

**TOWNSHIP OF BOONTON  
COUNTY OF MORRIS  
NEW JERSEY**

**REPORT ON  
EXAMINATION OF ACCOUNTS  
FOR THE YEAR 2017**

**SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS**

**TOWNSHIP OF BOONTON**  
**COUNTY OF MORRIS, NEW JERSEY**

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**REPORT ON EXAMINATION**  
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**AND**  
**SUPPLEMENTARY DATA**  
**YEAR ENDED DECEMBER 31, 2017**

# SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Township Committee  
Township of Boonton  
Boonton, New Jersey 07005

### Report on the Financial Statements

We have audited the financial statements - regulatory basis of the various funds and account groups of the Township of Boonton, in the County of Morris, as of and for the years then ended December 31, 2017 and December 31, 2016, and the related notes to the financial statements, as listed in the foregoing table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements - regulatory basis in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements - regulatory basis 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 - regulatory basis based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements - regulatory basis are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements - regulatory basis. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements - regulatory basis, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements - regulatory basis 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 Township'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 - regulatory basis.

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



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

As described in Note 1, these financial statements - regulatory basis have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements - regulatory basis referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2017 and 2016, and the results of its operations for the years then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Boonton at December 31, 2017 and 2016, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the year then ended, in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements - regulatory basis that collectively comprise the Township's financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements - regulatory basis.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2018 on our consideration of the Township of Boonton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Boonton'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 Township of Boonton's internal control over financial reporting and compliance.



SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
June 14, 2018

TOWNSHIP OF BOONTON  
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A  
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Regular Fund</u>			
Cash - Checking	A-4	\$ 4,856,816.99	\$2,518,293.15
Cash - Cash Management Funds	A-7	304.68	301.92
Change Fund	A-8	200.00	200.00
		<u>4,857,321.67</u>	<u>2,518,795.07</u>
Due from State of New Jersey per Chapter 129, P.L. 1976	A-9	250.00	
		<u>4,857,571.67</u>	<u>2,518,795.07</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes	A-10	226,365.28	310,548.95
Tax Title Liens	A-11	44,697.35	27,897.83
Property Acquired for Taxes at Assessed Valuation	A-12	332,000.00	332,000.00
Revenue Accounts Receivable	A-13	1,598.41	1,735.02
Interfunds Receivable	A-14	38,795.83	
		<u>643,456.87</u>	<u>672,181.80</u>
		<u>5,501,028.54</u>	<u>3,190,976.87</u>
<u>Federal and State Grant Fund</u>			
Grants Receivable	A-15	88,150.90	28,966.50
Interfunds Receivable	A-16		13,299.60
		<u>88,150.90</u>	<u>42,266.10</u>
		<u>\$ 5,589,179.44</u>	<u>\$3,233,242.97</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A  
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Encumbered	A-3,17	\$ 89,301.76	\$ 194,083.90
Unencumbered	A-3,17	508,043.91	471,283.39
Due to State of New Jersey	A-19	1,433.00	1,468.00
Tax Overpayments	A-20	8,556.91	8,556.91
Interfunds Payable	A-21		13,299.60
Prepaid Taxes	A-24	2,482,274.78	121,359.24
Reserve for Pending Tax Appeals	A-25	99,675.51	120,375.40
		<u>3,189,285.87</u>	<u>930,426.44</u>
Reserves for Receivables and Other Assets		643,456.87	672,181.80
Fund Balance	A-1	<u>1,668,285.80</u>	<u>1,588,368.63</u>
		<u>5,501,028.54</u>	<u>3,190,976.87</u>
<u>Federal and State Grant Fund</u>			
Accumulated Revenue Unappropriated	A-26	14,050.13	16,443.19
Appropriated Reserves for Federal and			
State Grants	A-27	35,304.94	25,822.91
Interfunds Payable	A-28	38,795.83	
		<u>88,150.90</u>	<u>42,266.10</u>
		<u>\$ 5,589,179.44</u>	<u>\$ 3,233,242.97</u>

See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
CURRENT FUND

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

A-1

	<u>Ref.</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 1,018,750.00	\$ 833,000.00
Miscellaneous Revenue Anticipated	A-2a	1,160,654.96	875,536.05
Receipts from Delinquent Taxes	A-2b	304,218.45	240,467.24
Receipts from Current Taxes	A-2b	19,150,224.29	18,777,337.73
Nonbudget Revenue	A-2c	94,085.08	149,915.74
Other Credits to Income:			
Interfund Credits			3,875.86
Reserve for Grant Expenditures Cancelled	A-14	11,272.73	10,430.82
Unexpended Balance of Appropriation			
Reserves	A-17	384,739.18	371,514.69
Accounts Payable Cancelled			103.98
Tax Overpayments Cancelled			10.34
		<u>22,123,944.69</u>	<u>21,262,192.45</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations		3,847,006.48	3,812,885.40
Capital Improvements		450,000.00	100,000.00
Debt Service		535,716.00	487,729.10
Statutory Expenditures		<u>504,447.00</u>	<u>478,795.00</u>
	A-3	5,337,169.48	4,879,409.50
Revenue Refunds	A-4	1,840.00	170.00
Interfund Charges	A-14	38,795.83	
Grant Receivables Cancelled			429.34
Dedicated Open Space Taxes	A-21	261,870.73	261,321.84
Local School District Tax	A-22	13,004,327.00	12,760,562.00
County Taxes	A-23	<u>2,381,274.48</u>	<u>2,379,625.07</u>
		<u>21,025,277.52</u>	<u>20,281,517.75</u>
Excess in Revenue		1,098,667.17	980,674.70
<u>Fund Balance</u>			
Balance January 1	A	<u>1,588,368.63</u>	<u>1,440,693.93</u>
		2,687,035.80	2,421,368.63
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,018,750.00</u>	<u>833,000.00</u>
Balance December 31	A	<u>\$ 1,668,285.80</u>	<u>\$ 1,588,368.63</u>

See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	A-1	<u>\$ 1,018,750.00</u>	<u>\$ 1,018,750.00</u>	\$
Miscellaneous Revenue	A-2a	<u>1,056,857.17</u>	<u>1,160,654.96</u>	<u>103,797.79</u>
Receipts from Delinquent Taxes	A-2b	<u>130,000.00</u>	<u>304,218.45</u>	<u>174,218.45</u>
Amount to be Raised by Taxes:				
Local Tax for Municipal Purposes	A-2b,10	<u>3,714,122.99</u>	<u>4,085,312.76</u>	<u>371,189.77</u>
Budget Totals	A-3	5,919,730.16	6,568,936.17	649,206.01
Nonbudget Revenue	A-2c		<u>94,085.08</u>	<u>94,085.08</u>
		<u>\$ 5,919,730.16</u>	<u>\$ 6,663,021.25</u>	<u>\$ 743,291.09</u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
CURRENT FUND

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF MISCELLANEOUS REVENUE - REGULATORY BASIS

A-2a

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
<u>Miscellaneous Revenue</u>				
Licenses:				
Alcoholic Beverages	A-13	\$ 4,800.00	\$ 4,800.00	\$
Fines and Costs:				
Municipal Court	A-13	28,000.00	29,113.92	1,113.92
Interest and Costs on Taxes	A-6	50,500.00	78,960.01	28,460.01
Consolidated Municipal Property Tax Relief Aid	A-13	2,008.00	2,008.00	
Energy Receipts Tax	A-13	238,863.00	238,863.00	
Dedicated Uniform Construction Code Fees				
Offset with Appropriations:				
(N.J.S. 40A:4.36 and N.J.A.C. 5:23-4.17):				
Uniform Construction Code Fees	A-13	70,000.00	136,231.00	66,231.00
Special Items:				
State and Federal Revenue Offset with				
Appropriations:				
Clean Communities Program	A-15	14,417.16	14,417.16	
Municipal Alliance on Alcoholism and				
Drug Abuse	A-15	8,269.00	8,269.00	
Body Armor Grant	A-15	1,542.58	1,542.58	
New Jersey Department of Transportation:				
Kingsland Road	A-15	250,000.00	250,000.00	
Alcohol Education and Rehabilitation Fund	A-15	483.45	483.45	
Highlands Plan Conformance	A-15	3,040.00	3,040.00	
Bulletproof Vest Partnership Grant	A-15	2,366.03	2,366.03	
Other Special Items:				
Victoria Mews Assisted Living Agreement:				
Payment in Lieu of Taxes (PILOT)	A-13	160,133.14	160,133.14	
Reserve for Open Space Trust to Offset Debt				
Service	A-14	174,070.00	174,070.00	
Trust Assessment Fund Balance	A-14	2,604.67	2,604.67	
Field Usage Revenue	A-13	10,000.00	15,555.00	5,555.00
Cell Tower Rental	A-13	31,510.14	33,948.00	2,437.86
Concession Agreement	A-13	4,250.00	4,250.00	
	A-1,2	<u>\$ 1,056,857.17</u>	<u>\$ 1,160,654.96</u>	<u>\$ 103,797.79</u>

See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
CURRENT FUND

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF REALIZED TAX REVENUE - REGULATORY BASIS

A-2b

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
Collection of Delinquent Taxes:			
2017 Collections	A-1,2,10		\$ 304,218.45
<u>Allocation of Current Tax Collections</u>			
Collections of Current Taxes:			
2017 Collections	A-10	\$ 19,000,115.05	
2016 Collections	A-24	121,359.24	
Due from State of New Jersey	A-9	28,750.00	
	A-1		\$ 19,150,224.29
Allocated to:			
Open Space Tax	A-21	261,870.73	
Local School District Tax	A-22	13,004,327.00	
County Taxes	A-23	2,381,274.48	
			15,647,472.21
			3,502,752.08
Plus: Appropriation for Reserve for			
Uncollected Taxes	A-3		582,560.68
Realized for Support of Municipal Budget	A-2		\$ 4,085,312.76

See accompanying notes to financial statements.



TOWNSHIP OF BOONTON  
CURRENT FUND

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF NONBUDGET REVENUE - REGULATORY BASIS

A-2c

	<u>Ref.</u>		
<u>Miscellaneous Revenue Not Anticipated</u>			
Cable TV Franchise Fees		\$ 20,477.00	
Police Outside Duty Administrative Fees		11,187.50	
Planning Board		8,500.00	
Sanitary Fees		7,890.00	
Uniform Fire Safety		6,024.54	
Smoke Detectors		3,335.00	
Registrar		2,674.00	
Fuel Reimbursements		2,390.42	
Prior Year Reimbursements		2,163.73	
Division of Motor Vehicles - Inspection Fines		1,656.00	
Verizon Franchise Fee		1,505.94	
Food Licenses		1,470.00	
Void Checks		632.00	
Senior Citizens and Veterans Deductions -			
Administrative Fees		565.00	
Police Fees		523.95	
Road Opening Permits		200.00	
200 Foot Listings		180.00	
Homestead Payment Reimbursement		138.00	
Copies and Maps		51.00	
Wayside Permits		50.00	
Duplicate Tax Bills		15.00	
Raffles		5.00	
Miscellaneous		<u>4,846.90</u>	
	A-4		\$ 76,480.98
Interest on Investments and Deposits:			
Collections	A-4	5,961.64	
Cash Management Funds	A-7	2.76	
Interfunds Receivable	A-14	<u>1,002.07</u>	
			6,966.47
<u>Other Sources</u>			
Revenue Accounts Receivable	A-13		2,700.00
Interfunds Receivable:			
Interest on Assessments	A-14		7,067.98
Interest on Delinquent Assessments	A-14		<u>869.65</u>
	A-1,2		<u>\$ 94,085.08</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #1

Appropriation	Appropriations		Paid or Charged	Expended		Reserved
	Budget	Modified Budget		Encumbered	Unencumbered	
<b>GENERAL GOVERNMENT</b>						
General Administration:						
Salaries and Wages	\$ 29,572.00	\$ 29,872.00	\$ 29,821.12	\$	\$	50.88
Other Expenses	4,000.00	4,000.00	3,054.34			945.66
Human Resources:						
Other Expenses	27,000.00	27,000.00	17,863.20			9,136.80
Mayor and Township Committee:						
Other Expenses	4,000.00	4,000.00	3,281.11	638.00		80.89
Municipal Clerk:						
Salaries and Wages	53,270.00	53,970.00	53,793.00			177.00
Other Expenses	8,150.00	8,150.00	6,383.62			1,766.38
Codification	5,000.00	5,000.00	1,195.00			3,805.00
Financial Administration:						
Salaries and Wages	51,686.00	52,386.00	52,195.00			191.00
Other Expenses	6,000.00	6,000.00	5,715.16			284.84
Annual Audit	11,500.00	11,500.00		11,500.00		
Assessment of Taxes:						
Salaries and Wages	24,621.00	24,621.00	24,621.00			
Other Expenses	4,500.00	4,500.00	2,511.98	1,398.93		589.09
Collection of Taxes:						
Salaries and Wages	35,514.00	35,914.00	35,863.00			51.00
Other Expenses	4,825.00	4,825.00	4,345.81			479.19
Computer:						
Salaries and Wages	11,806.00	11,806.00	11,805.00			1.00
Other Expenses	10,000.00	10,000.00	7,776.15			2,223.85
Legal Services and Costs:						
Other Expenses	92,800.00	92,800.00	68,255.38	2,031.50		22,513.12
Municipal Prosecutor:						
Salaries and Wages	6,898.00	6,898.00	6,898.00			
Engineering Services and Costs:						
Other Expenses	58,400.00	78,400.00	76,990.00			1,410.00
Environmental Committee:						
Other Expenses	500.00	500.00	60.00			440.00

TOWNSHIP OF BOONTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #2

Appropriation	Appropriations		Paid or Charged	Expended	
	Budget	Modified Budget		Encumbered	Reserved Unencumbered
<b>GENERAL GOVERNMENT</b>					
Historical Committee:					
Other Expenses	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$	\$
Buildings and Grounds:					
Salaries and Wages	28,483.00	46,483.00	44,281.43		2,201.57
Other Expenses	36,000.00	36,000.00	28,559.29	636.59	6,804.12
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	25,961.00	26,261.00	26,169.98		91.02
Other Expenses	24,150.00	24,150.00	19,707.46	3,121.00	1,321.54
Insurance:					
General Liability	86,000.00	86,000.00	75,456.94		10,543.06
Workmen's Compensation	40,000.00	40,000.00	40,000.00		
Group Insurance Plan	216,000.00	216,000.00	213,717.36		2,282.64
	<u>908,636.00</u>	<u>949,036.00</u>	<u>862,320.33</u>	<u>19,326.02</u>	<u>67,389.65</u>
<b>PUBLIC SAFETY</b>					
Fire:					
Other Expenses	48,258.00	48,258.00	31,253.53	9,097.44	7,907.03
Police:					
Salaries and Wages	1,534,612.26	1,571,012.26	1,513,156.65		57,855.61
Other Expenses	72,675.00	72,675.00	49,841.72	8,203.25	14,630.03
First Aid Organization - Contribution	15,000.00	15,000.00	15,000.00		
Dispatch	24,000.00	24,000.00	18,272.92		5,727.08
Uniform Fire Safety Act:					
Fire Official:					
Salaries and Wages	5,517.00	5,517.00	5,013.00		504.00
Other Expenses	1,825.00	1,825.00	1,084.98		740.02
Office of Emergency Management:					
Salaries and Wages	3,270.00	3,270.00	3,269.00		1.00
Other Expenses	3,000.00	3,000.00	2,898.40		101.60
	<u>1,708,157.26</u>	<u>1,744,557.26</u>	<u>1,639,790.20</u>	<u>17,300.69</u>	<u>87,466.37</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #3

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Reserved</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>STREETS AND ROADS</u>						
Road Repairs and Maintenance:						
Salaries and Wages	\$ 7,958.00	\$ 9,058.00	\$ 7,010.00	\$	\$ 2,048.00	
Other Expenses	125,000.00	125,000.00	79,375.51	400.00	45,224.49	
Other Public Works Functions:						
Snow Plowing and Sanding:						
Other Expenses	470,000.00	380,100.00	162,273.85	30,817.86	187,008.29	
Vehicle Maintenance:						
Other Expenses	42,300.00	42,300.00	31,537.57	10,431.99	330.44	
	<u>645,258.00</u>	<u>556,458.00</u>	<u>280,196.93</u>	<u>41,649.85</u>	<u>234,611.22</u>	
<u>HEALTH AND WELFARE</u>						
Board of Health:						
Salaries and Wages	18,660.00	18,760.00	18,696.00		64.00	
Other Expenses	4,725.00	4,725.00	4,300.80		424.20	
Board of Health Contractual	17,700.00	17,700.00	14,211.46		3,488.54	
Animal Control Services:						
Salaries and Wages	775.00	775.00			775.00	
Other Expenses	15,000.00	15,000.00	12,362.79	309.00	2,328.21	
	<u>56,860.00</u>	<u>56,960.00</u>	<u>49,571.05</u>	<u>309.00</u>	<u>7,079.95</u>	
<u>RECREATION AND EDUCATION</u>						
Recreation:						
Salaries and Wages	7,601.00	7,601.00	7,601.00		713.19	
Other Expenses	1,000.00	1,000.00	286.81			
Celebration of Public Events:						
Other Expenses	25,000.00	25,000.00	21,934.92	1,016.00	2,049.08	
	<u>33,601.00</u>	<u>33,601.00</u>	<u>29,822.73</u>	<u>1,016.00</u>	<u>2,762.27</u>	
<u>SANITATION</u>						
Solid Waste Collection:						
Recycling:						
Salaries and Wages	8,333.00	8,433.00	8,415.00		18.00	
Other Expenses	80,050.00	80,050.00	66,694.41	5,998.48	7,357.11	
	<u>88,383.00</u>	<u>88,483.00</u>	<u>75,109.41</u>	<u>5,998.48</u>	<u>7,375.11</u>	

TOWNSHIP OF BOONTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #4

Appropriation	Appropriations		Paid or Charged	Expended		Reserved
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
MUNICIPAL COURT						
Municipal Court:						
Salaries and Wages	\$ 33,824.00	\$ 33,824.00	\$ 19,474.01	\$ 141.00	\$ 14,349.99	
Other Expenses	4,500.00	4,500.00	3,891.73		467.27	
Public Defender:						
Other Expenses	4,000.00	4,000.00	3,000.00		1,000.00	
Public Employees' Occupational Safety and Hazards Act	3,000.00	3,000.00			3,000.00	
	45,324.00	45,324.00	26,365.74	141.00	18,817.26	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS						
5:23-4.17)						
Construction Official:						
Salaries and Wages	96,645.00	98,445.00	97,782.97		662.03	
Other Expenses	10,900.00	10,900.00	9,734.76	242.93	922.31	
	107,545.00	109,345.00	107,517.73	242.93	1,584.34	
UNCLASSIFIED						
Utility Expenses:						
Electricity	15,000.00	15,000.00	8,647.46	995.35	5,357.19	
Telephone	25,000.00	25,000.00	16,343.88	76.53	8,579.59	
Water	2,000.00	2,000.00	420.00		1,580.00	
Gas	11,000.00	11,000.00	3,633.42	798.65	6,567.93	
Fuel Oil	7,000.00	7,000.00	2,497.09	534.05	3,968.86	
Sewerage Processing	500.00	500.00	408.00		92.00	
Gasoline	51,000.00	51,000.00	24,297.39	913.21	25,789.40	
	111,500.00	111,500.00	56,247.24	3,317.79	51,934.97	
CONTINGENT	6,000.00	6,000.00			6,000.00	
Total Operations	3,711,264.26	3,701,264.26	3,126,941.36	89,301.76	485,021.14	
Detail:						
Salaries and Wages	1,985,006.26	2,044,906.26	1,965,865.16		78,539.10	
Other Expenses	1,726,258.00	1,656,358.00	1,161,076.20	89,301.76	406,482.04	

