000.00	4.000%	\$ 975,000.00		\$ 160,000.00	\$ 815,000.00
General Improvement Bonds	7/31/19	2,776,000.00	7/15/20	246,000.00	2.000%				
			7/15/21	250,000.00	2.000%				
			7/15/22	260,000.00	2.000%				
			7/15/23	265,000.00	2.000%				
			7/15/24	275,000.00	2.000%				
			7/15/25	280,000.00	2.000%				
			7/15/26	290,000.00	2.000%				
			7/15/27	295,000.00	2.000%				
			7/15/28	305,000.00	2.125%				
			7/15/29	310,000.00	2.250%				
						\$ 2,776,000.00		2,776,000.00	
						\$ 975,000.00	\$ 2,776,000.00	\$ 160,000.00	\$ 3,591,000.00

**BOROUGH OF WOODBURY HEIGHTS**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Bond Anticipation Note Not Funded	Issued	Balance Dec. 31, 2019
15-2012b	Reconstruction of Helen Ave			\$ 650.00		\$ 650.00
08-2018	Acquisition of Fire Truck	\$ 483,000.00			\$ 483,000.00	
06-2019	Reconstruction / Repaving of Central Avenue		\$ 46,000.00		46,000.00	
		<u>\$ 483,000.00</u>	<u>\$ 46,000.00</u>	<u>\$ 650.00</u>	<u>\$ 529,000.00</u>	<u>\$ 650.00</u>



**SUPPLEMENTAL EXHIBITS**  
**WATER AND SEWER UTILITY FUND**

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY FUND**  
Statement of Water and Sewer Utility Cash - Chief Financial Officer  
For the Year Ended December 31, 2019

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2018	\$ 2,224,512.11	\$ 1,858,708.05
Increased by Receipts:		
Water Rents Collected	\$ 546,622.00	
Sewer Rents Collected	951,839.56	
Interest Earned		\$ 9,393.92
Mobile Antenna Rental	73,488.57	
Miscellaneous Revenues	29,065.31	
Utility Rent Overpayments	10,345.72	
Capital Improvement Fund		100,000.00
Bond Proceeds		3,457,000.00
Due Utility Capital Fund	<u>9,396.77</u>	
	<u>1,620,757.93</u>	<u>3,566,393.92</u>
	3,845,270.04	5,425,101.97
Decreased by Disbursements:		
2019 Appropriations	1,330,823.50	
2018 Appropriation Reserves	108,265.60	
Accrued Interest on Bonds and Notes	97,428.62	
Overpayment Refunds	217.78	
Due Utility Operating Fund		9,396.77
Improvement Authorizations		551,728.14
Payment of Bond Anticipation Notes		<u>3,029,000.00</u>
	<u>1,536,735.50</u>	<u>3,590,124.91</u>
Balance December 31, 2019	<u><u>\$ 2,308,534.54</u></u>	<u><u>\$ 1,834,977.06</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
**Analysis of Water and Sewer Utility Capital Cash**  
**For the Year Ended December 31, 2019**