TOWNSHIP OF BOONTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #5

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>	
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Public Employees' Retirement System	\$ 45,656.00	\$ 45,656.00	\$ 45,656.00	\$	\$
Social Security System (OASI)	147,000.00	157,000.00	142,684.56		14,315.44
Police and Firemen's Retirement System of N.J.	298,691.00	298,691.00	298,691.00		
Unemployment Insurance	100.00	100.00			100.00
Defined Contribution Retirement Program	3,000.00	3,000.00	1,222.17		1,777.83
	494,447.00	504,447.00	488,253.73		16,193.27
Total Appropriations Within "CAPS"	4,205,711.26	4,205,711.26	3,615,195.09	89,301.76	501,214.41
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
<u>OPERATIONS</u>					
9-1-1 Communication System:					
Other Expenses	88,000.00	88,000.00	88,000.00		
Storm Water Tier A General Permit (N.J.S.A. 40A:4-45.3(cc)):					
Salaries and Wages	1,624.00	1,624.00	1,624.00		
Other Expenses	13,000.00	13,000.00	6,170.50		6,829.50
Reserve for Tax Appeals	10,000.00	10,000.00	10,000.00		
	112,624.00	112,624.00	105,794.50		6,829.50
<u>PUBLIC AND PRIVATE PROGRAMS</u>					
<u>OFFSET BY REVENUES</u>					
Alcohol Education and Rehabilitation Fund	483.45	483.45	483.45		
Municipal Alliance Against Substance Abuse:					
State Funds	8,269.00	8,269.00	8,269.00		
Township Funds	3,000.00	3,000.00	3,000.00		
Clean Communities Program	14,417.16	14,417.16	14,417.16		
Body Armor Replacement Fund	1,542.58	1,542.58	1,542.58		
Bulletproof Vest Partnership Grant	2,366.03	2,366.03	2,366.03		
Highlands Plan Conformance	3,040.00	3,040.00	3,040.00		
	33,118.22	33,118.22	33,118.22		

TOWNSHIP OF BOONTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #6

	Appropriations		Paid or Charged	Expended	
	Budget	Modified Budget		Encumbered	Reserved Unencumbered
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
Total Operations	\$ 145,742.22	\$ 145,742.22	\$ 138,912.72	\$	\$ 6,829.50
Detail:					
Salaries and Wages	1,624.00	1,624.00	1,624.00		
Other Expenses	144,118.22	144,118.22	137,288.72		6,829.50
<u>CAPITAL IMPROVEMENTS</u>					
Capital Improvement Fund	200,000.00	200,000.00	200,000.00		
<u>PUBLIC AND PRIVATE PROGRAMS</u>					
<u>OFFSET BY REVENUES</u>					
New Jersey Department of Transportation - Kingsland Road	250,000.00	250,000.00	250,000.00		
Total Capital Improvements	450,000.00	450,000.00	450,000.00		
<u>MUNICIPAL DEBT SERVICE</u>					
Payment of Bond Principal	224,000.00	224,000.00	224,000.00		
Payment of Bond Anticipation Notes and Capital Notes	260,000.00	260,000.00	260,000.00		
Interest on Bonds	34,925.00	34,925.00	34,925.00		
Interest on Notes	16,791.00	16,791.00	16,791.00		
	535,716.00	535,716.00	535,716.00		
Total Appropriations Excluded from "CAPS"	1,131,458.22	1,131,458.22	1,124,628.72		6,829.50
Sub-Total	5,337,169.48	5,337,169.48	4,739,823.81	89,301.76	508,043.91
Reserve for Uncollected Taxes	582,560.68	582,560.68	582,560.68		
Total Appropriations	\$ 5,919,730.16	\$ 5,919,730.16	\$ 5,322,384.49	\$ 89,301.76	\$ 508,043.91
	A-2	Sheet #7	Sheet #7	A	A

TOWNSHIP OF BOONTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #7

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget		\$5,661,461.16	\$
Added by N.J.S.A. 40A:4-87		258,269.00	
Cash Disbursed:			
Salaries and Wages			1,967,489.16
Township's Matching Funds for Grants	A-27		3,000.00
Other Expenditures			2,479,216.43
	A-4	<u>5,919,730.16</u>	<u>4,449,705.59</u>
Reserve for Pending Tax Appeals	A-25		10,000.00
Reserve for Grant Expenditures	A-27		280,118.22
Reserve for Uncollected Taxes	A-2b		<u>582,560.68</u>
	Sheet #6	<u>\$5,919,730.16</u>	<u>\$5,322,384.49</u>
Analysis of Expended Charges to Fund Balance			
Paid or Charged	Above		\$5,322,384.49
Less: Reserve for Uncollected Taxes	Above		<u>582,560.68</u>
			<u>4,739,823.81</u>
Reserved:			
Encumbered	Sheet #6	\$ 89,301.76	
Unencumbered	Sheet #6	<u>508,043.91</u>	
			<u>597,345.67</u>
	A-1		<u>\$5,337,169.48</u>

See accompanying notes to financial statements.



TOWNSHIP OF BOONTON  
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B  
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Assessment Trust Fund</u>			
Cash - Checking	B-4	\$ 95,875.32	\$ 100,143.79
Assessments Receivable:			
Pledged	B-9	130,118.88	202,460.88
Unpledged	B-9	75,938.38	76,955.59
		<u>301,932.58</u>	<u>379,560.26</u>
 <u>Animal Control Trust Fund</u>			
Cash - Checking	B-4	<u>320.27</u>	<u>456.33</u>
 <u>General Trust Fund</u>			
Cash - Checking	B-4	1,421,882.08	1,392,183.52
Cash - Cash Management Funds	B-7	6,445.05	6,390.78
		<u>1,428,327.13</u>	<u>1,398,574.30</u>
		<u>\$ 1,730,579.98</u>	<u>\$ 1,778,590.89</u>

TOWNSHIP OF BOONTON  
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B  
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Assessment Trust Fund</u>			
Assessment Serial Bonds	B-22	\$ 225,000.00	\$ 300,000.00
Reserve for Assessments	B-18	75,938.38	76,955.59
Fund Balance	B-1	994.20	2,604.67
		<u>301,932.58</u>	<u>379,560.26</u>
 <u>Animal Control Trust Fund</u>			
Reserve for Animal Control Trust Fund			
Expenditures	B-19	<u>320.27</u>	<u>456.33</u>
 <u>General Trust Fund</u>			
Special Deposits	B-14	126,252.52	104,704.53
Premiums on Tax Sale	B-15	16,500.00	2,500.00
Municipal Open Space Trust Fund	B-16	1,239,410.20	1,249,152.64
Reserve for:			
State Unemployment Trust Fund			
Expenditures	B-20	44,676.35	42,019.07
Municipal Alliance on Alcoholism and			
Drug Abuse - Program Income	B-21	1,488.06	198.06
		<u>1,428,327.13</u>	<u>1,398,574.30</u>
		<u>\$ 1,730,579.98</u>	<u>\$ 1,778,590.89</u>

See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
TRUST FUND

STATEMENT OF FUND BALANCE -  
ASSESSMENT TRUST FUND - REGULATORY BASIS

B-1

	<u>Ref.</u>	
Balance December 31, 2016	B	\$ 2,604.67
Increased by:		
Collection of Unpledged Assessments	B-18	<u>994.20</u> 3,598.87
Decreased by:		
Anticipated as Current Fund Revenue	B-17	<u>2,604.67</u>
Balance December 31, 2017	B	<u><u>\$ 994.20</u></u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
TRUST FUND

STATEMENT OF REVENUE  
ASSESSMENT TRUST FUND - REGULATORY BASIS

B-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>
Assessment Cash	B-3	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>

STATEMENT OF EXPENDITURES  
ASSESSMENT TRUST FUND - REGULATORY BASIS

B-3

	<u>Ref.</u>	<u>Budget</u>	<u>Expended</u>
Payment of Bond Principal	B-2	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>
	<u>Reference</u>		<u>B-22</u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Cash - Checking	C-2	\$ 375,216.77	\$ 255,551.86
Prospective Assessments Raised by Taxation	C-5	82,243.00	44,618.00
Deferred Charges to Future Taxation:			
Funded	C-6	688,000.00	912,000.00
Unfunded	C-7	<u>2,230,000.00</u>	<u>1,930,000.00</u>
		<u>\$ 3,375,459.77</u>	<u>\$ 3,142,169.86</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-14	\$ 688,000.00	\$ 912,000.00
Bond Anticipation Notes	C-13	1,980,000.00	1,930,000.00
Improvement Authorizations:			
Funded	C-8	41,557.59	37,649.45
Unfunded	C-8	365,387.94	21,676.17
Capital Improvement Fund	C-9	80,562.14	78,378.14
Reserves for:			
Prospective Assessments Raised by Taxation	C-11	82,243.00	44,618.00
Griffith Pond	C-12	117,848.10	117,848.10
Fund Balance	C-1	<u>19,861.00</u>	<u>                    </u>
		<u>\$ 3,375,459.77</u>	<u>\$ 3,142,169.86</u>
 Bonds and Notes Authorized but Not Issued	 C-15	 <u>\$ 250,000.00</u>	 <u>\$ -</u>

See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>	
Increased by Receipts:		
Premium on Sale of Notes	C-2	<u>\$ 19,861.00</u>
Balance December 31, 2017	C	<u><u>\$ 19,861.00</u></u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
WATER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D  
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Operating Fund</u>			
Cash - Checking	D-5	\$600,815.45	\$534,046.59
Assets with Full Reserves:			
Consumer Accounts Receivable	D-10	<u>17,386.75</u>	<u>17,001.37</u>
		<u>618,202.20</u>	<u>551,047.96</u>
<u>Assessment Trust Fund</u>			
Cash - Checking	D-5	817.47	809.93
Assessments Receivable:			
Unpledged	D-11	<u>5,431.63</u>	<u>6,249.10</u>
		<u>6,249.10</u>	<u>7,059.03</u>
<u>Capital Fund</u>			
Cash - Checking	D-5	102,750.00	96,750.00
Fixed Capital	D-12	<u>156,380.29</u>	<u>152,380.29</u>
		<u>259,130.29</u>	<u>249,130.29</u>
		<u>\$883,581.59</u>	<u>\$807,237.28</u>

TOWNSHIP OF BOONTON  
WATER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D  
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2017</u>	<u>Balance Dec. 31, 2016</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	D-4,13	\$ 3,015.63	\$ 1,470.04
Unencumbered	D-4,13	161,251.35	180,301.65
Accrued Interest on Bonds	D-14	428.54	538.54
Water Rent Overpayments	D-15	1,946.02	5,249.83
		<u>166,641.54</u>	<u>187,560.06</u>
Reserve for Receivables		17,386.75	17,001.37
Fund Balance	D-1	434,173.91	346,486.53
		<u>618,202.20</u>	<u>551,047.96</u>
<u>Assessment Trust Fund</u>			
Reserve for Assessments	D-18	5,431.63	6,249.10
Fund Balance	D-2	817.47	809.93
		<u>6,249.10</u>	<u>7,059.03</u>
<u>Capital Fund</u>			
Serial Bonds	D-20	28,000.00	36,000.00
Capital Improvement Fund	D-16	102,750.00	96,750.00
Amortization Fund	D-19	128,380.29	116,380.29
		<u>259,130.29</u>	<u>249,130.29</u>
		<u>\$883,581.59</u>	<u>\$807,237.28</u>

See accompanying notes to financial statements.



TOWNSHIP OF BOONTON  
WATER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - OPERATING FUND - REGULATORY BASIS

D-1

	<u>Ref.</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 124,325.44	\$ 123,702.91
Rents	D-3	356,857.01	345,215.37
Miscellaneous Revenue Anticipated	D-3	3,306.38	3,448.78
Water Utility Assessment Trust Fund Balance	D-3	809.93	780.46
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	D-13	<u>131,752.50</u>	<u>55,285.77</u>
		<u>617,051.26</u>	<u>528,433.29</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating	D-4	380,133.00	379,581.00
Capital Improvements	D-4	10,000.00	10,000.00
Debt Service	D-4	8,945.00	9,085.83
Statutory Expenditures	D-4	<u>5,400.00</u>	<u>5,100.00</u>
		404,478.00	403,766.83
Prior Year Revenue Refunds	D-5	<u>560.44</u>	<u>403,766.83</u>
		<u>405,038.44</u>	<u>403,766.83</u>
Excess in Revenue		212,012.82	124,666.46
<u>Fund Balance</u>			
Balance January 1	D	<u>346,486.53</u>	<u>345,522.98</u>
		558,499.35	470,189.44
Decreased by:			
Utilized as Anticipated Revenue	D-3	<u>124,325.44</u>	<u>123,702.91</u>
Balance December 31	D	<u>\$ 434,173.91</u>	<u>\$ 346,486.53</u>

See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
WATER UTILITY

STATEMENT OF FUND BALANCE -  
ASSESSMENT TRUST FUND - REGULATORY BASIS

D-2

	<u>Ref.</u>	
Balance December 31, 2016	D	\$ 809.93
Increased by:		
Collection of Unpledged Assessments	D-18	<u>817.47</u>
		1,627.40
Decreased by:		
Water Trust Fund Balance Anticipated as Water Operating Revenue	D-17	<u>809.93</u>
Balance December 31, 2017	D	<u><u>\$ 817.47</u></u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
WATER UTILITY

STATEMENT OF REVENUE - REGULATORY BASIS

D-3

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
<u>Source</u>				
Fund Balance Anticipated	D-1	\$ 124,325.44	\$ 124,325.44	\$
Rents	D-1,10	278,397.63	356,857.01	78,459.38
Miscellaneous	D-1,3a	1,000.00	3,306.38	2,306.38
Water Utility Assessment				
Trust Fund Balance	D-1,9	<u>809.93</u>	<u>809.93</u>	<u></u>
Total Revenue	D-4	<u>\$ 404,533.00</u>	<u>\$ 485,298.76</u>	<u>\$ 80,765.76</u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
WATER UTILITY

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF MISCELLANEOUS REVENUE REALIZED - REGULATORY BASIS

D-3a

	<u>Ref.</u>	<u>Total</u>
<u>Analysis of Miscellaneous Revenue Realized</u>		
Interest on Delinquent Water Accounts		\$ 1,327.83
On/Off Charges		308.00
Bank Error		<u>0.06</u>
	D-5	1,635.89
Interest on Water Assessment Accounts	D-9	168.43
Interest on Deposits:		
Collections	D-5	1,306.33
Interfunds Receivable	D-9	<u>195.73</u>
	D-3	<u><u>\$ 3,306.38</u></u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
WATER UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-4  
Sheet #1

<u>Appropriations</u>	<u>Ref.</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Cancelled</u>
		<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>Operating</u>							
Salaries and Wages		\$ 38,333.00	\$ 40,833.00	\$ 39,391.00	\$ 3,015.63	\$ 1,442.00	\$
Other Expenses		342,000.00	339,300.00	176,661.60	3,015.63	159,622.77	
	D-1	<u>380,333.00</u>	<u>380,133.00</u>	<u>216,052.60</u>	<u>3,015.63</u>	<u>161,064.77</u>	
<u>Capital Improvements</u>							
Capital Improvement Fund		6,000.00	6,000.00	6,000.00			
Capital Outlay		4,000.00	4,000.00	4,000.00			
	D-1	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>			
<u>Debt Service</u>							
Payment of Bond Principal		8,000.00	8,000.00	8,000.00			55.00
Interest on Bonds		1,000.00	1,000.00	945.00			<u>55.00</u>
	D-1	<u>9,000.00</u>	<u>9,000.00</u>	<u>8,945.00</u>			
<u>Statutory Expenditures</u>							
Contribution to:							
Public Employees' Retirement System		2,200.00	2,200.00	2,200.00		186.58	
Social Security System (OASI)		3,000.00	3,200.00	3,013.42		186.58	
	D-1	<u>5,200.00</u>	<u>5,400.00</u>	<u>5,213.42</u>			
Total Appropriations		<u>\$ 404,533.00</u>	<u>\$ 404,533.00</u>	<u>\$ 240,211.02</u>	<u>\$ 3,015.63</u>	<u>\$ 161,251.35</u>	<u>\$ 55.00</u>
<u>Reference</u>		<u>D-3</u>		<u>Sheet #2</u>	<u>D</u>	<u>D</u>	

TOWNSHIP OF BOONTON  
WATER UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-4  
Sheet #2

	<u>Ref.</u>	<u>Paid or Charged</u>
Cash Disbursed	D-5	\$ 239,266.02
Accrued Interest on Bonds	D-14	<u>945.00</u>
	Sheet #1	<u><u>\$ 240,211.02</u></u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
SEWER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E  
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Operating Fund</u>			
Cash - Checking	E-7	\$ 380,233.48	\$ 331,994.08
Assets with Full Reserves:			
Consumer Accounts Receivable	E-12	16,145.29	16,757.61
		<u>396,378.77</u>	<u>348,751.69</u>
<u>Assessment Trust Fund</u>			
Cash - Checking	E-7	12,420.57	12,201.11
Assessments Receivable:			
Pledged	E-13	44,620.28	62,851.56
Unpledged	E-13	58,673.11	52,862.40
		<u>115,713.96</u>	<u>127,915.07</u>
<u>Capital Fund</u>			
Cash - Checking	E-7	52,753.69	82,409.69
Fixed Capital	E-14	324,406.74	324,406.74
Fixed Capital Authorized and			
Uncompleted	E-15	38,000.00	38,000.00
		<u>415,160.43</u>	<u>444,816.43</u>
		<u>\$ 927,253.16</u>	<u>\$ 921,483.19</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E  
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2017</u>	<u>Balance Dec. 31, 2016</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	E-4,16	\$ 10,448.94	\$ 1,677.00
Unencumbered	E-4,16	44,591.28	59,492.77
Accrued Interest on Bonds	E-17	825.00	1,072.50
Sewer Rent Overpayments	E-18	11,477.82	5,026.69
Reserve for Contingency	E-22	35,000.00	35,000.00
		<u>102,343.04</u>	<u>102,268.96</u>
Reserve for Receivables		16,145.29	16,757.61
Fund Balance	E-1	277,890.44	229,725.12
		<u>396,378.77</u>	<u>348,751.69</u>
<u>Assessment Trust Fund</u>			
Assessment Serial Bonds	E-26	54,000.00	72,000.00
Reserve for Assessments	E-23	58,673.11	52,862.40
Fund Balance	E-2	3,040.85	3,052.67
		<u>115,713.96</u>	<u>127,915.07</u>
<u>Capital Fund</u>			
Improvement Authorizations:			
Funded	E-19	764.00	36,420.00
Capital Improvement Fund	E-20	51,989.69	45,989.69
Amortization Fund	E-24	324,406.74	324,406.74
Deferred Amortization Fund	E-25	38,000.00	38,000.00
		<u>415,160.43</u>	<u>444,816.43</u>
		<u>\$ 927,253.16</u>	<u>\$ 921,483.19</u>

See accompanying notes to financial statements.