		Receipts			Disbursements			Transfers		Balance
		Balance	Bond		Improvement	Bond		From	To	Dec. 31, 2019
		Dec. 31, 2018	Proceeds	Miscellaneous	Authorizations	Anticipation	Miscellaneous			
						Notes				
Fund Balance		\$ 24,490.87								\$ 24,490.87
Capital Improvement Fund		248,538.89		\$ 100,000.00						348,538.89
Reserve for Preliminary Expenses		8,349.25								8,349.25
Encumbrances Payable		177,770.99						\$ 177,770.99	\$ 991.01	991.01
Due Utility Operating Fund		790.50		9,393.92			\$ 9,396.77			787.65
<u>Improvement Authorizations:</u>										
Ordinance										
Number										
6-2007a	Sanitary Sewer Infiltration Repairs	157,182.79						157,182.79		
16-2012	Acquisition & Installation of Well No.1 Diesel Generator	58,652.99						58,652.99		
11-2013a	Site Remediation Phase II	34,783.07						34,783.07		
11-2013b	Acquisition of Backhoe	2,155.00						2,155.00		
11-2013c	Acquisition of Utility Truck	1,558.02						1,558.02		
8-2015	Redevelopment of Sewer Pump Stations	27,089.96	\$ 598,000.00		\$ 27,089.96	\$ 598,000.00				
7-2016a	Rehabilitation of Route 45 Pump Station	119,619.54	210,000.00			210,000.00		119,619.54		
7-2016b	Construction of Well No. 2	172,780.39	1,395,000.00		235,927.45	1,395,000.00			177,770.99	114,623.93
7-2016c	Reconstruction of Well No. 1	278,000.00	278,000.00			278,000.00				278,000.00
11-2016	Acquisition of Various Equipment	3,718.79								3,718.79
7-2017	Supplemental Funding for the Construction of Well No. 2	188,000.00	188,000.00			188,000.00				188,000.00
5-2018	Water Main Extension and Reconstruction	355,227.00	360,000.00		285,762.23	360,000.00				69,464.77
7-2019	Various Water & Sewer Utility System Improvements - Central Avenue		428,000.00		2,948.50			991.01		424,060.49
10-2019	Acquisition of Various Heavy Equipment								373,951.41	373,951.41
		\$ 1,858,708.05	\$ 3,457,000.00	\$ 109,393.92	\$ 551,728.14	\$ 3,029,000.00	\$ 9,396.77	\$ 552,713.41	\$ 552,713.41	\$ 1,834,977.06

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY OPERATING FUND**  
**Statement of Consumer Accounts Receivable**  
**For the Year Ended December 31, 2019**

**Water Rents:**

Balance December 31, 2018			\$	45,732.91
Increased by:				
Water Rents Levied				<u>541,961.09</u>
				587,694.00
Decreased by:				
Collections	\$	546,622.00		
Overpayments Applied		<u>1,261.69</u>		
			\$	547,883.69
Cancelled				<u>1.07</u>
				<u>547,884.76</u>
Balance December 31, 2019			\$	<u><u>39,809.24</u></u>

**Sewer Rents:**

Balance December 31, 2018			\$	65,289.24
Increased by:				
Sewer Rents Levied				<u>948,566.20</u>
				1,013,855.44
Decreased by:				
Collections	\$	951,839.56		
Overpayments Applied		<u>1,538.48</u>		
			\$	953,378.04
Cancelled				<u>6.42</u>
				<u>953,384.46</u>
Balance December 31, 2019			\$	<u><u>60,470.98</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
 Schedule of Fixed Capital  
 As of December 31, 2019

	Balance Dec. 31, 2019
Water System:	
Water Tower and Accessories	\$ 473,840.30
Pumping Station Structures	14,798.51
Distribution Mains and Accessories	653,114.71
Water Meters and Hydrants	31,645.90
General:	
Equipment	230,591.58
Building	2,315.69
Legal and Engineering	8,770.00
Interest During Construction	8,018.63
Office and Computer Equipment	34,500.00
Total Water System	<u>1,457,595.32</u>
Sewer System:	
Sewer Disposal System	284,510.97
Mains and Extensions	1,766,621.53
General:	
Equipment	163,627.65
Building	2,315.68
Office and Computer Equipment	14,500.00
Prior Years - Unallocated	32,438.89
Total Sewer System	<u>2,264,014.72</u>
Total Fixed Capital	<u>\$ 3,721,610.04</u>

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
Statement of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2019