TOWNSHIP OF BOONTON  
SEWER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - OPERATING FUND - REGULATORY BASIS

E-1

	<u>Ref.</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	E-3	\$ 81,324.89	\$ 79,715.71
Rents	E-3	233,049.92	219,604.85
Miscellaneous Revenue Anticipated	E-3	4,893.49	8,206.24
Sewer Utility Assessment Trust Fund			
Balance	E-3	3,052.67	3,044.63
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	E-16	52,969.30	55,369.53
		<u>375,290.27</u>	<u>365,940.96</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating	E-4	222,026.00	220,564.00
Capital Improvements	E-4	8,000.00	8,000.00
Debt Service	E-4	1,822.50	2,360.62
Deferred Charges	E-4	8,851.56	8,496.34
Statutory Expenditures	E-4	5,100.00	4,800.00
		<u>245,800.06</u>	<u>244,220.96</u>
Excess in Revenue		129,490.21	121,720.00
<u>Fund Balance</u>			
Balance January 1	E	229,725.12	187,720.83
		<u>359,215.33</u>	<u>309,440.83</u>
Decreased by:			
Utilized as Anticipated Revenue	E-3	81,324.89	79,715.71
Balance December 31	E	<u>\$277,890.44</u>	<u>\$229,725.12</u>

See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
SEWER UTILITY

STATEMENT OF FUND BALANCE -  
ASSESSMENT TRUST FUND - REGULATORY BASIS

E-2

	<u>Ref.</u>	
Balance December 31, 2016	E	\$ 3,052.67
Increased by:		
Collection of Unpledged Assessments	E-23	<u>3,040.85</u>
		6,093.52
Decreased by:		
Sewer Fund Balance Anticipated as Sewer Operating Revenue	E-21	<u>3,052.67</u>
Balance December 31, 2017	E	<u>\$ 3,040.85</u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
SEWER UTILITY

STATEMENT OF REVENUE - REGULATORY BASIS

E-3

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
<u>Source</u>				
Fund Balance Anticipated	E-1	\$ 81,324.89	\$ 81,324.89	\$
Rents	E-1,12	160,000.00	233,049.92	73,049.92
Miscellaneous	E-1,3a	1,500.00	4,893.49	3,393.49
Sewer Utility Assessment				
Trust Fund Balance	E-1,11	<u>3,052.67</u>	<u>3,052.67</u>	<u>                    </u>
Total Revenue	E-4	<u>\$ 245,877.56</u>	<u>\$ 322,320.97</u>	<u>\$ 76,443.41</u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
SEWER UTILITY

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF MISCELLANEOUS REVENUE REALIZED - REGULATORY BASIS

E-3a

	<u>Ref.</u>	<u>Total</u>
<u>Analysis of Miscellaneous Revenue Realized</u>		
Interest on Delinquent Sewer Accounts	E-7	\$ 1,673.73
Interest on Sewer Assessment Accounts	E-11	2,500.37
Interest on Delinquent Sewer Assessment Accounts	E-11	94.12
Interest on Deposits:		
Collections	E-7	496.79
Interfunds Receivable	E-11	<u>128.48</u>
	E-3	<u>\$ 4,893.49</u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
SEWER UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

E-4  
Sheet #1

<u>Appropriations</u>	<u>Ref.</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Cancelled</u>
		<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>Operating</u>							
Salaries and Wages		\$ 33,726.00	\$ 36,126.00	\$ 35,717.50	\$	\$ 408.50	\$
Other Expenses		188,500.00	185,900.00	133,435.90	10,448.94	42,015.16	
	E-1	<u>222,226.00</u>	<u>222,026.00</u>	<u>169,153.40</u>	<u>10,448.94</u>	<u>42,423.66</u>	
<u>Capital Improvements</u>							
Capital Improvement Fund		6,000.00	6,000.00	6,000.00		2,000.00	
Capital Outlay		2,000.00	2,000.00			2,000.00	
	E-1	<u>8,000.00</u>	<u>8,000.00</u>	<u>6,000.00</u>		<u>2,000.00</u>	
<u>Debt Service</u>							
Interest on Bonds	E-1	<u>1,900.00</u>	<u>1,900.00</u>	<u>1,822.50</u>			<u>77.50</u>
<u>Deferred Charges</u>							
Deficit in Sewer Utility Assessment Trust Fund	E-1	<u>8,851.56</u>	<u>8,851.56</u>	<u>8,851.56</u>			
<u>Statutory Expenditures</u>							
Contribution to:							
Public Employees' Retirement System		2,200.00	2,200.00	2,200.00		167.62	
Social Security System (OASI)		2,700.00	2,900.00	2,732.38		167.62	
	E-1	<u>4,900.00</u>	<u>5,100.00</u>	<u>4,932.38</u>			
Total Appropriations		<u>\$ 245,877.56</u>	<u>\$ 245,877.56</u>	<u>\$ 190,759.84</u>	<u>\$ 10,448.94</u>	<u>\$ 44,591.28</u>	<u>\$ 77.50</u>
<u>Reference</u>		<u>E-3</u>		<u>Sheet #2</u>	<u>E</u>	<u>E</u>	

TOWNSHIP OF BOONTON  
SEWER UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

E-4  
Sheet #2

	<u>Ref.</u>	<u>Paid or</u> <u>Charged</u>
Cash Disbursed	E-7	\$ 180,085.78
Accrued Interest on Bonds	E-17	1,822.50
Interfunds Payable	E-21	<u>8,851.56</u>
	Sheet #1	<u><u>\$ 190,759.84</u></u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
SEWER UTILITY

STATEMENT OF REVENUE  
SEWER ASSESSMENT TRUST FUND - REGULATORY BASIS

E-5

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>
Assessment Cash		\$ 9,148.44	\$ 9,148.44
Deficit (Sewer Utility Budget)		<u>8,851.56</u>	<u>8,851.56</u>
	E-6	<u>\$ 18,000.00</u>	<u>\$ 18,000.00</u>

STATEMENT OF EXPENDITURES  
SEWER ASSESSMENT TRUST FUND - REGULATORY BASIS

E-6

	<u>Ref.</u>	<u>Budget</u>	<u>Expended</u>
Payment of Bond Principal	E-5	<u>\$ 18,000.00</u>	<u>\$ 18,000.00</u>
	<u>Reference</u>		<u>E-26</u>

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See accompanying notes to financial statements.

TOWNSHIP OF BOONTON  
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

F

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Trust Fund Account #1</u>			
Cash - Checking Account	F-2	<u>\$ 18,946.06</u>	<u>\$ 18,908.31</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>Trust Fund Account #1</u>			
Reserve for Expenditures	F-1	<u>\$ 18,946.06</u>	<u>\$ 18,908.31</u>

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See accompanying notes to financial statements.



TOWNSHIP OF BOONTON  
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

G

<u>ASSETS</u>	Balance <u>Dec. 31, 2017</u>	Balance <u>Dec. 31, 2016</u>
Land	\$ 14,726,200.00	\$ 14,726,200.00
Buildings	1,283,500.00	1,283,500.00
Vehicles and Equipment	<u>1,743,749.71</u>	<u>1,731,112.11</u>
	<u>\$ 17,753,449.71</u>	<u>\$ 17,740,812.11</u>
 <u>RESERVES</u>		
Investment in Capital Fixed Assets	<u>\$ 17,753,449.71</u>	<u>\$ 17,740,812.11</u>

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See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

## TOWNSHIP OF BOONTON

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

The Township of Boonton is governed by an elected Committee. The Township Committee consists of five members. Each Committee member is elected in a general election for a term of three years. The Mayor shall be elected by the members of the Committee. Each member of the Committee carries a legislative vote.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes certain standards for defining and reporting on the financial entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements of the Township of Boonton include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by the provisions of N.J.S. 40A:5-5.

##### B. Measurement Focus, Basis of Accounting and Basis of Presentation

###### Description of Funds

The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes three fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The accounting policies of the Township of Boonton conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are a "Modified Accrual Basis of Accounting" which differs from accounting principles generally accepted in the United States of America (GAAP) for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Boonton accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP:

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Assessment Trust Fund, Animal Control Trust Fund and General Trust Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as, related long-term debt accounts.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

#### **Description of Funds (Continued)**

Utilities Funds - Water and Sewer Utilities are treated as separate entities. Each maintains its own Operating, Assessment Trust and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Township of Boonton pursuant to the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund.

Payroll Fund - Net salaries, certain payroll deductions and social security contributions of municipal and utility operations are deposited into various bank accounts of the Payroll Fund. A Payroll Fund does not exist under GAAP.

Capital Fixed Assets - This account reflects estimated valuations of land, buildings and certain movable fixed assets of the Township as discussed under the caption of "Basis of Accounting".

#### **Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

#### **Property Taxes and Other Revenue**

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

#### **Grant Revenue**

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township of Boonton budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

#### **Expenditures**

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31<sup>st</sup> of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

#### **Basis of Accounting (Continued)**

##### **Expenditures (Continued)**

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

##### **Encumbrances**

As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31<sup>st</sup> are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

##### **Appropriation Reserves**

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 additions to income. Appropriation reserves do not exist under GAAP.

##### **Compensated Absences**

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

##### **Property Acquired for Taxes**

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital fixed assets at market value on the date of acquisition.

##### **Self-Insurance Contributions**

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

##### **Interfunds Receivable**

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

#### Basis of Accounting (Continued)

##### Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water and Sewer Utilities are required, by regulation, to be prepared by Township personnel for inclusion on the Water and Sewer Utilities Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

##### Capital Fixed Assets

###### General:

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Township of Boonton has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Capital fixed assets used in governmental operations (general fixed assets) are accounted for in the Capital Fixed Assets. Public domain ("infrastructure") capital fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Township.

###### Utilities:

Capital acquisitions, including utility infrastructure costs of the Water and Sewer Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include movable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Capital Fixed Assets.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations or related bonded debt and other liabilities incurred upon fixed asset acquisition.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

#### **Basis of Accounting (Continued)**

##### **Capital Fixed Assets (Continued)**

The Fixed Capital Accounts reflected herein are as recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

### **C. Basic Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township of Boonton presents the financial statements listed in the table of contents which are required by the Division of Local Government Services and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

### **D. Recent Accounting Pronouncements Not Yet Effective**

In June 2015, the Governmental Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In March 2016, the Governmental Accounting Standards Board issued GASB Statement No. 82, Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pensions*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements and is effective for reporting periods beginning after June 25, 2017. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In November 2016, the Governmental Accounting Standards Board issued GASB Statement No. 83, Certain Asset Retirement Obligations. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement and is effective for reporting periods beginning after June 15, 2017. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In January 2017, the Governmental Accounting Standards Board issued GASB Statement No. 84, "Fiduciary Activities". The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported and is effective for reporting periods beginning after December 15, 2018. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **D. Recent Accounting Pronouncements Not Yet Effective (Continued)**

In March 2017, the Governmental Accounting Standards Board issued GASB Statement No. 85, "Omnibus 2017". The object of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)) and is effective for reporting periods beginning after June 15, 2017. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, "Certain Debt Extinguishment Issues". The object of this Statement is to improve consistency in accounting and financial reporting for in substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance and is effective for reporting periods beginning after June 15, 2017. The Township is currently reviewing what effect, if any this Statement might have on future financial statements.

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, "Leases". The object of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract and is effective for reporting periods beginning after December 15, 2019. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

## **2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

### **A. Cash and Cash Equivalents**

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.



## 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

### A. Cash and Cash Equivalents (Continued)

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Township considers petty cash, change funds, cash in banks and deposits in the New Jersey Cash Management Fund as cash and cash equivalents.

As of December 31, 2017, the Township's cash, cash equivalents and investments consisted of:

	<u>2017</u>
Lakeland Bank - Checking Accounts	\$ 7,918,848.15
N.J. Cash Management Funds	<u>6,749.73</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 7,925,597.88</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute, which requires cash be deposited only in New Jersey based bank institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. As of December 31, 2017, of the cash balance in the bank, \$256,749.73 was covered by Federal Depository Insurance and \$7,012,040.80 was covered under the provisions of NJGUDPA.

Interest Rate Risk - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Township's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of December 31, 2017, the Township had investments in the State of New Jersey Cash Management Fund. The carrying amount of the investment at December 31, 2017 was \$6,749.73.

### B. Investments

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

- . Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- . Government money market mutual funds.
- . Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- . Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- . Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.

## 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

### B. Investments (Continued)

- . Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- . New Jersey State Cash Management Fund.
- . Repurchase agreements of fully collateralized securities, subject to special conditions.

As of December 31, 2017, the Township had funds invested and on deposit in checking and New Jersey Cash Management accounts. The amount on deposit of the Township's cash and cash equivalents and investments as of December 31, 2017 was \$7,268,790.53. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40.

## 3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Township, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated.

Taxes unpaid on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes become in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

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 years.

### Comparative Schedule of Tax Rates

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014*</u>	<u>2013</u>
Tax Rate	<u>\$2.221</u>	<u>\$2.192</u>	<u>\$2.192</u>	<u>\$2.182</u>	<u>\$1.912</u>
Apportionment of Tax Rate:					
Municipal	\$0.425	\$0.420	\$0.414	\$0.416	\$0.362
Municipal Open Space	0.030	0.030	0.030	0.030	0.030
County	0.264	0.264	0.261	0.267	0.240
School	1.492	1.468	1.476	1.457	1.268
County Open Space	0.010	0.010	0.011	0.012	0.012

\*Reassessment

### 3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

#### Assessed Valuations

<u>Year</u>	<u>Amount</u>
2017	\$ 871,918,800.00
2016	869,768,700.00
2015	851,635,300.00
2014*	849,493,400.00
2013	957,942,700.00

\*Reassessment

#### Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 19,387,163.87	\$ 19,150,224.29	98.78%
2016	19,093,914.64	18,777,337.73	98.34
2015	18,674,611.19	18,415,478.23	98.61
2014	18,539,575.40	18,250,390.79	98.44
2013	18,325,040.76	18,039,308.76	98.44

#### Delinquent Taxes and Tax Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 44,697.35	\$226,365.28	\$271,062.63	1.40%
2016	27,897.83	310,548.95	338,446.78	1.77
2015	24,995.61	254,077.83	279,073.44	1.49
2014	22,093.39	285,773.36	307,866.75	1.66
2013	19,204.41	226,593.12	245,797.53	1.34

### 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2017	\$ 332,000.00
2016	332,000.00
2015	332,000.00
2014	332,000.00
2013	332,000.00

## 5. WATER CONSUMER ACCOUNTS RECEIVABLE

The Township of Boonton maintains a utility fund for the billing and collection of water rents. Billings are done on a quarterly basis.

A comparison of Water Utility billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection</u>
2017	\$ 357,242.39	\$ 356,857.01
2016	341,601.39	345,215.37
2015	379,788.57	372,558.52
2014	345,350.77	348,200.81
2013	351,837.17	360,048.92

Cash collections include realization of prior year uncollected balances.

## 6. SEWER CONSUMER ACCOUNTS RECEIVABLE

The Township of Boonton maintains a utility fund for the billing and collection of sewer rents. Billings are done on a quarterly basis.

A comparison of Sewer Utility billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection</u>
2017	\$ 232,445.74	\$ 233,049.92
2016	219,809.50	219,604.85
2015	210,246.36	203,787.14
2014	203,592.87	202,930.42
2013	188,238.63	201,790.70

Cash collections include realization of prior year uncollected balances.

## 7. FUND BALANCES APPROPRIATED

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budgets of Succeeding Year</u>
Current Fund:	2017	\$ 1,668,285.80	\$ 1,244,232.00
	2016	1,588,368.63	1,018,750.00
	2015	1,440,693.93	833,000.00
	2014	1,282,408.00	717,000.00
	2013	1,217,637.48	685,000.00
Water Utility Operating Fund:	2017	434,173.91	129,920.53
	2016	346,486.53	124,325.44
	2015	345,522.98	123,702.91
	2014	268,636.52	99,305.31
	2013	209,109.39	99,305.31
Sewer Utility Operating Fund:	2017	277,890.44	87,925.43
	2016	229,725.12	81,324.89
	2015	187,720.83	79,715.71
	2014	170,883.90	79,293.04
	2013	132,973.87	56,694.73

## 8. PENSION PLANS

### Description of Systems

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered a cost-sharing multiple-employer plan.

The amount of the Township's contribution is certified each year by PERS and PFRS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments 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. Specific information on actuarial assumptions and rates of return can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS the employer contribution includes funding for post-retirement medical premiums.

## 8. PENSION PLANS (Continued)

### Description of Systems

	PERS		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Covered Employee Payroll	\$ 413,704	\$ 394,149	\$ 384,449
Total Payroll	2,179,856	2,070,811	2,015,843
Actuarial Contribution			
Requirements	52,996	50,056	55,097
Total Contributions	83,415	78,160	81,972
Employer Share	52,996	50,056	55,097
% of Covered Payroll	12.81%	12.70%	14.33%
Employee's Share	30,419	28,104	26,875
% of Covered Payroll	7.35%	7.13%	6.99%

  

	PFRS		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Covered Employee Payroll	\$ 1,296,767	\$ 1,204,510	\$ 1,199,907
Total Payroll	2,179,856	2,070,811	2,015,843
Actuarial Contribution			
Requirements	327,411	298,691	275,998
Total Contributions	457,088	421,105	397,965
Employer Share	327,411	298,691	275,998
% of Covered Payroll	25.25%	24.80%	23.00%
Employee's Share	129,677	122,414	121,967
% of Covered Payroll	10.00%	10.16%	10.16%

### **Assumptions**

The total PERS and PFRS pension liability for June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 using an actuarial experience study for the period July 1, 2011 to June 30, 2014. The pension liability was rolled forward to June 30, 2017. The actuarial valuation used an inflation rate of 2.25%, projected salary increases through 2026 of 1.65% to 4.15% for PERS and 2.10% to 8.98% for PFRS based on age and thereafter 2.65% to 5.15% for PERS and 3.10% to 9.98% for PFRS based on age and an investment rate of return of 7.00%.

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

## **8. PENSION PLANS (Continued)**

### **Assumptions (Continued)**

For PFRS, preretirement mortality rates were based on the RP-2000 Preretirement Mortality Tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The discount rate used to measure the total pension liability was 5.00% for PERS and 6.14% for PFRS as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040 for PERS and 2057 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 for PERS and 2057 for PFRS and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability. More information on mortality rates and other assumptions, and investment policies, can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

### **Public Employees' Retirement System:**

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

### **Significant Legislation**

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system. Provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.

## 8. PENSION PLANS (Continued)

### Public Employees' Retirement System:

#### Significant Legislation (Continued)

- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2013, the member contribution rates increased in July 2013. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, the method for amortizing the pension systems' unfunded accrued liability changed (from a level percent of pay method to a level dollar of pay).

The following presents the Township's proportionate share of the collective PERS net pension liability calculated using the discount rate of 5.00% and 3.98% as of June 30, 2017 and 2016, respectively, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

#### **Sensitivity of the Township's Proportionate Share of the Collective PERS Net Pension Liability to Changes in the Discount Rate**

	At 1% Decrease (4.00%)	At Current Discount Rate (5.00%)	At 1% Increase (6.00%)
2017	<u>\$ 1,652,043</u>	<u>\$ 1,331,683</u>	<u>\$ 1,064,783</u>
	At 1% Decrease (2.98%)	At Current Discount Rate (3.98%)	At 1% Increase (4.98%)
2016	<u>\$ 2,044,888</u>	<u>\$ 1,668,774</u>	<u>\$ 1,358,260</u>

### Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police and firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.



## 8. PENSION PLANS (Continued)

### Police and Firemen's Retirement System: (Continued)

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PFRS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.

The following presents the Township's proportionate share of the collective PFRS net pension liability calculated using the discount rate of 6.14% and 5.55% as of June 30, 2017 and 2016, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate of one percentage point lower or one percentage point higher than the assumed rate.

#### **Sensitivity of the Township's Proportionate Share of the Collective PFRS Net Pension Liability to Changes in the Discount Rate**

	At 1% Decrease (5.14%)	At Current Discount Rate (6.14%)	At 1% Increase (7.14%)
2017	<u>\$ 8,367,962</u>	<u>\$ 6,350,997</u>	<u>\$ 4,693,831</u>
	At 1% Decrease (4.55%)	At Current Discount Rate (5.55%)	At 1% Increase (6.55%)
2016	<u>\$ 9,065,726</u>	<u>\$ 7,585,670</u>	<u>\$ 5,371,475</u>

## 8. PENSION PLANS (Continued)

### Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that 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 report in the financial statements of the local participating employers related to this legislation. Below is the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

	<u>2017</u>	<u>2016</u>
Employer Net Pension Liability	\$ 5,711,285.00	\$ 6,998,011.00
Nonemployer Proportional Share of the Net Pension Liability	<u>639,712.00</u>	<u>587,659.00</u>
	<u>\$ 6,350,997.00</u>	<u>\$ 7,585,670.00</u>

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2017 and 2016 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2017 and 2016, respectively.

Following is the total of the Township's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended June 30, 2017:

	<u>PERS</u>	<u>PFRS</u>
Net Pension Liabilities	\$ 1,331,683	\$ 5,711,285
Deferred Outflow of Resources	329,405	1,180,874
Deferred Inflow of Resources	371,088	1,008,738
Pension Expense	17,892	267,182
Contributions Made After Measurement Date	52,996	327,411

## 8. PENSION PLANS (Continued)

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collected deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the years ended June 30, 2017 and 2016. The Township's proportionate share of the collective net pension liability as of June 30, 2017 and 2016 was .0057% and .0056% for PERS and .0370% and .0366% for PFRS, respectively.

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

At June 30, 2017 the amount determined as the Township's proportionate share of the PERS net pension liability was \$1,331,683. For the year ended June 30, 2017 the Township would have recognized PERS pension expense of \$17,892. At June 30, 2017 deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follow:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 31,357	\$
Change of Assumptions	268,288	267,305
Net Difference Between Projected and Actual Investment Earnings	9,068	
Net Change in Proportions	20,692	103,783
Total Contributions and Proportionate Share of Contributions After the Measurement Date	52,996	
	<u>\$ 382,401</u>	<u>\$ 371,088</u>

## 8. PENSION PLANS (Continued)

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

At June 30, 2017 the amount determined as the Township's proportionate share of the PFRS net pension liability was \$5,711,285. For the year ended June 30, 2017 the Township would have recognized PFRS pension expense of \$267,182. At June 30, 2017 deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 37,051	\$ 33,520
Change of Assumptions	704,265	935,342
Net Difference Between Projected and Actual Investment Earnings	108,985	
Net Change in Proportions	330,573	39,876
Total Contributions and Proportionate Share of Contributions After the Measurement Date	327,411	
	<u>\$ 1,508,285</u>	<u>\$ 1,008,738</u>

### Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

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

## 8. PENSION PLANS (Continued)

### Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 7.34% as of July 1, 2017 and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three years are as follows:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Township</u>	<u>Employees</u>	<u>Township</u>	<u>Employees</u>
2017	\$ 50,056.00	\$ 30,418.60	\$ 298,691.00	\$ 129,676.70
2016	55,097.00	28,104.32	275,998.00	122,413.50
2015	53,303.00	26,875.18	265,792.00	121,967.00

## 9. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

### Description of System (Continued)

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFRS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

## 9. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

### Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>Township</u>	<u>Employees</u>
2017	\$ 1,222.17	\$ 2,240.52
2016	1,624.87	2,984.01
2015	1,718.63	3,151.19

## 10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION

The Township of Boonton, by contractual agreement, provides the following benefits to policemen:

"Upon retirement after 25 years of service with the Township of Boonton, each policeman shall be entitled to an annual retirement supplement from the Township of seven hundred and fifty dollars (\$750.00) to be paid to the retiree, commencing with the date of retirement, and on each anniversary date of retirement thereafter. The said benefit shall terminate on the 65<sup>th</sup> birthday of the retiree.

This benefit is available to all qualifying policemen and is intended with respect to policemen hired after January 1, 1988 to be in lieu of longevity pay. Those policemen who are currently working for the Township, as of January 1, 1994, shall be allowed to include all service in the Police and Firemen's Retirement System for purposes of qualifying for this benefit.

Employees hired after January 1, 1994, must have at least 25 years of service with Boonton Township to receive the retirement supplement".

The Township of Boonton's disbursements for the year ended December 31, 2017 were \$4,500.00.

## 11. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Pursuant to N.J.S.A. 40A:2-8.1, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

## 11. MUNICIPAL DEBT (Continued)

### Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 2,668,000.00	\$ 2,842,000.00	\$ 2,833,618.00
Assessment Trust Fund:			
Bonds and Notes	225,000.00	300,000.00	375,000.00
Water Utility:			
Bonds and Notes	28,000.00	36,000.00	44,000.00
Sewer Assessment Fund:			
Bonds and Notes	54,000.00	72,000.00	90,000.00
	<u>2,975,000.00</u>	<u>3,250,000.00</u>	<u>3,342,618.00</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	<u>250,000.00</u>		<u>95,000.00</u>
Total Debt	<u>3,225,000.00</u>	<u>3,250,000.00</u>	<u>3,437,618.00</u>
<u>Deductions</u>			
Cash on Hand:			
Open Space Trust Fund	472,000.00	628,000.00	782,000.00
Assessment Trust Fund	94,881.12	97,539.12	115,602.63
Sewer Assessment Trust Fund	9,379.72	9,148.44	10,070.99
	<u>576,260.84</u>	<u>734,687.56</u>	<u>907,673.62</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 2,648,739.16</u>	<u>\$ 2,515,312.44</u>	<u>\$ 2,529,944.38</u>

### Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.281%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 565,000.00	\$ 565,000.00	\$
Water Utility	28,000.00	28,000.00	
Sewer Utility	54,000.00	54,000.00	
General	<u>3,143,000.00</u>	<u>566,881.12</u>	<u>2,576,118.88</u>
	<u>\$ 3,790,000.00</u>	<u>\$ 1,213,881.12</u>	<u>\$ 2,576,118.88</u>

Net debt, \$2,576,118.88 divided by Average Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$917,035,635.67 equals 0.281%.

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

3 1/2% of Equalized Valuation Basis	\$ 32,096,247.25
Net Debt	<u>2,576,118.88</u>
Remaining Borrowing Power	<u>\$ 29,520,128.37</u>

## 11. MUNICIPAL DEBT (Continued)

### Calculation of "Self-Liquidating Purposes" Water Utility Per N.J.S. 40A:2-45

Surplus and Cash Receipts from Fees, Rents or Other Charges for Year		\$ 485,298.76
Deductions:		
Operating and Maintenance Costs	\$ 385,533.00	
Debt Service per Water Utility Operating Fund	<u>8,945.00</u>	
		<u>394,478.00</u>
Excess in Revenue		<u>\$ 90,820.76</u>

There being an excess in Water Utility Revenue, all Water Utility Debt is deductible for debt statement purposes.

### Calculation of "Self-Liquidating Purposes" Sewer Utility Per N.J.S. 40A:2-45

Surplus and Cash Receipts from Fees, Rents or Other Charges for Year		\$ 322,320.97
Deductions:		
Operating and Maintenance Costs	\$ 227,126.00	
Debt Service per Sewer Utility Operating Fund	<u>1,822.50</u>	
Anticipated Deficit in Dedicated Assessment Budget	<u>8,851.56</u>	
		<u>237,800.06</u>
Excess in Revenue		<u>\$ 84,520.91</u>

There being an excess in Sewer Utility Revenue, all Sewer Utility Debt is deductible for debt statement purposes.

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

As of December 31, 2017 the Township's long-term debt is as follows:

#### General Obligation Bonds

\$644,000.00, 2010 Bonds due in annual installments of \$70,000.00 to \$74,000.00 through January 2020, interest at 3.00% to 3.50%	\$ 216,000.00
\$1,515,000.00, 2010 Open Space Bonds due in annual installments of \$153,000.00 to \$161,000.00 through January 2020, interest at 3.00% to 3.50%	<u>472,000.00</u>
	<u>\$ 688,000.00</u>



## 11. MUNICIPAL DEBT (Continued)

### Assessment Trust Bonds

\$750,000.00, 2010 Bonds due in annual installments of \$75,000.00 through January 2020, interest at 3.00% to 3.50%

\$ 225,000.00

### Water Utility Bonds

\$81,000.00, 2010 Bonds due in annual installments of \$9,000.00 to \$10,000.00 through January 2020, interest at 3.00% to 3.50%

\$ 28,000.00

### Sewer Assessment Bonds

\$180,000.00, 2010 Bonds due in annual installments of \$18,000.00 through January 2020, interest at 3.00% to 3.50%

\$ 54,000.00

### Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Amount</u>
General Capital	2.25%	<u>\$ 1,980,000.00</u>

Statutory requirements for providing sums equivalent to legally payable installments for the redemption of notes (Budget Appropriations) and permanent funding (Bond Issues) are summarized as follows:

<u>Issued</u>	<u>Installments Due</u>	<u>as of May 1</u>
2009	2012 - 2019	2020
2011	2014 - 2021	2022
2012	2015 - 2022	2023
2013	2016 - 2023	2024
2014	2017 - 2024	2025
2015	2018 - 2025	2026
2016	2019 - 2026	2027
2017	2020 - 2027	2028

# 11. MUNICIPAL DEBT (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Calendar Year	Total	General Capital Fund		Open Space Bonds		Assessment Trust Fund		Water Utility Capital Fund		Sewer Assessment Trust Fund	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 358,225.00	\$ 70,000.00	\$ 6,160.00	\$ 158,000.00	\$ 13,360.00	\$ 75,000.00	\$ 6,375.00	\$ 9,000.00	\$ 800.00	\$ 18,000.00	\$ 1,530.00
2019	352,412.50	72,000.00	3,850.00	161,000.00	8,172.50	75,000.00	3,937.50	9,000.00	507.50	18,000.00	945.00
2020	335,775.00	74,000.00	1,295.00	153,000.00	2,677.50	75,000.00	1,312.50	10,000.00	175.00	18,000.00	315.00
	\$ 1,046,412.50	\$ 216,000.00	\$ 11,305.00	\$ 472,000.00	\$ 24,210.00	\$ 225,000.00	\$ 11,625.00	\$ 28,000.00	\$ 1,482.50	\$ 54,000.00	\$ 2,790.00

Notes:

- (1) Interest reflected above is on the cash basis for all funds.
- (2) The Open Space debt service is expected to be paid by the Municipal Open Space Trust Fund.

## 11. MUNICIPAL DEBT (Continued)

### Bonds and Notes Authorized but Not Issued

	Balance Dec. 31, 2017	Balance Dec. 31, 2016
General Capital Fund:		
General Improvements	<u>\$ 250,000.00</u>	<u>\$ -</u>

## 12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2017, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due from Other Funds	Due to Other Funds
Current Fund	\$ 38,795.83	\$
Federal and State Grant Fund	<u>                    </u>	<u>38,795.83</u>
	<u>\$ 38,795.83</u>	<u>\$ 38,795.83</u>

## 13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, there were no deferred charges on the balance sheet.

## 14. DEFERRED COMPENSATION PLAN

The Township of Boonton offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The administrator for the Township of Boonton Deferred Compensation Plan is the Variable Annuity Life Insurance Company (VALIC).

## 15. RISK MANAGEMENT

The Township of Boonton is a member of the Morris County Municipal Joint Insurance Fund which provides coverage for general liability, property insurance, automobile coverage and workers' compensation.

## **16. CONTINGENT LIABILITIES**

### **A. Compensated Absences**

The Township permits employees to accumulate (with certain restrictions) unused vacation and sick leave. Employees are permitted to carry over a maximum of 15 vacation days into the following year. Employees who retire or resign from the Township shall receive payment for accumulated and earned vacation days at their existing daily rate. Employees are permitted to accumulate a maximum of 90 days of unused sick time.

Employees who retire or resign from the Township shall receive payment for accumulated sick days at a rate of one day for each two days of unused accumulated sick time at the rate of the employee's base salary.

The Township estimates that the current cost of such unpaid compensation would be \$289,685.52 payable to 26 officials and employees on the basis of 2017 salary rates. This amount was not verified by audit.

Benefits paid in any future years will be charged to that year's budget.

Provision for the above is not reflected on the Financial Statements of the Township.

### **B. Tax Appeals**

As of June 1, 2018, there were six appeals pending before the New Jersey Tax Court with an assessed valuation of \$21,168,599.00. Potential liability was undeterminable. The Township has made provision from tax revenues, in the sum of \$99,675.51, for these appeals in the event that tax reductions are granted.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Township to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

### **C. Federal and State Awards**

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2017 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

### **D. Arbitrage Rebate Calculation**

In 1985, under the Tax Reform Act, the Arbitrage Rebate Law went into effect requiring issuers of tax exempt debt obligations to rebate to the Federal Government all of the earnings in excess of the yield on investments of proceeds of such debt issuances (the "Rebate Arbitrage"). The Rebate Regulations apply to obligations issued after August 31, 1986. The arbitrage rebate liability must be calculated every installment computation date (last day of the fifth bond year) or earlier if the bonds are retired, defeased or refunded and pay at least 90% of the rebatable arbitrage (plus any earnings thereon) within 60 days after such date.

### **E. Payments in Lieu of Taxes (PILOT)**

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

## **16. CONTINGENT LIABILITIES (Continued)**

### **F. Litigation**

There is no significant litigation or any contingent liabilities, unasserted claims or assessments or statutory violations which would affect the financial position or results of operations of the Township.

General liability claims pending against the Township are handled by insurance carriers.

The City of Jersey City is currently a member of the Rockaway Valley Regional Sewerage Authority ("RVRSA"), as is the Township as well as a number of other Morris County municipalities. A lawsuit was filed in 2010 by the City of Jersey City and the Jersey City Municipal Utilities Authority (the plaintiff) claiming that 1) they have no obligation to contribute to the RVRSA's capital costs; 2) that the 1984 settlement agreement among the parties is void or in the alternative that it be reformed to decrease the plaintiffs' share of the costs and 3) that they are entitled to damages for what plaintiffs contend was an incorrect assessment of capital costs. A motion for partial summary judgment was granted to the member municipalities of the RVRSA finding that Jersey City's obligation to pay for operating costs, maintenance and repairs must continue. However, the City of Jersey City has added another claim to its lawsuit asserting that the terms of the 1971/1984 agreements should be interpreted to mean that the City of Jersey City's obligation to make any payments should end now or in the very near future. If the City of Jersey City is successful in its lawsuit, the contributions by the Township to the RVRSA would increase significantly. However, an estimate of the impact on future RVRSA contributions to be paid by the Township cannot be determined at this point. The Township has established a Reserve for Contingency of \$35,000 in the Sewer Utility Operating Fund to offset the costs of litigation related to this matter.

## **17. SECONDARY MARKET DISCLOSURE**

Solely for purposes of complying with Rule 15c2.12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

## **18. SUBSEQUENT EVENTS**

The Township of Boonton has evaluated subsequent events that occurred after the balance sheet date but before June 14, 2018. No items were determined to require disclosure.

TOWNSHIP OF BOONTON  
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS  
TREASURER

A-4

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2016	A	\$ 2,518,293.15	\$
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2c	\$ 76,480.98	\$
Interest on Investments and Deposits	A-2c	5,961.64	
Turnovers from Collector	A-6	21,887,146.86	
Due from State of New Jersey	A-9	28,250.00	
Revenue Accounts Receivable	A-13	627,602.06	
Interfunds Receivable	A-14	185,614.37	
Grants Receivable	A-15		203,882.20
Accounts Payable	A-18	2,555.42	
Due to State of New Jersey	A-19	7,987.00	
Accumulated Revenue - Unappropriated	A-26		14,050.13
Township's Matching Funds for Grants	A-27		3,000.00
Interfunds Payable	A-28		40,822.70
Contra Items:			
Petty Cash Funds	Contra	100.00	
		<u>22,821,698.33</u>	<u>261,755.03</u>
		25,339,991.48	261,755.03
Decreased by Disbursements:			
Revenue Refunds	A-1	1,840.00	
Budget Appropriation	A-3	4,449,705.59	
Interfunds Receivable	A-14	40,822.70	
Appropriation Reserves	A-17	280,628.11	
Accounts Payable	A-18	2,555.42	
Due to State of New Jersey	A-19	7,772.00	
Tax Overpayments	A-20	21,578.57	
Interfunds Payable	A-21	261,870.73	
Local School District Tax	A-22	13,004,327.00	
County Taxes	A-23	2,381,274.48	
Reserve for Pending Tax Appeals	A-25	30,699.89	
Appropriated Reserves for Federal and State Grants	A-27		261,755.03
Contra Item	Contra	100.00	
		<u>20,483,174.49</u>	<u>261,755.03</u>
Balance December 31, 2017	A	\$ <u>4,856,816.99</u>	\$ <u>-</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

CASH RECONCILIATION  
DECEMBER 31, 2017  
TREASURER

A-5

Balance per Statements:

Lakeland Bank,

Boonton, New Jersey:

#624601505 Current Account

\$ 4,125,183.01

#624601548 General Account

36,350.02

4,161,533.03

Plus: Deposit-in-Transit

733,732.42

4,895,265.45

Less: Outstanding Checks

38,448.46

\$ 4,856,816.99

TOWNSHIP OF BOONTON  
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS  
COLLECTOR

A-6

	<u>Ref.</u>		
Increased by Receipts:			
Interest and Costs on Taxes	A-2a	\$ 78,960.01	
Property Taxes Receivable	A-10	19,304,333.50	
Tax Overpayments	A-20	21,578.57	
Prepaid Taxes	A-24	<u>2,482,274.78</u>	
			\$21,887,146.86
Decreased by Disbursements:			
Turnovers to Treasurer	A-4		<u>21,887,146.86</u>
			<u>\$ -</u>



TOWNSHIP OF BOONTON  
CURRENT FUND

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION  
CASH MANAGEMENT FUNDS

A-7

	<u>Ref.</u>	
Balance December 31, 2016	A	\$301.92
Increased by:		
Interest on Investments	A-2c	<u>2.76</u>
Balance December 31, 2017	A	<u>\$304.68</u>

Bank Reconciliation December 31, 2017

Balance per Statements:

    New Jersey Cash Management Fund:

        State Street Bank and Trust,

        Boston, Massachusetts:

        #000079529-171

\$304.68

TOWNSHIP OF BOONTON  
CURRENT FUND

CHANGE FUNDS

A-8

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Tax Collector	\$ 100.00	\$ 100.00
Municipal Court	<u>100.00</u>	<u>100.00</u>
	<u>\$ 200.00</u>	<u>\$ 200.00</u>
<u>Reference</u>	<u>A</u>	<u>A</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

DUE FROM STATE OF NEW JERSEY  
PER CHAPTER 129, P.L. 1976

A-9

	<u>Ref.</u>		
Increased by:			
Deductions per Tax Billings:			
Veterans		\$27,750.00	
Plus: Deductions Allowed by			
Tax Collector:			
Veterans		<u>1,000.00</u>	
	A-2b,10		\$28,750.00
Decreased by:			
Collections	A-4	28,250.00	
Transferred from Due to State of			
New Jersey	A-19	<u>250.00</u>	
			<u>28,500.00</u>
Balance December 31, 2017	A		<u>\$ 250.00</u>

## TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2016	2017 Levy	Collections		Due from State of New Jersey	Transfer to Tax Title Liens	Cancelled	Balance Dec. 31, 2017
			<u>2016</u>	<u>2017</u>				
2013	\$ 1,441.73	\$	\$	\$ 1,441.73	\$	\$	\$	\$
2014	6,070.32			6,070.32				
2015	6,098.14			6,098.14				
2016	296,938.76			290,608.26		6,330.50		
	<u>310,548.95</u>			<u>304,218.45</u>		<u>6,330.50</u>		
2017		19,387,163.87	121,359.24	19,000,115.05	28,750.00	9,354.86	1,219.44	226,365.28
	\$ 310,548.95	\$ 19,387,163.87	<u>\$ 121,359.24</u>	<u>\$ 19,304,333.50</u>	<u>\$ 28,750.00</u>	<u>\$ 15,685.36</u>	<u>\$ 1,219.44</u>	<u>\$ 226,365.28</u>
Reference	A	Below	A-24	A-2b.6	A-9	A-11	Reserve	A

	<u>Ref.</u>	<u>Tax Yield</u>	<u>Ref.</u>
General Property Tax		\$ 19,365,317.38	
Added Taxes		21,846.49	
			Above
			\$ 19,387,163.87
<u>Tax Levy</u>			
Local School District (Abstract)	A-22		
County Taxes:			
County Tax (Abstract)	A-23	\$ 2,378,579.33	
Added Tax	A-23	<u>2,695.15</u>	
			2,381,274.48
Local Taxes:			
Municipal Open Space Tax		261,575.64	
Added Taxes		<u>295.09</u>	
	A-21		261,870.73
Local Taxes for Municipal Purposes (Budget)			
A-2		3,714,122.99	
Added Taxes		<u>25,568.67</u>	
			3,739,691.66
			\$ 19,387,163.87

TOWNSHIP OF BOONTON  
CURRENT FUND

TAX TITLE LIENS

A-11

	<u>Ref.</u>		
Balance December 31, 2016	A		\$ 27,897.83
Increased by:			
Transfers from Taxes Receivable	A-10	\$ 15,685.36	
Interest and Costs Accrued by			
Sale of December 20, 2017	Reserve	<u>1,114.16</u>	
			<u>16,799.52</u>
Balance December 31, 2017	A		<u>\$ 44,697.35</u>

PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUE)

A-12

	<u>Ref.</u>		
Balance December 31, 2016	A		<u>\$ 332,000.00</u>
Balance December 31, 2017	A		<u>\$ 332,000.00</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