Ord. No.	Improvement Description	Date	Amount	Balance Dec. 31, 2018	Additions by Ordinance	Balance Dec. 31, 2019
6-2007	(a) Sanitary Sewer Infiltration Repairs	5/16/07	\$ 253,500.00	\$ 157,182.79	\$ (157,182.79)	
16-2012	Acquisition & Installation of Well No.1 Diesel Generator	9/19/12	150,000.00	58,652.99	(58,652.99)	
11-2013a	Site Remediation Phase II	9/18/13	34,783.07	34,783.07	(34,783.07)	
11-2013b	Acquisition of Backhoe	9/18/13	42,500.00	2,155.00	(2,155.00)	
11-2013c	Acquisition of Utility Truck	9/18/13	22,716.93	1,558.02	(1,558.02)	
8-2015	Redevelopment of Sewer Pump Stations	6/1/15	675,000.00	675,000.00		\$ 675,000.00
7-2016a	Rehabilitation of Route 45 Pump Station	5/18/16	210,000.00	210,000.00	(119,619.54)	90,380.46
7-2016b	Construction of Well No. 2	5/18/16	1,395,000.00	1,395,000.00		1,395,000.00
7-2016c	Reconstruction of Well No. 1	5/18/16	278,000.00	278,000.00		278,000.00
11-2016	Purchase of Public Works Vehicles	8/17/16	53,107.94	53,107.94		53,107.94
7-2017	Supplemental Funding for the Construction of Well No. 2	8/16/17	188,000.00	188,000.00		188,000.00
5-2018	Water Main Extension and Reconstruction	4/25/18	360,000.00	360,000.00		360,000.00
7-2019	Various Water & Sewer Utility System Improvements Central Avenue Main Replacement	5/15/19	428,000.00		428,000.00	428,000.00
10-2019	Acquisition of Various Heavy Equipment	11/13/19	373,951.41		373,951.41	373,951.41
				<u>\$ 3,413,439.81</u>	<u>\$ 428,000.00</u>	<u>\$ 3,841,439.81</u>

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY OPERATING FUND**  
**Statement of Appropriation Reserves**  
**For the Year Ended December 31, 2019**

	<u>Balance December 31, 2018</u>		<u>Balance After</u>		<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages		\$ 35,737.46	\$ 35,737.46		\$ 35,737.46
Other Expenses	\$ 3,655.08	227,840.18	231,495.26	\$ 108,265.60	123,229.66
Capital Improvements					
Capital Outlay		25,000.00	25,000.00		25,000.00
Statutory Expenditures:					
Contribution to:					
Social Security System		2,650.85	2,650.85		2,650.85
	<u>\$ 3,655.08</u>	<u>\$ 291,228.49</u>	<u>\$ 294,883.57</u>	<u>\$ 108,265.60</u>	<u>\$ 186,617.97</u>

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY FUND**  
Statement of Accrued Interest on Bonds, Notes and Analysis of Balance  
For the Year Ended December 31, 2019

Balance December 31, 2018				\$	17,554.17
Increased by:					
Budget Appropriation:					
Interest on Bonds			\$	50,373.02	
Interest on Notes				66,708.83	
					<u>117,081.85</u>
					134,636.02
Decreased by:					
Interest Paid on Bonds				14,362.50	
Interest Paid on Notes				83,066.12	
					<u>97,428.62</u>
Balance December 31, 2019				\$	<u><u>37,207.40</u></u>

Analysis of Accrued Interest December 31, 2019:

<u>Principal Outstanding Dec. 31, 2019</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Serial Bonds:</u>					
\$ 320,000.00	Variable	12/01/19	12/31/19	1 month	\$ 1,123.96
3,457,000.00	Variable	07/15/19	12/31/19	6 months	<u>36,083.44</u>
					<u>\$ 37,207.40</u>



**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY OPERATING FUND**  
Statement of Utility Rent Overpayments  
For the Year Ended December 31, 2019

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Balance December 31, 2018		\$	2,800.17
Increased by:			
Overpayments Created			<u>10,345.72</u>
			13,145.89
Decreased by:			
Overpayments Refunded	\$	217.78	
Overpayments Applied - Water Rents		1,261.69	
Overpayments Applied - Sewer Rents		<u>1,538.48</u>	
			<u>3,017.95</u>
Balance December 31, 2019		\$	<u><u>10,127.94</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
 Statement of Due Utility Operating Fund  
 For the Year Ended December 31, 2019