		<u>A-13</u>	
<u>Source</u>	<u>Ref.</u>	Balance Dec. 31, 2016	Balance Dec. 31, 2017
<u>Budget Revenue</u>			
Clerk:			
ABC Licenses	A-2a	\$	\$
Construction Code Official:			
Fees and Permits	A-2a		136,231.00
Magistrate:			
Fines and Costs	A-2a	1,685.02	29,113.92
State of New Jersey:			1,598.41
Consolidated Municipal Property Tax			
Relief Aid	A-2a		2,008.00
Energy Receipts Tax	A-2a		238,863.00
Treasurer:			
Victoria Mews Assisted Living Agreement:			
Payment in Lieu of Taxes (PILOT)	A-2a		160,133.14
Field Usage Revenue	A-2a		15,555.00
Cell Tower Rental	A-2a		33,948.00
Concession Agreement	A-2a		4,250.00
		<u>1,685.02</u>	<u>1,598.41</u>
<u>Nonbudget Revenue</u>			
Other Revenue:			
Interlocal Agreement - Borough of Rockaway -			
Qualified Purchasing Agent	A-2c	50.00	2,700.00
		<u>\$1,735.02</u>	<u>\$627,602.06</u>
<u>Reference</u>	<u>Reference</u>	<u>A</u>	<u>A-4</u>
			<u>\$1,598.41</u>
			<u>A</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

INTERFUNDS RECEIVABLE  
CURRENT FUND

A-14

	Ref.	Total	Federal and State Grant Fund	Assessment Trust Fund	Animal Control Trust Fund	General Trust Fund	General Capital Fund	Payroll Fund
Increased by:								
Reserve for Grant Expenditures	A-1	\$ 11,272.73	\$ 11,272.73	\$	\$	\$	\$	\$
Cancelled								
Anticipated as Current Fund	A-2a	176,674.67		2,604.67		174,070.00		
Revenue								
Interest on Investments and	A-2c	1,002.07		146.37	11.86	195.14	395.10	253.60
Deposits	A-2c	7,067.98		7,067.98				
Interest on Assessment	A-2c	869.65		869.65				
Interest on Delinquent Assessments								
Advances	A-4	40,822.70	40,822.70					
		<u>237,709.80</u>	<u>52,095.43</u>	<u>10,688.67</u>	<u>11.86</u>	<u>174,265.14</u>	<u>395.10</u>	<u>253.60</u>
Decreased by:								
Settlements	A-4	185,614.37		10,688.67	11.86	174,265.14	395.10	253.60
Transferred from Interfunds Receivable	A-21	13,299.60	13,299.60					
		<u>198,913.97</u>	<u>13,299.60</u>	<u>10,688.67</u>	<u>11.86</u>	<u>174,265.14</u>	<u>395.10</u>	<u>253.60</u>
Balance December 31, 2017	A	<u>\$ 38,795.83</u>	<u>\$ 38,795.83</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Analysis of Interfund Debit								
to Fund Balance								
Originated in 2017	Above	\$ 237,709.80						
Realized in 2017	Above	<u>198,913.97</u>						
Net Debit to Operations	A-1	<u>\$ 38,795.83</u>						

TOWNSHIP OF BOONTON  
CURRENT FUND

GRANTS RECEIVABLE

A-15

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>2017</u> <u>Grants</u>	<u>Decrease</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Clean Communities Act:					
2017	\$	\$ 14,417.16	\$ 14,417.16	\$	\$
Body Armor Grant:					
2017		1,542.58	1,542.58		
Municipal Alliance on Alcoholism and Drug Abuse:					
2016	7,006.50		7,006.50		
2017		8,269.00			8,269.00
Alcohol Education and Rehabilitation Grant:					
2017		483.45	483.45		
Highlands - Plan Conformance:					
2016	21,960.00		21,960.00		
2017		3,040.00	513.50		2,526.50
Bulletproof Vest Partnership Grant:					
2017		2,366.03	961.70	608.43	795.90
New Jersey Department of Transportation:					
Kingsland Road:					
2017		250,000.00	173,440.50		76,559.50
	<u>\$ 28,966.50</u>	<u>\$ 280,118.22</u>	<u>\$ 220,325.39</u>	<u>\$ 608.43</u>	<u>\$ 88,150.90</u>

Reference

A

A-2a

Below

Below

A

Ref.

Cash Receipts  
Unappropriated Reserves Applied  
Reserve for Grant Expenditures

A-4

\$ 203,882.20

\$

A-26

16,443.19

A-27

608.43

Above

\$ 220,325.39

\$ 608.43



TOWNSHIP OF BOONTON  
CURRENT FUND

INTERFUNDS RECEIVABLE  
FEDERAL AND STATE GRANT FUND

A-16

Current  
Fund

Balance December 31, 2016

Ref.

A

\$13,299.60

Decreased by:

Transferred to Interfunds  
Payable

A-28

13,299.60

\$ -

TOWNSHIP OF BOONTON  
CURRENT FUND

APPROPRIATION RESERVES

A-17  
Sheet #1

	Balance Dec. 31, 2016		Balance After Transfers	Decrease	Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>GENERAL GOVERNMENT</u>					
Mayor and Township Committee:					
Other Expenses	\$ 50.00	\$ 2,597.24	\$ 2,647.24	\$ 1,500.00	\$ 1,147.24
General Administration:					
Salaries and Wages		48.12	48.12		48.12
Other Expenses	35.00	3,164.00	3,199.00	35.00	3,164.00
Municipal Clerk:					
Other Expenses	293.26	1,587.47	1,880.73	730.75	1,149.98
Codification		2,090.81	2,090.81		2,090.81
Financial Administration:					
Other Expenses	2,381.95	3,761.11	6,143.06	2,412.78	3,730.28
Audit		11,500.00	11,500.00		
Assessment of Taxes:					
Other Expenses	362.54	990.56	1,353.10	7.05	1,346.05
Collection of Taxes:					
Other Expenses	220.00	550.30	770.30	266.49	503.81
Computer:					
Salaries and Wages		1.00	1.00		1.00
Other Expenses	330.00	930.65	1,260.65	330.00	930.65
Legal Services and Costs:					
Other Expenses		2,294.69	2,294.69	1,144.94	1,149.75
Engineering Services and Costs:					
Other Expenses		8,461.90	8,461.90	8,160.00	301.90
Public Buildings and Grounds:					
Salaries and Wages		2,026.78	2,026.78	62.40	1,964.38
Other Expenses	1,321.15	1,425.85	2,747.00	2,579.54	167.46
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages		49.17	49.17		49.17
Other Expenses	2,062.50	2,334.24	4,396.74	2,403.95	1,992.79
Environmental Committee:					
Other Expenses		441.34	441.34		441.34
Insurance:					
General Liability Insurance		9,993.62	9,993.62		9,993.62
Group Insurance Plan	100.00	13,194.72	13,294.72	933.87	12,360.85
Health Insurance Waiver		993.15	993.15		993.15

TOWNSHIP OF BOONTON  
CURRENT FUND

APPROPRIATION RESERVES

A-17  
Sheet #2

	Balance Dec. 31, 2016		Balance After Transfers	Decrease	Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>PUBLIC SAFETY</u>					
Fire:					
Other Expenses	\$ 4,841.34	\$ 10,372.96	\$ 15,214.30	\$ 15,170.86	\$ 43.44
Police:					
Salaries and Wages		20,960.20	20,960.20	7,473.29	13,486.91
Other Expenses	13,487.60	11,669.98	25,157.58	17,944.66	7,212.92
First Aid Organization - Contribution		9,036.52	9,036.52	9,036.52	
Dispatch	19,515.77	484.23	20,000.00	19,515.77	484.23
Uniform Fire Safety Act:					
Fire Official:					
Salaries and Wages		466.00	466.00		466.00
Other Expenses	100.59	5.70	106.29	100.59	5.70
Office of Emergency Management:					
Other Expenses		1,757.49	1,757.49		1,757.49
<u>STREETS AND ROADS</u>					
Road Repairs and Maintenance:					
Salaries and Wages		2,000.00	2,000.00		2,000.00
Other Expenses	6,301.20	14,794.27	21,095.47	6,357.45	14,738.02
Other Public Works Functions:					
Snow Plowing and Sanding:					
Other Expenses	31,713.89	228,446.36	260,160.25	48,287.78	211,872.47
Vehicle Maintenance:					
Other Expenses	21,089.98	589.97	21,679.95	21,619.03	60.92
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Other Expenses	38.00	556.39	594.39	38.00	556.39
Board of Health Contractual		1,699.80	1,699.80	246.54	1,453.26
Animal Control Officer:					
Salaries and Wages		775.00	775.00		775.00
Other Expenses		1,793.68	1,793.68	181.94	1,611.74

TOWNSHIP OF BOONTON  
CURRENT FUND

A-17  
Sheet #3

APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Decrease</u>	<u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>RECREATION AND EDUCATION</u>					
Recreation:					
Other Expenses		\$ 277.36	\$ 277.36	\$	\$ 277.36
Celebration of Public Events:					
Other Expenses		179.70	179.70		179.70
<u>SANITATION</u>					
Solid Waste Collection:					
Recycling:					
Other Expenses	217.98	7,508.88	7,726.86	5,877.73	1,849.13
<u>MUNICIPAL COURT</u>					
Municipal Court:					
Salaries and Wages		5,993.89	5,993.89		5,993.89
Other Expenses	204.84	1,033.27	1,238.11	570.24	667.87
Public Defender:					
Other Expenses		2,470.78	2,470.78		2,470.78
Public Employees' Occupational Safety and Hazards Act		3,000.00	3,000.00		3,000.00
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>					
<u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u>					
Construction Official:					
Salaries and Wages		335.68	335.68		335.68
Other Expenses	127.26	1,245.97	1,373.23	218.98	1,154.25
<u>UNCLASSIFIED</u>					
Utility Expenses:					
Electricity		3,527.78	3,527.78	1,032.60	2,495.18
Telephone	974.01	48.28	1,022.29	867.35	154.94
Water		1,283.74	1,283.74		1,283.74
Gas	756.81	5,888.75	6,645.56	1,861.40	4,784.16
Fuel Oil		5,358.38	5,358.38	664.97	4,693.41
Sewerage Processing		4.00	4.00		4.00
Gasoline	1,558.23	30,428.31	31,986.54	1,719.16	30,267.38

TOWNSHIP OF BOONTON  
CURRENT FUND

APPROPRIATION RESERVES

A-17  
Sheet #4

	Balance Dec. 31, 2016		Balance After Transfers	Decrease	Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>CONTINGENT</u>	\$	\$ 6,000.00	\$ 6,000.00	\$	\$ 6,000.00
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Social Security System (OASI)		14,388.22	14,388.22	576.48	13,811.74
Unemployment Insurance		100.00	100.00		100.00
Defined Contribution Retirement Program		1,375.13	1,375.13		1,375.13
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
<u>OPERATIONS</u>					
9-1-1 Communication System:					
Other Expenses	86,000.00		86,000.00	86,000.00	
Storm Water Tier A General Permit (N.J.S.A. 40A:4-45.3(cc)):					
Other Expenses		6,990.00	6,990.00	3,200.00	3,790.00
	<u>\$ 194,083.90</u>	<u>\$ 471,283.39</u>	<u>\$ 665,367.29</u>	<u>\$ 280,628.11</u>	<u>\$ 384,739.18</u>
<u>Reference</u>	<u>A</u>	<u>A</u>		<u>A-4</u>	<u>A-1</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

ACCOUNTS PAYABLE

A-18

Ref.

Increased by:  
Collections

A-4

\$2,555.42

Decreased by:  
Payments

A-4

2,555.42

\$ -

TOWNSHIP OF BOONTON  
CURRENT FUND

DUE TO STATE OF NEW JERSEY

A-19

	<u>Ref.</u>	<u>Total</u>	<u>Senior Citizens' and Veterans' Deductions</u>	<u>Construction Training Fees</u>	<u>Marriage License Fees</u>
Balance December 31, 2016	A	\$ 1,468.00	\$ 250.00	\$ 1,093.00	\$ 125.00
Increased by:					
Collections	A-4	7,987.00		7,537.00	450.00
		<u>9,455.00</u>	<u>250.00</u>	<u>8,630.00</u>	<u>575.00</u>
Decreased by:					
Payments	A-4	7,772.00		7,272.00	500.00
Transferred to Due from State of New Jersey	A-9	250.00	250.00		
		<u>8,022.00</u>	<u>250.00</u>	<u>7,272.00</u>	<u>500.00</u>
Balance December 31, 2017	A	<u>\$ 1,433.00</u>	<u>\$ -</u>	<u>\$ 1,358.00</u>	<u>\$ 75.00</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

TAX OVERPAYMENTS

A-20

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 8,556.91
Increased by:		
Collections	A-6	<u>21,578.57</u>
		30,135.48
Decreased by:		
Refunds	A-4	<u>21,578.57</u>
Balance December 31, 2017	A	<u><u>\$ 8,556.91</u></u>



TOWNSHIP OF BOONTON  
CURRENT FUND

INTERFUNDS PAYABLE  
CURRENT FUND

A-21

	<u>Ref.</u>	<u>Total</u>	<u>Federal and State Grant Fund</u>	<u>General Trust Fund</u>
Balance December 31, 2016	A	\$ 13,299.60	\$13,299.60	\$
Increased by:				
Open Space Tax	A-1,2b,10	<u>261,870.73</u>		<u>261,870.73</u>
		<u>275,170.33</u>	<u>13,299.60</u>	<u>261,870.73</u>
Decreased by:				
Settlements	A-4	261,870.73		261,870.73
Transferred to Interfunds Receivable	A-14	<u>13,299.60</u>	<u>13,299.60</u>	
		<u>275,170.33</u>	<u>13,299.60</u>	<u>261,870.73</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

LOCAL SCHOOL DISTRICT TAX

A-22

Ref.

Increased by:  
Levy - Calendar Year 2017

A-1,2b,10

\$13,004,327.00

Decreased by:  
Payments

A-4

13,004,327.00

\$ -

TOWNSHIP OF BOONTON  
CURRENT FUND

COUNTY TAXES

A-23

Ref.

Increased by:			
2017 Levy		\$ 2,297,974.77	
County Open Space Tax		80,604.56	
	A-10	<u>2,378,579.33</u>	
Added Assessments	A-10	2,695.15	
	A-1,2b		\$ 2,381,274.48
Decreased by:			
Payments	A-4		<u>2,381,274.48</u>
			<u>\$ -</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

PREPAID TAXES

A-24

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 121,359.24
Increased by:		
Collections - 2018 Taxes	A-6	<u>2,482,274.78</u>
		2,603,634.02
Decreased by:		
Transfer to 2017 Taxes Receivable	A-2b,10	<u>121,359.24</u>
Balance December 31, 2017	A	<u><u>\$ 2,482,274.78</u></u>

TOWNSHIP OF BOONTON  
CURRENT FUND

RESERVE FOR PENDING TAX APPEALS

A-25

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 120,375.40
Increased by:		
Budget Appropriation	A-3	<u>10,000.00</u>
		130,375.40
Decreased by:		
Refunds	A-4	<u>30,699.89</u>
Balance December 31, 2017	A	<u><u>\$ 99,675.51</u></u>

TOWNSHIP OF BOONTON  
CURRENT FUND

ACCUMULATED REVENUE - UNAPPROPRIATED

A-26

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increase</u>	<u>Decrease</u> <u>Anticipated as</u> <u>Current Fund</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
<u>Federal and State Grant Fund</u>				
Clean Communities Grant	\$ 14,417.16	\$ 12,248.28	\$ 14,417.16	\$ 12,248.28
Alcohol Education and Rehabilitation Fund	483.45	257.36	483.45	257.36
Body Armor Grant	<u>1,542.58</u>	<u>1,544.49</u>	<u>1,542.58</u>	<u>1,544.49</u>
	<u>\$ 16,443.19</u>	<u>\$ 14,050.13</u>	<u>\$ 16,443.19</u>	<u>\$ 14,050.13</u>
 <u>Reference</u>	 <u>A</u>	 <u>A-4</u>	 <u>A-15</u>	 <u>A</u>

TOWNSHIP OF BOONTON  
CURRENT FUND

APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

A-27

<u>Grant</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Budget Appropriations</u>	<u>Decrease</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2017</u>
Clean Communities Act:					
2016	\$ 12,603.98	\$	\$ 2,264.00	\$ 10,339.98	\$
2017		14,417.16			14,417.16
Drunk Driving Enforcement Program:					
2014	1,005.07		388.31		616.76
Alcohol Education and Rehabilitation Fund:					
2015	1,181.72				1,181.72
2016	1,178.66				1,178.66
2017		483.45			483.45
Body Armor Grant:					
2015	328.64				328.64
2016	1,594.52				1,594.52
2017		1,542.58			1,542.58
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share - 2016	7,006.50		7,006.50		
State Share - 2017		8,269.00	1,146.10		7,122.90
Township Share - 2016	923.82		923.82		
Township Share - 2017		3,000.00	1,576.68	932.75	490.57
Highlands - Plan Conformance Grant:					
2017		3,040.00			3,040.00
Bulletproof Vest Partnership Grant:					
2017		2,366.03		608.43	1,757.60
New Jersey Department of Transportation:					
Kingsland Road:					
2017		250,000.00	248,449.62		1,550.38
	<u>\$ 25,822.91</u>	<u>\$ 283,118.22</u>	<u>\$ 261,755.03</u>	<u>\$ 11,881.16</u>	<u>\$ 35,304.94</u>

Reference

A

Below

A-4

Below

A

Ref.

State and Federal Grants:

    2017 Grants

A-3

\$ 280,118.22

\$

Township's Matching Funds

A-3,4

3,000.00

Grants Receivable

A-15

608.43

Interfunds Payable

A-28

11,272.73

Above

\$ 283,118.22

\$ 11,881.16

TOWNSHIP OF BOONTON  
CURRENT FUND

INTERFUNDS PAYABLE  
FEDERAL AND STATE GRANT FUND

A-28

	<u>Ref.</u>	<u>Current Fund</u>
Increased by:		
Advances	A-4	\$40,822.70
Reserve for Grant Expenditures		
Cancelled	A-27	<u>11,272.73</u>
		52,095.43
Decreased by:		
Transferred from Interfunds		
Receivable	A-16	<u>13,299.60</u>
Balance December 31, 2017	A	<u>\$38,795.83</u>



TOWNSHIP OF BOONTON  
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS

TREASURER

B-4

	<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>General Trust Fund</u>
Balance December 31, 2016	B	\$ 100,143.79	\$ 456.33	\$ 1,392,183.52
Increased by Receipts:				
Turnovers from Collector's Account	B-6	\$	\$ 7,900.50	\$
Assessments Receivable	B-9	73,336.20		1,010.00
Due from Municipal Court	B-10			264,528.01
Interfunds Receivable	B-11			308,529.31
Special Deposits	B-14			16,000.00
Premiums on Tax Sale	B-15			2,099.17
Municipal Open Space Trust Fund	B-16			195.14
Interfunds Payable	B-17	8,084.00	11.86	
Reserve for Municipal Alliance on Alcoholism and Drug Abuse - Program Income	B-21			1,290.00
		<u>81,420.20</u>	<u>7,912.36</u>	<u>593,651.63</u>
		181,563.99	8,368.69	1,985,835.15
Decreased by Disbursements:				
Due to State of New Jersey	B-12		830.40	
Accounts Payable	B-13		12.00	
Special Deposits	B-14			287,991.32
Premiums on Tax Sale	B-15			2,000.00
Municipal Open Space Trust Fund	B-16			39,696.61
Interfunds Payable	B-17	10,688.67	11.86	234,265.14
Reserve for Animal Control Trust Fund	B-19		7,194.16	
Expenditures	B-22	<u>75,000.00</u>		
Assessment Serial Bonds		85,688.67	8,048.42	563,953.07
Balance December 31, 2017	B	<u>\$ 95,875.32</u>	<u>\$ 320.27</u>	<u>\$ 1,421,882.08</u>

TOWNSHIP OF BOONTON  
TRUST FUND

CASH RECONCILIATIONS  
DECEMBER 31, 2017

B-5

	<u>Assessment</u> <u>Trust Fund</u>	<u>Animal</u> <u>Control</u> <u>Trust Fund</u>	<u>General</u> <u>Trust Fund</u>
Balance per Statements:			
Lakeland Bank,			
Boonton, New Jersey:			
#624603842 - Trust Assessment	\$ 96,069.48	\$	\$
#624601572 - Dog License Fund		321.19	
#624603966 - Affordable Housing			262.73
#624604016 - Cash Bonds			4,000.16
#624612078 - Developer's Account			26,931.21
#624612086 - Developers - Disbursement			0.17
#624608631 - Flexible Spending Account			1,779.46
#624603958 - Law Enforcement			12,856.18
#624603826 - Open Space Trust			1,232,965.15
#624612094 - Other Trust			45,110.93
#624612108 - Other Trust Disbursement			0.01
#624603990 - Police Outside Duty			21,536.52
#624612124 - Police Outside Duty Disbursement			0.08
#624601556 - Recreation Trust			17,223.31
#624612116 - Recreation Trust Disbursement			0.09
#624612043 - Redemption of Tax Title Liens			0.75
#624612051 - Redemption of Tax Title Liens -			
Disbursement			0.02
#624605179 - Tax Sale Premiums			16,500.29
#624603974 - Unemployment Compensation			44,683.43
	<u>96,069.48</u>	<u>321.19</u>	<u>1,423,850.49</u>
Plus: Deposit-in-Transit	<u>20.00</u>		
	96,089.48	321.19	1,423,850.49
Less: Outstanding Checks	<u>214.16</u>	<u>0.92</u>	<u>1,968.41</u>
	<u>\$ 95,875.32</u>	<u>\$ 320.27</u>	<u>\$ 1,421,882.08</u>

TOWNSHIP OF BOONTON  
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS  
COLLECTOR'S ACCOUNTS

B-6

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	
Increased by Receipts:			
Due to State of New Jersey	B-12	\$ 830.40	
Accounts Payable	B-13	12.00	
Reserve for Animal Control Trust			
Fund Expenditures	B-19	<u>7,058.10</u>	
			\$ 7,900.50
Decreased by Disbursements:			
Turnover to Treasurer	B-4		<u>7,900.50</u>
			<u>\$ -</u>

TOWNSHIP OF BOONTON  
TRUST FUND

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION  
CASH MANAGEMENT FUNDS

B-7

	<u>Ref.</u>	
Balance December 31, 2016	B	\$ 6,390.78
Increased by:		
Interest on Investments	B-16	<u>54.27</u>
Balance December 31, 2017	B	<u>\$ 6,445.05</u>

Bank Reconciliation December 31, 2017

Balance per Statement:

    New Jersey Cash Management Fund:

        State Street Bank and Trust,

        Boston, Massachusetts:

        #000105759-171

\$ 6,445.05

TOWNSHIP OF BOONTON  
TRUST FUND

ANALYSIS OF ASSESSMENT TRUST CASH AND INVESTMENTS

B-8

	Balance Dec. 31, 2016	Receipts		Disbursements			Transfers		Balance Dec. 31, 2017
		Assessments Receivable	Other	Serial Bonds	Other		From	To	
Assessment Serial Bonds:									
#593	\$ 53,971.52	\$ 53,865.86	\$	\$ 51,000.00	\$		\$	\$	\$ 56,837.38
#638	43,567.60	18,476.14		24,000.00					38,043.74
Other Accounts:									
Current Interfund			8,084.00		10,688.67		2,604.67	2,604.67	994.20
Fund Balance	2,604.67	994.20							
	<u>\$ 100,143.79</u>	<u>\$ 73,336.20</u>	<u>\$ 8,084.00</u>	<u>\$ 75,000.00</u>	<u>\$ 10,688.67</u>		<u>\$ 2,604.67</u>	<u>\$ 2,604.67</u>	<u>\$ 95,875.32</u>
Reference	B	B-9	B-17	B-22	B-17		Contra	Contra	B

## B-9

## B-9

104

TOWNSHIP OF BOONTON  
TRUST FUND

DUE FROM MUNICIPAL COURT

B-10

Ref.

Increased by:

Parking Offenses Adjudication Act  
Public Defender Application Fees

\$ 10.00  
1,000.00

B-14

\$ 1,010.00

Decreased by:

Collections:

Parking Offenses Adjudication Act  
Public Defender Application Fees

10.00  
1,000.00

B-4

1,010.00

\$ -

TOWNSHIP OF BOONTON  
TRUST FUND

INTERFUNDS RECEIVABLE

B-11

	<u>Ref.</u>	<u>Total General Trust Fund</u>	<u>General Trust Fund</u>	
			<u>Current Fund</u>	<u>Payroll Fund</u>
Increased by:				
Municipal Open Space Tax	B-16	\$ 261,870.73	\$ 261,870.73	\$
Payroll Deductions	B-20	2,657.28		2,657.28
		<u>264,528.01</u>	<u>261,870.73</u>	<u>2,657.28</u>
Decreased by:				
Settlements	B-4	<u>264,528.01</u>	<u>261,870.73</u>	<u>2,657.28</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



TOWNSHIP OF BOONTON  
TRUST FUND

DUE TO STATE OF NEW JERSEY

B-12

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	
Increased by:			
Registration Fees		\$ 552.00	
Pilot Clinic Fund		110.40	
Animal Population Control Fund		<u>168.00</u>	
	B-6		\$ 830.40
Decreased by:			
Payments	B-4		<u>830.40</u>
			<u>\$</u>

TOWNSHIP OF BOONTON  
TRUST FUND

ACCOUNTS PAYABLE

B-13

Animal  
Control  
Trust Fund

Ref.

Increased by:  
Collections

B-6

\$ 12.00

Decreased by:  
Payments

B-4

12.00

\$ -

TOWNSHIP OF BOONTON  
TRUST FUND

SPECIAL DEPOSITS

B-14

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Escrow Deposits	\$ 14,085.90	\$ 52,344.50	\$ 40,540.75	\$ 25,889.65
Affordable Housing	262.22	0.51		262.73
Cash Bonds	2,000.00	14,001.41	12,001.41	4,000.00
High School Law Enforcement Training Program Donations	670.09			670.09
Housing Rehabilitation	25,885.28			25,885.28
Law Enforcement Trust	12,849.77	6.41		12,856.18
Parking Offense Adjudication Act	52.97	10.00		62.97
Police Outside Duty	2,499.13	102,427.11	83,394.02	21,532.22
Police Body Armor Donations	1,707.26	300.00	2,007.26	
Police Donations		1,723.26		1,723.26
Public Defender Application Fees		1,000.00	1,000.00	
Recreation	34,233.18	102,326.75	119,340.03	17,219.90
Recycling	10,046.02	9,399.92	4,166.59	15,279.35
Flexible Spending Account	412.71	4,000.08	3,541.90	870.89
Redemption of Tax Title Liens		21,999.36	21,999.36	
	<u>\$ 104,704.53</u>	<u>\$ 309,539.31</u>	<u>\$ 287,991.32</u>	<u>\$ 126,252.52</u>

Reference

B

Below

B-4

B

Ref.

Collections  
Due from Municipal Court

B-4

\$ 308,529.31

B-10

1,010.00

Above

\$ 309,539.31

TOWNSHIP OF BOONTON  
TRUST FUND

PREMIUMS ON TAX SALE

B-15

	<u>Ref.</u>	
Balance December 31, 2016	B	\$ 2,500.00
Increased by:		
Collections	B-4	<u>16,000.00</u>
		18,500.00
Decreased by:		
Payments	B-4	<u>2,000.00</u>
Balance December 31, 2017	B	<u><u>\$ 16,500.00</u></u>

TOWNSHIP OF BOONTON  
TRUST FUND

MUNICIPAL OPEN SPACE TRUST FUND

B-16

	<u>Ref.</u>		
Balance December 31, 2016	B		\$ 1,249,152.64
Increased by:			
Interest on Deposits	B-4	\$ 2,099.17	
Interest on Investments	B-7	54.27	
Municipal Open Space Tax	B-11	<u>261,870.73</u>	
			<u>264,024.17</u>
			1,513,176.81
Decreased by:			
Expenditures	B-4	39,696.61	
Anticipated as Current Fund			
Operating Revenue	B-17	174,070.00	
Appropriated to Finance Improvement			
Authorization	B-17	<u>60,000.00</u>	
			<u>273,766.61</u>
Balance December 31, 2017	B		<u><u>\$ 1,239,410.20</u></u>

TOWNSHIP OF BOONTON  
TRUST FUND

INTERFUNDS PAYABLE

B-17

	Ref.	Assessment Trust Fund Current Fund	Animal Control Trust Fund Current Fund	Total General Trust Fund	General Trust Fund Current Fund	General Capital Fund
Increased by:						
Advances						
Interest on Deposits - Treasurer		\$ 146.37	\$ 11.86	\$ 195.14	\$ 195.14	\$
Interest on Assessments		7,067.98				
Interest on Delinquent Assessments	B-4	869.65				
		<u>8,084.00</u>	<u>11.86</u>	<u>195.14</u>	<u>195.14</u>	
Assessment Trust Fund Balance Anticipated as Current Fund Revenue	B-1	2,604.67				
Municipal Open Space Trust Funds Anticipated as Current Fund Revenue	B-16			174,070.00	174,070.00	
Municipal Open Space Trust Funds Appropriated to Finance Improvement Authorizations	B-16	<u>10,688.67</u>	<u>11.86</u>	<u>60,000.00</u>	<u>174,265.14</u>	<u>60,000.00</u>
				234,265.14		60,000.00
Decreased by:						
Settlements	B-4	<u>10,688.67</u>	<u>11.86</u>	<u>234,265.14</u>	<u>174,265.14</u>	<u>60,000.00</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Balance December 31, 2017						

TOWNSHIP OF BOONTON  
TRUST FUND

RESERVE FOR ASSESSMENTS

B-18

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Collections</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2017</u>
593	Sanitary Sewerage and Water System: Elcock Avenue/Grove Street	\$ 69,127.68	\$	\$ 23.01	\$ 69,104.67
645	Sanitary Sewerage and Water System: Elcock Avenue/Grove Street #2	<u>7,827.91</u>	<u>994.20</u>	<u></u>	<u>6,833.71</u>
		<u>\$ 76,955.59</u>	<u>\$ 994.20</u>	<u>\$ 23.01</u>	<u>\$ 75,938.38</u>
	<u>Reference</u>	<u>B</u>	<u>B-1</u>	<u>B-9</u>	<u>B</u>

TOWNSHIP OF BOONTON  
TRUST FUND

RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

B-19

	<u>Ref.</u>		
Balance December 31, 2016	B		\$ 456.33
Increased by:			
Dog License Fees		\$ 5,961.60	
Miscellaneous Revenue:			
Late Fees		1,095.00	
Duplicate Dog Tags		<u>1.50</u>	
	B-6		<u>7,058.10</u>
			7,514.43
Decreased by:			
Expenditures Under N.J.S.A. 40A:4-39	B-4		<u>7,194.16</u>
Balance December 31, 2017	B		<u>\$ 320.27</u>

Animal Control Trust Fund Collections

Year

2016	\$ 6,659.30
2015	<u>7,151.80</u>
Maximum Reserve	<u>\$ 13,811.10</u>



TOWNSHIP OF BOONTON  
TRUST FUND

RESERVE FOR STATE UNEMPLOYMENT TRUST FUND EXPENDITURES

B-20

	<u>Ref.</u>	
Balance December 31, 2016	B	\$ 42,019.07
Increased by:		
Payroll Deductions	B-11	<u>2,657.28</u>
Balance December 31, 2017	B	<u>\$ 44,676.35</u>

TOWNSHIP OF BOONTON  
TRUST FUND

RESERVE FOR MUNICIPAL ALLIANCE ON  
ALCOHOLISM AND DRUG ABUSE - PROGRAM INCOME

B-21

	<u>Ref.</u>	
Balance December 31, 2016	B	\$ 198.06
Increased by:		
Collections	B-4	<u>1,290.00</u>
Balance December 31, 2017	B	<u>\$ 1,488.06</u>

TOWNSHIP OF BOONTON  
TRUST FUND

ASSESSMENT SERIAL BONDS

B-22

<u>Purpose</u>	<u>Original Issue</u>		<u>Bond Maturities Outstanding Dec. 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2017</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Trust Assessment Bonds	1-15-10	\$ 750,000.00	1-15-2018	\$ 75,000.00	3.00 %			
			1-15-2019	75,000.00	3.50			
			1-15-2020	75,000.00	3.50			
					<u>Reference</u>	<u>B</u>	<u>B-4</u>	<u>B</u>
						<u>\$ 300,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 225,000.00</u>

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

CASH RECEIPTS, DISBURSEMENTS AND CASH RECONCILIATION  
DECEMBER 31, 2017

C-2

	<u>Ref.</u>		
Balance December 31, 2016	C		\$ 255,551.86
Increased by Receipts:			
Premium on Sale of Notes	C-1	\$ 19,861.00	
Interfunds Receivable	C-4	60,000.00	
Capital Improvement Fund	C-9	200,000.00	
Interfunds Payable	C-10	395.10	
Bond Anticipation Notes	C-13	<u>320,000.00</u>	
			<u>600,256.10</u>
			855,807.96
Decreased by Disbursements:			
Improvement Authorizations	C-8	480,196.09	
Interfunds Payable	C-10	<u>395.10</u>	
			<u>480,591.19</u>
Balance December 31, 2017	C		<u><u>\$ 375,216.77</u></u>
<u>Cash Reconciliation December 31, 2017</u>			
Balance per Statement:			
Lakeland Bank,			
Boonton, New Jersey:			
#624603834			\$ 375,240.94
Less: Outstanding Checks			<u>24.17</u>
			<u><u>\$ 375,216.77</u></u>

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

ANALYSIS OF CASH AND INVESTMENTS

C-3

	<u>Receipts</u>		<u>Disbursements</u>		<u>Transfers</u>		<u>Balance Dec. 31, 2017</u>
	<u>Bond Anticipation Notes</u>	<u>Other</u>	<u>Improvement Authorizations</u>	<u>Other</u>	<u>From</u>	<u>To</u>	
<u>Improvement Authorizations</u>							
<u>General Improvements:</u>							
#847	\$ 37,649.45	\$	\$ 28,357.48	\$	\$	\$	\$ 9,291.97
#848	21,676.17						21,676.17
#855		320,000.00	256,288.23			30,000.00	93,711.77
#856			56,868.20			60,000.00	3,131.80
#857			138,682.18			167,816.00	29,133.82
<u>Other Accounts</u>							
Fund Balance							19,861.00
Capital Improvement Fund					197,816.00		80,562.14
Current Fund Interfund				395.10			
General Trust Fund Interfund					60,000.00		
Reserve for Griffith Pond							117,848.10
	<u>\$ 320,000.00</u>	<u>\$ 280,256.10</u>	<u>\$ 480,196.09</u>	<u>\$ 395.10</u>	<u>\$ 257,816.00</u>	<u>\$ 257,816.00</u>	<u>\$ 375,216.77</u>
<u>Reference</u>	<u>C</u>	<u>Below</u>	<u>C-8</u>	<u>C-10</u>	<u>Contra</u>	<u>Contra</u>	<u>C</u>
<u>Ref.</u>							
Fund Balance	C-1	\$ 19,861.00					
Interfunds Receivable	C-4	60,000.00					
Capital Improvement Fund	C-9	200,000.00					
Interfunds Payable	C-10	395.10					
	Above	<u>\$ 280,256.10</u>					

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE

C-4

General  
Trust Fund

Ref.

Increased by:

Municipal Open Space Trust Fund Appropriated  
to Finance Improvement Authorization

C-8

\$ 60,000.00

Decreased by:

Settlements

C-2

60,000.00

\$ -

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

C-5

PROSPECTIVE ASSESSMENTS RAISED BY TAXATION

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2016</u>	<u>Notes Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
		<u>Date</u>	<u>Total Appropriated</u>			
821, 843	Improvements to the Sanitary Sewerage System - East Glen Road and North Road	5-13-13	\$ 230,000.00	<u>\$ 44,618.00</u>	<u>\$ 37,625.00</u>	<u>\$ 82,243.00</u>
		11-09-15	100,000.00			
		<u>Reference</u>		<u>C</u>	<u>C-11</u>	<u>C</u>

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-6

	<u>Ref.</u>	
Balance December 31, 2016	C	\$ 912,000.00
Decreased by:		
Serial Bond Payments	C-14	<u>224,000.00</u>
Balance December 31, 2017	C	<u><u>\$ 688,000.00</u></u>



TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-7

Ordinance Number	Improvements	Balance Dec. 31, 2016	2017 Authorizations	Bond Anticipation Notes Paid by Budget Appropriations	Bond Anticipation Notes Paid by General Trust Fund	Balance Dec. 31, 2017	Analysis of Balance	
							Bond Anticipation Notes	Unexpended Improvement Authorizations
767	<u>General Improvements</u> Improvements of Various Roads	\$ 36,000.00	\$	\$ 12,000.00	\$	\$ 24,000.00	\$ 24,000.00	\$
793	Improvements of Various Roads	113,000.00		23,000.00		90,000.00	90,000.00	
810	Improvements to Rockaway Valley Road - South Section and Oak Road	34,118.00		7,000.00		27,118.00	27,118.00	
810	Improvements to Oak Road	48,200.00		8,000.00		40,200.00	40,200.00	
824	Improvements of Various Roads	99,750.00		14,250.00		85,500.00	85,500.00	
828	Acquisition of New and Additional Fire Equipment	299,950.00		42,850.00		257,100.00	257,100.00	
833	Improvements to RVA Fields and Valley Road	351,000.00		43,875.00	10,000.00	297,125.00	297,125.00	
842	Improvements to RVA Fields, Road Resurfacing and James Road Retaining Wall	282,600.00		33,400.00		249,200.00	249,200.00	
848	Improvement of Various Roads	380,000.00		38,000.00		342,000.00	342,000.00	
855	Improvement of Various Roads		570,000.00			570,000.00	320,000.00	250,000.00
821, 843	<u>Local Improvements</u> Improvements to Sanitary Sewerage System - East Glen Road and North Road	285,382.00		37,625.00		247,757.00	247,757.00	
		\$ 1,930,000.00	\$ 570,000.00	\$ 260,000.00	\$ 10,000.00	\$ 2,230,000.00	\$ 1,980,000.00	\$ 250,000.00
	Reference	C	C-8	C-13	C-13	C	C-13	

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-8

General Improvements	Number	Ordinance Date	Amount	Balance Dec. 31, 2016		2017 Authorizations	Expended	Balance Dec. 31, 2017	
				Funded	Unfunded			Funded	Unfunded
Police Department Equipment, Fire Department Equipment, Upgrade of Boiler in the Municipal Building, Computer Equipment, Replacement of the Municipal Building Alarm System, Repair and Improvement of Roadways and Storm Drainage and Powerville Dam Study	*847	4-11-16	\$ 146,076.00	\$ 37,649.45	\$	\$	\$ 28,357.48	\$ 9,291.97	\$
Improvement of Various Roads	848	4-11-16	635,000.00		21,676.17				21,676.17
Improvement of Various Roads	855	4-10-17	600,000.00			600,000.00	256,288.23		343,711.77
Improvements to Leonard Park	856	4-10-17	60,000.00			60,000.00	56,868.20	3,131.80	
Various Capital Improvements	*857	4-10-17	167,816.00			167,816.00	138,682.18	29,133.82	
				\$ 37,649.45	\$ 21,676.17	\$ 827,816.00	\$ 480,196.09	\$ 41,557.59	\$ 365,387.94
		Reference		C	C	Below	C-2	C	C
		Ref.							
Interfunds Receivable						\$ 60,000.00			
Deferred Charges to Future Taxation - Unfunded						570,000.00			
Capital Improvement Fund						197,816.00			
						\$ 827,816.00			
						Above			

\*Funded in Full from the Capital Improvement Fund.

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-9

	<u>Ref.</u>		
Balance December 31, 2016	C		\$ 78,378.14
Increased by:			
Budget Appropriation	C-2		<u>200,000.00</u>
			278,378.14
Decreased by:			
Appropriated to Finance Improvement			
Authorizations:			
Ordinance #855		\$ 30,000.00	
Ordinance #857		<u>167,816.00</u>	
	C-8		<u>197,816.00</u>
Balance December 31, 2017	C		<u>\$ 80,562.14</u>

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

INTERFUNDS PAYABLE

C-10

Current  
Fund

Ref.