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Balance December 31, 2018		\$ 790.50
Increased by:		
Interest Earned		<u>9,393.92</u>
		10,184.42
Decreased by:		
Disbursements	\$ 790.50	
Interest Earned Transferred	<u>8,606.27</u>	
		<u>9,396.77</u>
Balance December 31, 2019		<u><u>\$ 787.65</u></u>

## Exhibit SD-10

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
 Statement of Reserve for Amortization  
 For the Year Ended December 31, 2019

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Balance December 31, 2018		\$ 3,630,941.91
Increased by:		
2019 Budget Appropriation to Pay:		
Water and Sewer Serial Bonds		<u>25,000.00</u>
Balance December 31, 2019		<u><u>\$ 3,655,941.91</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
WATER AND SEWER UTILITY FUND  
Schedule of Deferred Reserve for Amortization  
As of December 31, 2019

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2019</u>
11-2016	Acquisition of Various Equipment	8/17/16	\$ 53,107.94
8-2015	Redevelopment of Sewer Pump Stations	6/1/15	<u>77,000.00</u>
			<u>\$ 130,107.94</u>

**BOROUGH OF WOODBURY HEIGHTS**  
WATER AND SEWER UTILITY FUND  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2019

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Balance December 31, 2018	\$ 248,538.89
Increased by:	
Budget Appropriation	<u>100,000.00</u>
Balance December 31, 2019	\$ <u><u>348,538.89</u></u>

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2019

Ord. No.	Improvement Description	Date	Amount	Balance December 31, 2018		Prior Year Encumbrances	2019 Authorizations	Paid or Charged	Year End Encumbrances	Balance
				Funded	Unfunded					Dec. 31, 2019 Funded
6-2007	(a) Sanitary Sewer Infiltration Repairs	5/16/07	\$ 253,500.00	\$ 157,182.79			\$ (157,182.79)			
16-2012	Acquisition & Installation of Well No.1 Diesel Generator	9/19/12	150,000.00		\$ 58,652.99		(58,652.99)			
11-2013a	Site Remediation Phase II	9/18/13	34,783.07		34,783.07		(34,783.07)			
11-2013b	Acquisition of Backhoe	9/18/13	42,500.00		2,155.00		(2,155.00)			
11-2013c	Acquisition of Utility Truck	9/18/13	22,716.93		1,558.02		(1,558.02)			
8-2015	Redevelopment of Sewer Pump Stations	6/1/15	675,000.00		27,089.96			\$ 27,089.96		
7-2016a	Rehabilitation of Route 45 Pump Station	5/18/16	210,000.00		119,619.54		(119,619.54)			
7-2016b	Construction of Well No. 2	5/18/16	1,395,000.00		172,780.39	\$ 177,770.99		235,927.45		\$ 114,623.93
7-2016c	Reconstruction of Well No. 1	5/18/16	278,000.00		278,000.00					278,000.00
11-2016	Acquisition of Various Equipment	8/17/16	53,107.94	3,718.79						3,718.79
7-2017	Supplemental Funding for the Construction of Well No. 2	8/16/17	188,000.00		188,000.00					188,000.00
5-2018	Water Main Extension and Reconstruction	4/25/18	360,000.00		355,227.00			285,762.23		69,464.77
7-2019	Various Water & Sewer Utility System Improvements - Central Avenue	5/15/19	428,000.00				428,000.00	2,948.50	\$ 991.01	424,060.49
10-2019	Acquisition of Various Heavy Equipment	11/13/19	373,951.41				373,951.41			373,951.41
				<u>\$ 160,901.58</u>	<u>\$ 1,237,865.97</u>	<u>\$ 177,770.99</u>	<u>\$ 428,000.00</u>	<u>\$ 551,728.14</u>	<u>\$ 991.01</u>	<u>\$ 1,451,819.39</u>