Increased by:  
Interest on Deposits

C-2

\$ 395.10

Decreased by:  
Settlements

C-2

395.10

\$ -

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

RESERVE FOR PROSPECTIVE ASSESSMENTS RAISED BY TAXATION

C-11

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2016</u>	<u>Notes Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
		<u>Date</u>	<u>Total Appropriated</u>			
821, 843	Improvements to the Sanitary Sewerage System - East Glen Road and North Road	5-13-13	\$230,000.00	\$ 44,618.00	\$ 37,625.00	\$ 82,243.00
		11-09-15	100,000.00			
		<u>Reference</u>		<u>C</u>	<u>C-5</u>	<u>C</u>

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

RESERVE FOR GRIFFITH POND

C-12

	<u>Ref.</u>	
Balance December 31, 2016	C	<u>\$ 117,848.10</u>
Balance December 31, 2017	C	<u><u>\$ 117,848.10</u></u>

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES

C-13  
Sheet #1

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2017</u>
767	Improvements of Various Roads	10-02-09	9-08-16 9-07-17	9-08-17 9-07-18	0.87 % 2.25	\$ 36,000.00	\$ 24,000.00	\$ 36,000.00	\$ 24,000.00
793	Improvements of Various Roads	9-29-11	9-08-16 9-07-17	9-08-17 9-07-18	0.87 2.25	113,000.00	90,000.00	113,000.00	90,000.00
810	Improvements to Rockaway Valley Road - South Section	9-25-12	9-08-16 9-07-17	9-08-17 9-07-18	0.87 2.25	34,118.00	27,118.00	34,118.00	27,118.00
810	Improvements to Oak Road	9-25-12	9-08-16 9-07-17	9-08-17 9-07-18	0.87 2.25	48,200.00	40,200.00	48,200.00	40,200.00
821	Improvements to Sanitary Sewerage System - East Glen Road and North Road	9-13-13	9-08-16 9-07-17	9-08-17 9-07-18	0.87 2.25	190,382.00	162,257.00	190,382.00	162,257.00
824	Improvements of Various Roads	9-13-13	9-08-16 9-07-17	9-08-17 9-07-18	0.87 2.25	99,750.00	85,500.00	99,750.00	85,500.00
828	Acquisition of New and Additional Fire Equipment	9-11-14	9-08-16 9-07-17	9-08-17 9-07-18	0.87 2.25	299,950.00	257,100.00	299,950.00	257,100.00
833	Improvements to RVA Recreational Fields and Valley Road	9-11-14	9-08-16 9-07-17	9-08-17 9-07-18	0.87 2.25	351,000.00	297,125.00	351,000.00	297,125.00
842	Improvements to RVA Recreational Fields, Road Resurfacing and James Road Retaining Wall	9-10-15	9-08-16 9-07-17	9-08-17 9-07-18	0.87 2.25	282,600.00	249,200.00	282,600.00	249,200.00

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

C-13  
Sheet #2

BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2017</u>
821, 843	Improvement of the Sanitary Sewerage System - East Glen Road and North Road	9-08-16	9-08-16 9-07-17	9-08-17 9-07-18	0.87 % 2.25	\$ 95,000.00	\$ 85,500.00	\$ 95,000.00	\$ 85,500.00
848	Improvement of Various Roads	9-08-16	9-08-16 9-07-17	9-08-17 9-07-18	0.87 2.25	380,000.00	342,000.00	380,000.00	342,000.00
855	Improvement of Various Roads	9-07-17	9-07-17	9-07-18	2.25		320,000.00		320,000.00
						<u>\$ 1,930,000.00</u>	<u>\$ 1,980,000.00</u>	<u>\$ 1,930,000.00</u>	<u>\$ 1,980,000.00</u>
					<u>Reference</u>	<u>C</u>	<u>Below</u>	<u>Below</u>	<u>C</u>
					<u>Ref.</u>				
	Issued for Cash						\$ 320,000.00	\$	
	Paid by Budget Appropriation							260,000.00	
	Paid by General Trust Fund							10,000.00	
	Renewals						1,660,000.00	1,660,000.00	
							<u>\$ 1,980,000.00</u>	<u>\$ 1,930,000.00</u>	



TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

SERIAL BONDS

C-14

<u>Purpose</u>	<u>Original Issue</u>		<u>Bond Maturities Outstanding Dec. 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2017</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
General Bonds	1-15-10	\$ 644,000.00	1-15-18	\$ 70,000.00	3.00 %			
			1-15-19	72,000.00	3.50			
			1-15-20	74,000.00	3.50	\$ 284,000.00	\$ 68,000.00	\$ 216,000.00
Open Space Bonds	1-15-10	1,515,000.00	1-15-18	158,000.00	3.00			
			1-15-19	161,000.00	3.50			
			1-15-20	153,000.00	3.50	628,000.00	156,000.00	472,000.00
						<u>\$ 912,000.00</u>	<u>\$ 224,000.00</u>	<u>\$ 688,000.00</u>
					<u>Reference</u>	<u>C</u>	<u>C-6</u>	<u>C</u>

TOWNSHIP OF BOONTON  
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-15

	<u>Ordinance Number</u>	<u>2017 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2017</u>
<u>General Improvements</u>				
Improvement of Various Roads	855	<u>\$ 570,000.00</u>	<u>\$ 320,000.00</u>	<u>\$ 250,000.00</u>
	<u>Reference</u>	<u>C-7</u>	<u>C-13</u>	<u>C</u>

TOWNSHIP OF BOONTON  
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS  
TREASURER

D-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Assessment Trust Fund</u>	<u>Capital Fund</u>
Balance December 31, 2016	D	\$ 534,046.59	\$ 809.93	\$ 96,750.00
Increased by Receipts:				
Miscellaneous Revenue	D-3a	\$ 1,635.89	\$	
Interest on Deposits	D-3a	1,306.33		
Interfunds Receivable	D-9	1,174.09		
Consumer Accounts Receivable	D-10	351,607.18		
Assessments Receivable	D-11		817.47	
Water Rent Overpayments	D-15	1,946.02		
Capital Improvement Fund	D-16			6,000.00
Interfunds Payable	D-17		171.10	193.06
		<u>357,669.51</u>	<u>988.57</u>	<u>6,193.06</u>
		891,716.10	1,798.50	102,943.06
Decreased by Disbursements:				
Prior Year Revenue Refunds	D-1	560.44		
Budget Appropriations	D-4	239,266.02		
Appropriation Reserves	D-13	50,019.19		
Accrued Interest on Bonds	D-14	1,055.00		
Interfunds Payable	D-17		981.03	193.06
		<u>290,900.65</u>	<u>981.03</u>	<u>193.06</u>
Balance December 31, 2017	D	<u>\$ 600,815.45</u>	<u>\$ 817.47</u>	<u>\$ 102,750.00</u>

TOWNSHIP OF BOONTON  
WATER UTILITY

CASH RECONCILIATION  
DECEMBER 31, 2017

D-6

	<u>Operating Fund</u>	<u>Assessment Trust Fund</u>	<u>Capital Fund</u>
<u>Cash Reconciliation</u>			
Balance per Statements:			
Lakeland Bank,			
Boonton, New Jersey:			
#624603869 - Water Operating			
Account	\$599,356.06	\$	\$
#624603850 - Water and Sewer	1,602.41		
#624603885 - Water Assessment		817.69	
#624603877 - Water Capital			102,765.51
Plus: Deposit-in-Transit	<u>2,468.97</u>	<u>817.69</u>	<u>102,765.51</u>
	603,427.44		
Less: Outstanding Checks	<u>2,611.99</u>	<u>0.22</u>	<u>15.51</u>
	<u>\$600,815.45</u>	<u>\$817.47</u>	<u>\$102,750.00</u>

TOWNSHIP OF BOONTON  
WATER UTILITY

ANALYSIS OF ASSESSMENT TRUST CASH AND INVESTMENTS

D-7

	Balance Dec. 31, 2016	Receipts		Disbursements <u>Other</u>	Transfers		Balance Dec. 31, 2017
		Assessments Receivable	Other		From	To	
Other Accounts:							
Water Operating Interfund	\$ 809.93	\$ 817.47	\$ 171.10	\$ 981.03	\$ 809.93	\$ 809.93	\$ 817.47
Fund Balance	<u>\$ 809.93</u>	<u>\$ 817.47</u>	<u>\$ 171.10</u>	<u>\$ 981.03</u>	<u>\$ 809.93</u>	<u>\$ 809.93</u>	<u>\$ 817.47</u>
Reference	<u>D</u>	<u>D-11</u>	<u>D-17</u>	<u>D-17</u>	<u>Contra</u>	<u>Contra</u>	<u>D</u>

TOWNSHIP OF BOONTON  
WATER UTILITY

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

D-8

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Receipts</u> <u>Other</u>	<u>Disbursements</u> <u>Other</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Other Accounts:				
Capital Improvement Fund	\$ 96,750.00	\$ 6,000.00	\$	\$102,750.00
Water Operating Interfund		193.06	193.06	
	<u>\$ 96,750.00</u>	<u>\$ 6,193.06</u>	<u>\$ 193.06</u>	<u>\$102,750.00</u>
<u>Reference</u>	<u>D</u>	<u>Below</u>	<u>D-17</u>	<u>D</u>
	<u>Ref.</u>			
Capital Improvement Fund	D-16	\$ 6,000.00		
Interfunds Payable	D-17	<u>193.06</u>		
	Above	<u>\$ 6,193.06</u>		

TOWNSHIP OF BOONTON  
WATER UTILITY

INTERFUNDS RECEIVABLE

D-9

	<u>Ref.</u>	<u>Total Water Operating Fund</u>	<u>Water Operating Fund</u> <u>Water Assessment Trust Fund</u>	<u>Water Capital Fund</u>
Increased by:				
Water Assessment Fund Balance				
Anticipated in Water Operating				
Fund Budget	D-3	\$ 809.93	\$809.93	\$
Interest on Water Assessment				
Accounts	D-3a	168.43	168.43	
Interest on Deposits	D-3a	195.73	2.67	193.06
		<u>1,174.09</u>	<u>981.03</u>	<u>193.06</u>
Decreased by:				
Settlements	D-5	<u>1,174.09</u>	<u>981.03</u>	<u>193.06</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF BOONTON  
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE

D-10

	<u>Ref.</u>		
Balance December 31, 2016	D		\$ 17,001.37
Increased by:			
Water Billings	Reserve		<u>357,242.39</u>
			374,243.76
Decreased by:			
Collections	D-5	\$351,607.18	
Overpayments Applied	D-15	<u>5,249.83</u>	
	D-3		<u>356,857.01</u>
Balance December 31, 2017	D		<u>\$ 17,386.75</u>



TOWNSHIP OF BOONTON  
WATER UTILITY

ASSESSMENTS RECEIVABLE

D-11

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Confirmation</u>			<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
		<u>Date</u>	<u>Installments</u>	<u>Due Dates</u>	<u>Unpledged</u>	<u>Unpledged</u>
663	Water Supply and Distribution System: McCaffrey Lane	12-08-03	20	3-03-18/23	<u>\$ 6,249.10</u>	<u>\$ 5,431.63</u>
				<u>Reference</u>	<u>D</u>	<u>D</u>
					<u>\$ 817.47</u>	<u>D-5</u>

TOWNSHIP OF BOONTON  
WATER UTILITY

FIXED CAPITAL

D-12

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u> <u>by</u> <u>Budget</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Fire Hydrants	\$ 7,702.93	\$3,085.00	\$ 10,787.93
Water Meters	15,779.52	915.00	16,694.52
McCaffrey Lane Water Supply and Distribution System	108,897.84		108,897.84
Installation of New Water Meters and Fire Hydrants	<u>20,000.00</u>	<u>                    </u>	<u>20,000.00</u>
	<u>\$ 152,380.29</u>	<u>\$4,000.00</u>	<u>\$ 156,380.29</u>
<u>Reference</u>	<u>D</u>	<u>D-19</u>	<u>D</u>

TOWNSHIP OF BOONTON  
WATER UTILITY

APPROPRIATION RESERVES

D-13

	<u>Balance</u> <u>Dec. 31, 2016</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
Operating:					
Salaries and Wages	\$	\$ 573.91	\$ 573.91	\$	\$ 573.91
Other Expenses	1,470.04	177,789.79	179,259.83	50,019.19	129,240.64
	<u>1,470.04</u>	<u>178,363.70</u>	<u>179,833.74</u>	<u>50,019.19</u>	<u>129,814.55</u>
Capital Improvements:					
Capital Outlay		1,869.00	1,869.00		1,869.00
Statutory Expenditures:					
Contribution to:					
Social Security System (OASI)		68.95	68.95		68.95
	<u>\$ 1,470.04</u>	<u>\$ 180,301.65</u>	<u>\$ 181,771.69</u>	<u>\$ 50,019.19</u>	<u>\$ 131,752.50</u>
<u>Reference</u>	<u>D</u>	<u>D</u>		<u>D-5</u>	<u>D-1</u>

TOWNSHIP OF BOONTON  
WATER UTILITY

ACCRUED INTEREST ON BONDS

D-14

	<u>Ref.</u>	
Balance December 31, 2016	D	\$ 538.54
Increased by:		
Budget Appropriations	D-4	945.00
		<u>1,483.54</u>
Decreased by:		
Payments	D-5	1,055.00
		<u>1,055.00</u>
Balance December 31, 2017	D	<u>\$ 428.54</u>

Analysis of Balance

Bonds Outstanding <u>Dec. 31, 2017</u>	Interest <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 9,000.00	3.00 %	7-15-17	12-31-17	5.5 Months	\$ 123.75
19,000.00	3.50	7-15-17	12-31-17	5.5 Months	304.79
					<u>\$ 428.54</u>

TOWNSHIP OF BOONTON  
WATER UTILITY

WATER RENT OVERPAYMENTS

D-15

	<u>Ref.</u>	
Balance December 31, 2016	D	\$5,249.83
Increased by:		
Collections	D-5	<u>1,946.02</u>
		7,195.85
Decreased by:		
Applied to Consumer Accounts Receivable	D-10	<u>5,249.83</u>
Balance December 31, 2017	D	<u><u>\$1,946.02</u></u>

TOWNSHIP OF BOONTON  
WATER UTILITY

CAPITAL IMPROVEMENT FUND

D-16

	<u>Ref.</u>	
Balance December 31, 2016	D	\$ 96,750.00
Increased by:		
Budget Appropriation	D-5	<u>6,000.00</u>
Balance December 31, 2017	D	<u><u>\$102,750.00</u></u>

TOWNSHIP OF BOONTON  
WATER UTILITY

INTERFUNDS PAYABLE

D-17

	<u>Ref.</u>	<u>Water Assessment Trust Fund Water Operating Fund</u>	<u>Water Capital Fund Water Operating Fund</u>
Increased by:			
Interest on Water Assessment Accounts		\$ 168.43	\$
Interest on Deposits		2.67	193.06
	D-5	<u>171.10</u>	<u>193.06</u>
Water Assessment Fund Balance Anticipated in Water Operating Fund Budget			
	D-2	<u>809.93</u>	
		981.03	<u>193.06</u>
Decreased by:			
Settlements	D-5	<u>981.03</u>	<u>193.06</u>
		<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF BOONTON  
WATER UTILITY

RESERVE FOR ASSESSMENTS

D-18

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Collections</u>	<u>Balance Dec. 31, 2017</u>
663	Water Supply and Distribution System: McCaffrey Lane	<u>\$ 6,249.10</u>	<u>\$ 817.47</u>	<u>\$ 5,431.63</u>
	<u>Reference</u>	<u>D</u>	<u>D-2</u>	<u>D</u>



TOWNSHIP OF BOONTON  
WATER UTILITY

AMORTIZATION FUND

D-19

	<u>Ref.</u>		
Balance December 31, 2016	D		\$116,380.29
Increased by:			
Capital Outlay:			
Budget Appropriation	D-12	\$4,000.00	
Serial Bonds Paid by Operating Budget	D-20	<u>8,000.00</u>	
			<u>12,000.00</u>
Balance December 31, 2017	D		<u><u>\$128,380.29</u></u>

TOWNSHIP OF BOONTON  
WATER UTILITY

SERIAL BONDS

D-20

<u>Purpose</u>	<u>Original Issue</u>		<u>Bond Maturities Outstanding Dec. 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2017</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Water Bonds of 2010	1-15-10	\$ 81,000.00	1-15-2018	\$ 9,000.00	3.00 %			
			1-15-2019	9,000.00	3.50			
			1-15-2020	10,000.00	3.50			
						<u>\$ 36,000.00</u>	<u>\$ 8,000.00</u>	<u>\$ 28,000.00</u>
					<u>Reference</u>	<u>D</u>	<u>D-19</u>	<u>D</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

CASH RECEIPTS AND DISBURSEMENTS  
TREASURER

E-7

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Assessment Trust Fund</u>	<u>Capital Fund</u>
Balance December 31, 2016	E	\$ 331,994.08	\$ 12,201.11	\$ 82,409.69
Increased by Receipts:				
Interest on Delinquent Sewer Accounts	E-3a	\$ 1,673.73	\$	
Interest on Deposits	E-3a	496.79		
Interfunds Receivable	E-11	5,775.64	8,851.56	
Consumer Accounts Receivable	E-12	228,023.23	12,420.57	
Assessments Receivable	E-13			
Sewer Rent Overpayments	E-18	11,477.82		
Capital Improvement Fund	E-20			6,000.00
Interfunds Payable	E-21		2,618.25	104.72
		<u>247,447.21</u>	<u>23,890.38</u>	<u>6,104.72</u>
		579,441.29	36,091.49	88,514.41
Decreased by Disbursements:				
Budget Appropriations	E-4	180,085.78		
Appropriation Reserves	E-16	8,200.47		
Accrued Interest on Bonds	E-17	2,070.00		
Improvement Authorizations	E-19			35,656.00
Interfunds Payable	E-21	8,851.56	5,670.92	104.72
Assessment Serial Bonds	E-26		18,000.00	
		<u>199,207.81</u>	<u>23,670.92</u>	<u>35,760.72</u>
Balance December 31, 2017	E	<u>\$ 380,233.48</u>	<u>\$ 12,420.57</u>	<u>\$ 52,753.69</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

CASH RECONCILIATION  
DECEMBER 31, 2017

E-8

	<u>Operating Fund</u>	<u>Assessment Trust Fund</u>	<u>Capital Fund</u>
<u>Cash Reconciliation</u>			
Balance per Statements:			
Lakeland Bank,			
Boonton, New Jersey:			
#624603893 - Sewer Operating Account	\$ 378,944.32	\$	\$
#624603915 - Sewer Assessment Account		9,478.05	
#624603907 - Sewer Capital Account			52,761.25
Plus: Deposit-in-Transit	<u>1,289.16</u> 380,233.48	<u>3,273.89</u> 12,751.94	<u>52,761.25</u>
Less: Outstanding Checks	<u>                    </u>	<u>331.37</u>	<u>7.56</u>
	<u><u>\$ 380,233.48</u></u>	<u><u>\$ 12,420.57</u></u>	<u><u>\$ 52,753.69</u></u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

ANALYSIS OF ASSESSMENT TRUST CASH AND INVESTMENTS

E-9

	Balance Dec. 31, 2016	Receipts		Disbursements			Transfers		Balance Dec. 31, 2017
		Assessments Receivable	Other	Serial Bonds	Other		From	To	
Assessment Serial Bonds:									
#654	\$ 5,269.04	\$ 4,843.45	\$	\$ 5,269.04	\$		\$	\$	\$ 4,843.45
#727,745	3,879.40	4,536.27		12,730.96				8,851.56	4,536.27
Other Accounts:									
Sewer Operating Interfund			11,469.81		5,670.92		8,851.56	3,052.67	3,040.85
Fund Balance	3,052.67	3,040.85					3,052.67		
	\$ 12,201.11	\$ 12,420.57	\$ 11,469.81	\$ 18,000.00	\$ 5,670.92		\$ 11,904.23	\$ 11,904.23	\$ 12,420.57
Reference	E	E-13	Below	E-26	E-21		Contra	Contra	E
Ref.									
Intefunds Receivable			\$ 8,851.56						
Intefunds Payable			2,618.25						
		Above	\$ 11,469.81						

TOWNSHIP OF BOONTON  
SEWER UTILITY

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

E-10

	Balance Dec. 31, 2016	Receipts <u>Other</u>	Disbursements		Balance Dec. 31, 2017
			Improvement Authorizations	Other	
Improvement Authorizations: #852	\$ 36,420.00	\$	\$ 35,656.00	\$	\$ 764.00
Other Accounts:					
Capital Improvement Fund	45,989.69	6,000.00			51,989.69
Sewer Operating Interfund		104.72		104.72	
	<u>\$ 82,409.69</u>	<u>\$ 6,104.72</u>	<u>\$ 35,656.00</u>	<u>\$ 104.72</u>	<u>\$ 52,753.69</u>
Reference	<u>E</u>	<u>Below</u>	<u>E-19</u>	<u>E-21</u>	<u>E</u>
Ref.					
Capital Improvement Fund	E-20	\$ 6,000.00			
Interfunds Payable	E-21	104.72			
	Above	<u>\$ 6,104.72</u>			

TOWNSHIP OF BOONTON  
SEWER UTILITY

INTERFUNDS RECEIVABLE

E-11

		Total Sewer Operating Fund	Sewer Operating Fund Sewer Assessment Trust Fund	Sewer Capital Fund	Sewer Assessment Trust Fund Sewer Operating Fund
	Ref.				
Increased by:					
Sewer Assessment Fund Balance					
Anticipated in Sewer Operating					
Fund Budget	E-3	\$ 3,052.67	\$ 3,052.67	\$	\$
Interest on Sewer Assessment					
Accounts	E-3a	2,500.37	2,500.37		
Interest on Delinquent Sewer					
Assessment Accounts	E-3a	94.12	94.12		
Interest on Deposits	E-3a	128.48	23.76	104.72	
Budget Appropriation:					
Assessment Deficit	E-23	<u>5,775.64</u>	<u>5,670.92</u>	<u>104.72</u>	<u>8,851.56</u> <u>8,851.56</u>
Decreased by:					
Settlements	E-7	<u>5,775.64</u>	<u>5,670.92</u>	<u>104.72</u>	<u>8,851.56</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

CONSUMER ACCOUNTS RECEIVABLE

E-12

	<u>Ref.</u>		
Balance December 31, 2016	E		\$ 16,757.61
Increased by:			
Sewer Billings	Reserve		<u>232,445.74</u>
			249,203.35
Decreased by:			
Collections	E-7	\$ 228,023.23	
Overpayments Applied	E-18	<u>5,026.69</u>	
	E-3	233,049.92	
Cancelled	Reserve	<u>8.14</u>	
			<u>233,058.06</u>
Balance December 31, 2017	E		<u><u>\$ 16,145.29</u></u>



TOWNSHIP OF BOONTON  
SEWER UTILITY

ASSESSMENTS RECEIVABLE

E-13

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Confirmation</u>		<u>Due Dates</u>	<u>Balance Dec. 31, 2016</u>		<u>Balance Dec. 31, 2017</u>	
		<u>Date</u>	<u>Installments</u>		<u>Pledged</u>	<u>Unpledged</u>	<u>Collected</u>	<u>Pledged</u> <u>Unpledged</u>
654	Sanitary Sewerage System: McCaffrey Lane	12-08-03	20	3-03-18/23	\$ 8,623.46	\$ 28,104.00	\$ 4,843.45	\$ 3,780.01 \$ 28,104.00
680	Sanitary Sewerage System: North Main Street	9-26-05	20	11-27-18/24		24,758.40	3,040.85	21,717.55
727,745	Sanitary Sewerage System: Sylvan Lane	11-13-07	20	3-15-18/27				
			20	6-15-18/27				
			20	9-15-18/27				
			20	12-15-18/27				
					54,228.10		4,536.27	40,840.27 8,851.56
					\$ 62,851.56	\$ 52,862.40	\$ 12,420.57	\$ 44,620.28 \$ 58,673.11
				<u>Reference</u>	<u>E</u>	<u>E</u>	<u>E-7</u>	<u>E</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

FIXED CAPITAL

E-14

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
North Main Street Line:		
Pipe Line	\$ 10,931.62	\$ 10,931.62
Glenbourne Drive Pumping Station	3,075.00	3,075.00
McCaffrey Lane Sewer	125,000.00	125,000.00
North Main Street Sanitary Sewer	75,000.00	75,000.00
Sylvan Lane Sanitary Sewer	<u>110,400.12</u>	<u>110,400.12</u>
	<u>\$ 324,406.74</u>	<u>\$ 324,406.74</u>
<u>Reference</u>	<u>E</u>	<u>E</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

E-15

General Improvements

Purchase and Installation of a  
Generator at the Glenbourne  
Pump Station

<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2016</u>	<u>Balance Dec. 31, 2017</u>
852	11-14-16	\$ 38,000.00	<u>\$ 38,000.00</u>	<u>\$ 38,000.00</u>
		<u>Reference</u>	<u>E</u>	<u>E</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

APPROPRIATION RESERVES

E-16

	Balance Dec. 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
Operating:					
Salaries and Wages	\$ 1,677.00	\$ 26.80	\$ 26.80	\$ 8,200.47	\$ 26.80
Other Expenses	<u>1,677.00</u>	<u>57,393.34</u>	<u>59,070.34</u>	<u>8,200.47</u>	<u>50,869.87</u>
		<u>57,420.14</u>	<u>59,097.14</u>		<u>50,896.67</u>
Capital Improvements:					
Capital Outlay		2,000.00	2,000.00		2,000.00
Statutory Expenditures:					
Contribution to:					
Social Security System (OASI)		<u>72.63</u>	<u>72.63</u>		<u>72.63</u>
	<u>\$ 1,677.00</u>	<u>\$ 59,492.77</u>	<u>\$ 61,169.77</u>	<u>\$ 8,200.47</u>	<u>\$ 52,969.30</u>

E-1

E-7

E

E

Reference

TOWNSHIP OF BOONTON  
SEWER UTILITY

ACCRUED INTEREST ON BONDS

E-17

	<u>Ref.</u>	
Balance December 31, 2016	E	\$ 1,072.50
Increased by:		
Budget Appropriations	E-4	<u>1,822.50</u> 2,895.00
Decreased by:		
Payments	E-7	<u>2,070.00</u>
Balance December 31, 2017	E	<u><u>\$ 825.00</u></u>

Analysis of Balance

Bonds Outstanding <u>Dec. 31, 2017</u>	Interest <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
<u>Assessment Bonds</u>					
\$ 18,000.00	3.00 %	7-15-17	12-31-17	5.5 Months	\$ 247.50
36,000.00	3.50	7-15-17	12-31-17	5.5 Months	<u>577.50</u>
					<u><u>\$ 825.00</u></u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

SEWER RENT OVERPAYMENTS

E-18

	<u>Ref.</u>	
Balance December 31, 2016	E	\$ 5,026.69
Increased by:		
Collections	E-7	<u>11,477.82</u>
		16,504.51
Decreased by:		
Applied to Consumer Accounts Receivable	E-12	<u>5,026.69</u>
Balance December 31, 2017	E	<u><u>\$ 11,477.82</u></u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

E-19

IMPROVEMENT AUTHORIZATIONS

	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2016</u> <u>Funded</u>	<u>Expended</u>	<u>Balance</u> <u>Dec. 31, 2017</u> <u>Funded</u>
	<u>Number</u>	<u>Date</u>			
<u>General Improvements</u>					
Purchase and Installation of a Generator at the Glenbourne Pump Station	*852	11-14-16	\$ 38,000.00	\$ 35,656.00	\$ 764.00
			<u>Reference</u>	<u>E-7</u>	<u>E</u>

\*Funded in Full from the Capital Improvement Fund.

TOWNSHIP OF BOONTON  
SEWER UTILITY

CAPITAL IMPROVEMENT FUND

E-20

	<u>Ref.</u>	
Balance December 31, 2016	E	\$ 45,989.69
Increased by:		
Budget Appropriation	E-7	<u>6,000.00</u>
Balance December 31, 2017	E	<u><u>\$ 51,989.69</u></u>



TOWNSHIP OF BOONTON  
SEWER UTILITY

INTERFUNDS PAYABLE

E-21

	<u>Ref.</u>	<u>Sewer Operating Fund Sewer Assessment Trust Fund</u>	<u>Sewer Assessment Trust Fund Sewer Operating Fund</u>	<u>Sewer Capital Fund Sewer Operating Fund</u>
Increased by:				
Interest on Sewer Assessment Accounts		\$	\$ 2,500.37	\$
Interest on Delinquent Sewer Assessment Accounts			94.12	
Interest on Deposits			<u>23.76</u>	<u>104.72</u>
	E-7		2,618.25	104.72
Sewer Assessment Fund Balance Anticipated in Sewer Operating Fund Budget	E-2		3,052.67	
Budget Appropriation	E-4	<u>8,851.56</u> <u>8,851.56</u>	<u>5,670.92</u>	<u>104.72</u>
Decreased by:				
Settlements	E-7	<u>8,851.56</u>	<u>5,670.92</u>	<u>104.72</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

RESERVE FOR CONTINGENCY

E-22

	<u>Ref.</u>	
Balance December 31, 2016	E	<u>\$ 35,000.00</u>
Balance December 31, 2017	E	<u><u>\$ 35,000.00</u></u>

RESERVE FOR ASSESSMENTS

E-23

	<u>Ref.</u>	
Balance December 31, 2016	E	\$ 52,862.40
Increased by:		
Utility Budget for Deficit	E-11	<u>8,851.56</u> 61,713.96
Decreased by:		
Collection of Unpledged Assessments	E-2	<u>3,040.85</u>
Balance December 31, 2017	E	<u><u>\$ 58,673.11</u></u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

AMORTIZATION FUND

E-24

	<u>Ref.</u>	
Balance December 31, 2016	E	<u>\$ 324,406.74</u>
Balance December 31, 2017	E	<u><u>\$ 324,406.74</u></u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

DEFERRED AMORTIZATION FUND

E-25

	<u>Ordinance</u>		<u>Balance</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2017</u>
<u>General Improvements</u>				
Purchase and Installation of a Generator at the Glenbourne Pump Station	852	11-14-16	<u>\$ 38,000.00</u>	<u>\$ 38,000.00</u>
		<u>Reference</u>	<u>E</u>	<u>E</u>

TOWNSHIP OF BOONTON  
SEWER UTILITY

E-26

ASSESSMENT SERIAL BONDS

<u>Purpose</u>	<u>Original Issue</u>		<u>Bond Maturities Outstanding Dec. 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2017</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Sewer Assessment Bonds	1-15-10	\$ 180,000.00	1-15-2018	\$ 18,000.00	3.00 %			
			1-15-2019	18,000.00	3.50			
			1-15-2020	18,000.00	3.50			
						<u>\$ 72,000.00</u>	<u>\$ 18,000.00</u>	<u>\$ 54,000.00</u>
					<u>Reference</u>	<u>E</u>	<u>E-7</u>	<u>E</u>

TOWNSHIP OF BOONTON  
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR EXPENDITURES  
TRUST FUND ACCOUNT #1

F-1

	<u>Ref.</u>	
Balance December 31, 2016	F	\$ 18,908.31
Increased by:		
Interest on Deposits	F-2	<u>37.75</u>
Balance December 31, 2017	F	<u><u>\$ 18,946.06</u></u>

TOWNSHIP OF BOONTON  
PUBLIC ASSISTANCE TRUST FUND

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION

F-2

	<u>Ref.</u>	<u>Trust Fund Account #1</u>
Balance December 31, 2016	F	\$ 18,908.31
Increased by Receipts:		
Interest on Deposits	F-1	<u>37.75</u>
Balance December 31, 2017	F	<u>\$ 18,946.06</u>
 <u>Bank Reconciliation December 31, 2017</u>		
Balance per Statement:		
Lakeland Bank,		
Boonton, New Jersey:		
#624603923 - Public Assistance		
Trust Fund #1		<u>\$ 18,946.06</u>

**PART II**  
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL**  
**OVER FINANCIAL REPORTING**  
**ROSTER OF OFFICIALS**  
**COMMENTS AND RECOMMENDATIONS**  
**YEAR ENDED DECEMBER 31, 2017**



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

The Honorable Mayor and Members  
of the Township Committee  
Township of Boonton  
Boonton, New Jersey 07005

We have audited the financial statements - regulatory basis of the various funds of the Township of Boonton, in the County of Morris, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements - regulatory basis and have issued our report thereon dated June 8, 2018. These financial statements - regulatory basis have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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



SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
June 14, 2018

ROSTER OF OFFICIALS FOR THE YEAR 2017

<u>Name</u>	<u>Title</u>
<u><b>Township Committee</b></u>	
Thomas R. Donadio	Mayor
Paul Allieri	Committeeman
William Klingener	Committeeman
Michele Rankin	Committeewoman
Robert Rizzo	Committeeman
<u><b>Other Officials</b></u>	
Barbara Shepard	Township Administrator Township Clerk
Norman M. Eckstein	Chief Financial Officer/Treasurer Tax Collector
Mark Burek	Tax Assessor
Andrew Wubbenhorst	Judge
Patricia Fichtner	Court Administrator from March 30, 2017
Joan Egan	Court Administrator to March 29, 2017
John P. Jansen	Township Attorney

All employees were bonded by a Public Employees' Dishonesty Bond issued by Morris County Municipal Joint Insurance Fund in the sum of \$1,000,000.00 per loss.

#### **Contracts and Agreements Required to be Advertised (N.J.S. 40A:11-4)**

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

It is pointed out that the Township Committee has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Township Attorney should be sought before a commitment is made.

The statutory bidding threshold effective July 1, 2015 was the sum of \$40,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3a, based on the appointment of a qualified purchasing agent.

P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay-to-Play-Law", however, provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity.

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

Service and Construction Contracts:  
Resurfacing of Kingsland Road

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 19:44A-20.5.

#### **Collection of Interest on Delinquent Taxes and Water and Sewer Charges**

N.J.S. 53:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body adopted the following resolution on January 4, 2017, authorizing interest to be charged on delinquent payments:

"BE IT RESOLVED, by the Township Committee of the Township of Boonton, in the County of Morris, State of New Jersey, that for the year 2017, the Tax Collector be authorized and he/she is hereby directed to collect interest on delinquent taxes at the rate of eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500 for non-payment of taxes in accordance with Chapter 435 of the laws of 1979, provided however, that no interest shall be charged if payment of any installment is made within ten days after the date upon which the same became payable, and that no discount be allowed on taxes paid in advance.

BE IT FURTHER RESOLVED, that the Utility Collector be authorized and he/she is hereby directed to collect interest on delinquent water and sewer payments at the rate of eight percent (8%) per annum on the first \$1,500 of the delinquency, and eighteen percent (18%) per annum on any amount in excess of \$1,500 for non-payment of water and sewer charges from the due date for the water and sewer bills."

Our review of the records of the Tax Collector indicated that interest on delinquent tax, water and sewer bills were generally collected in accordance with the provisions of the above resolution.

#### Delinquent Taxes

There were no delinquent taxes, exclusive of 2017, as of December 31, 2017.

A tax sale was held on December 20, 2017 and was complete.

#### Tax Title Liens

The following comparison is made of the number of Tax Title Liens Receivable on December 31 of the last three years:

<u>Year</u>	<u>Number</u>
2017	5
2016	4
2015	4

Recourse to all means provided by the statutes should be taken to realize or eliminate tax liens through collection or foreclosure in order to return such property to a tax paying basis

Our review of the tax title lien accounts resulted in the following comment:

- The property owner of Block 40901, Lot 12, represented by Tax Title Lien Certificate #2013-04 is recorded in the tax duplicate as "Unknown".

The Township has started foreclosure proceedings on all Township-Owned Tax Title Liens, including Tax Title Lien Certificate #2013-04.

#### Revenue Collecting Officials

Construction Code Official:

Receipting and record maintenance procedures implemented in the Office of the Construction Code Official appear to be in accordance with the provisions of the Uniform Construction Code of New Jersey and the precepts and directives of the New Jersey Division of Housing and Development in the Department of Community Affairs. The system mandates the use of standardized forms prepared and distributed by the State to all Chief Construction Code Officials. Supplies of application forms may also be maintained by private contractors. The forms are not prenumbered and their prescribed use eliminates such time-proven and inherent assurances of accountability, control of inspections and fiscal activity thus afforded. Reliance of the accuracy and integrity of all departmental activity is therefore necessarily placed upon internal numbering systems and recording practices.

Fees collected for the addition of an open unroofed deck were not in agreement with the ordinance adopted by the Township Committee.

Fees collected for a storable pool/hot tub were not approved by ordinance adopted by the Township Committee.

It is recommended:

That all fees collected by the Construction Code Official be in agreement with the ordinance adopted by the Township Committee.

That all fees collected by the Construction Code Official be approved by the ordinance adopted by the Township Committee.

### Payroll Fund

The Township of Boonton contracted with R and L Data Centers, Inc. to be the third party payroll service provider. The Township also had an agreement with Ceridian, Inc. which was cancelled July 1, 2017. Ceridian, Inc. had the authority to withdraw funds from Township accounts and transfer these funds to their own accounts for the purpose of the payment to certain agencies with regard to payroll deductions.

An audit of the service provider's payroll account was not provided to the Township nor did our staff prepare such an audit. We did review certain records provided to the Township.

The Local Finance Board has adopted rules and regulations regarding third-party payroll vendors which are summarized in N.J.A.C. 5:30-17 and further provides authority for local governments to hire payroll service vendors to disburse funds to payroll agencies on behalf of the local unit.

In addition, Local Finance Notice 2009-18 has offered additional safeguards with respect to third-party payroll services.

Regulations of the Division of Local Government Services require that the contract with the payroll service vendor be reviewed for compliance with regulations of the Local Finance Board. Our review of the contract with Ceridian, Inc. noted that the terms and conditions of the contract were not in compliance with the provisions of N.J.A.C. 5:30-17.6.

It is also noted that the Township is required to adopt a resolution appointing the third party payroll service provider as a disbursing agent. No resolution was available for audit appointing Ceridian, Inc. as the disbursing agent.

As of July 1, 2017, the Township cancelled the agreement with Ceridian, Inc. and is now disbursing all payroll deductions themselves.

### Municipal Court

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

Collections of the Court are summarized as follows:

<u>Agency</u>	<u>Balance Dec. 31, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance Dec. 31, 2017</u>
State of New Jersey	\$ 506.96	\$25,175.43	\$ 24,582.33	\$1,100.06
County	521.00	13,629.26	13,305.76	844.50
Municipality	1,685.02	28,525.31	28,611.92	1,598.41
Other Agencies and Sources		1,367.21	1,367.21	
Cash Bail	1,250.00	7,464.00	8,014.00	700.00
	<u>\$3,962.98</u>	<u>\$76,161.21</u>	<u>\$ 75,881.22</u>	<u>\$4,242.97</u>

Comments with respect to the Municipal Court are as follows:

The report "Tickets Assigned but Not Issued" listed eighty-two (82) unissued tickets in excess of six months.

The report "Tickets Issued Monthly but Not Assigned" listed one (1) unassigned ticket.

The following recommendation with respect to the Municipal Court is noted as follows:

That "Tickets Assigned but Not Issued" in excess of six months be reviewed for proper disposition and that follow-up procedures be implemented for tickets whether issued or assigned.

#### **Corrective Action Plan**

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received.

The Corrective Action Plan was prepared by the Chief Financial Officer and filed in accordance with the aforementioned regulations.

#### **Status of Prior Years' Audit Recommendations**

A review was performed on all prior years' recommendations and corrective action was taken on all with the exception of those recommendations marked with an asterisk.

#### **Miscellaneous**

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Individual payments of the Local School District Tax by the municipality were confirmed as received by the Secretary of the Board of Education for the year 2017.

Change and Petty Cash Funds were verified by physical counts during the course of audit.

All sums of outstanding checks shown in cash reconciliations herein are in agreement with the records of the Treasurer.

A report summarizing collections of Dog License Fees and remittances of State Registration Fees was prepared and filed with the New Jersey Department of Health and the Division of Local Government Services for the year 2017.

The Uniform Construction Code Enforcement Fee Report has been prepared and filed with the New Jersey Department of Community Affairs.

An exit conference was held with the Township Administrator and Chief Financial Officer.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

One copy of this report was filed with the New Jersey Division of Local Government Services.

## RECOMMENDATIONS

	<u>Page Number</u>
* That all fees collected by the Construction Code Official be in agreement with the ordinance adopted by the Township Committee.	175
That all fees collected by the Construction Code Official be approved by the ordinance adopted by the Township Committee.	175
<u>Municipal Court</u>	
* That "Tickets Assigned but Not Issued" in excess of six months be reviewed for proper disposition and that follow-up procedures be implemented for tickets whether issued or assigned.	177

\* \* \*

\*Repeated from prior year.



The foregoing comments and resulting recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer on any questions that might arise with respect to any matters in this report and to assist in the implementation of recommendations.

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the audit.

Respectfully submitted,

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

  
JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
June 14, 2018