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Decreased
08-2015	Redevelopment of Sewer Pump Stations	8/11/15	8/2/18	8/1/19	2.750%	\$ 598,000.00	\$ 598,000.00
7-2016a	Rehabilitation of Route 45 Pump Station	8/9/16	8/2/18	8/1/19	2.750%	210,000.00	210,000.00
7-2016b	Construction of Well No. 2	8/9/16	8/2/18	8/1/19	2.750%	1,395,000.00	1,395,000.00
7-2016c	Reconstruction of Well No. 1	8/7/17	8/2/18	8/1/19	2.750%	278,000.00	278,000.00
7-2017	Supplemental Funding for the Construction of Well No. 2	8/2/18	8/2/18	8/1/19	2.750%	188,000.00	188,000.00
5-2018	Water Main Extension and Reconstruction	8/2/18	8/2/18	8/1/19	2.750%	<u>360,000.00</u>	<u>360,000.00</u>
						<u>\$ 3,029,000.00</u>	<u>\$ 3,029,000.00</u>

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
Statement of Water and Sewer Serial Bonds  
For the Year Ended December 31, 2019

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2018	Issued	Decreased	Balance Dec. 31, 2019
			December 31, 2019						
			Date	Amount					
Water and Sewer Utility Bonds	12/14/09	\$ 530,000.00	12/1/20	\$ 25,000.00	3.750%				
			12/1/21	25,000.00	3.750%				
			12/1/22	30,000.00	4.000%				
			12/1/23	30,000.00	4.000%				
			12/1/24	30,000.00	4.000%				
			12/1/25	35,000.00	4.250%				
			12/1/26	35,000.00	4.500%				
			12/1/27	35,000.00	4.500%				
			12/1/28	35,000.00	4.500%				
			12/1/29	40,000.00	4.500%	\$ 345,000.00	\$ 25,000.00	\$ 320,000.00	
Water and Sewer Utility Bonds	7/31/19	3,457,000.00	7/15/20	192,000.00	2.000%				
			7/15/21	195,000.00	2.000%				
			7/15/22	195,000.00	2.000%				
			7/15/23	205,000.00	2.000%				
			7/15/24	210,000.00	2.000%				
			7/15/25	215,000.00	2.000%				
			7/15/26	220,000.00	2.000%				
			7/15/27	230,000.00	2.000%				
			7/15/28	235,000.00	2.125%				
			7/15/29	240,000.00	2.250%				
			7/15/30	250,000.00	2.375%				
			7/15/31	255,000.00	2.500%				
			7/15/32	265,000.00	2.625%				
			7/15/33	270,000.00	2.750%				
			7/15/34	280,000.00	3.000%				
							\$ 3,457,000.00		3,457,000.00
							\$ 345,000.00	\$ 3,457,000.00	\$ 25,000.00

**BOROUGH OF WOODBURY HEIGHTS**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>2019 Authorizations</u>	<u>Issued</u>
7-2019	Various Water & Sewer Utility System Improvements - Central Avenue Main Replacement	\$ <u>428,000.00</u>	\$ <u>428,000.00</u>



**PART 2**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**BOROUGH OF WOODBURY HEIGHTS**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2019

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***Schedule of Financial Statement Findings***

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

**No Current Year Findings**

**BOROUGH OF WOODBURY HEIGHTS**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**FINANCIAL STATEMENT FINDINGS**

**No Prior Year Findings**

**BOROUGH OF WOODBURY HEIGHTS**  
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
William C. Packer	Mayor	
Cara Witasick	Council President	
Richard J. Gambale	Councilperson	
Joseph Getsinger	Councilperson	
Robert Morison	Councilperson	
Jeffrey Pitzo	Councilperson	
Harold A. Pye, Jr.	Councilperson	
Victoria Holmstrom	Chief Financial Officer, Tax Collector	(1)
Janet Pizzi	Borough Administrator, Clerk, Deputy Treasurer	(1)
Brian D. Lozuke, Esq.	Solicitor	
Mark R. Brunermer, P.E., C.M.E.	Engineer	

(1) \$1,000,000.00 per loss is covered by the Gloucester County Municipal Joint Insurance Fund Excess Crime Policy, Public Employee Bond Declarations, and Excess Public Officials Bonds for all public officials.

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**APPRECIATION**

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink, appearing to read "Michael J. Welding", written in a cursive style.

Michael J. Welding  
Certified Public Accountant  
Registered Municipal Accountant