

*Report of Audit*

*on the*

*Financial Statements*

*of the*

***Township of Union***

*in the*

*County of Hunterdon*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2019*



TOWNSHIP OF UNION

I N D E X

	<u>PAGE</u>
<u>PART I</u>	
Independent Auditor's Report	1-3
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	4-5
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance - Regulatory	"A-1"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2019	"A-2"
Statement of Expenditures - Regulatory Basis for the Year Ended December 31, 2019	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
Statement of Fund Balance - Regulatory Basis	"B-1"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statement of Fund Balance - Regulatory Basis	N/A
<u>Public Assistance Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"E"
<u>General Fixed Assets Account Group:</u>	
Balance Sheets - Regulatory Basis	"F"
	<u>PAGE</u>
Notes to Financial Statements	6-30

TOWNSHIP OF UNION

I N D E X (CONTINUED)

EXHIBITS

Supplementary Schedules - All Funds

Current Fund:

Schedule of Cash-Treasurer	"A-4"
Schedule of Cash-Collector	"A-5"
Schedule of Tax Title Liens	"A-6"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-7"
Schedule of Due State of New Jersey Per Chapter 20, P.L. 1971	"A-8"
Schedule of Revenue Accounts Receivable	"A-9"
Schedule of Interfunds	"A-10"
Schedule of Reserves for Tax Appeals	"A-11"
Schedule of Reserves for Grants - Unappropriated - Grant Fund	"A-12"
Schedule of 2018 Appropriation Reserves	"A-13"
Schedule of County Taxes Payable	"A-14"
Schedule of Local District School Tax	"A-15"
Schedule of Regional High School Tax	"A-16"
Schedule of Prepaid Taxes	"A-17"
Schedule of Tax Overpayments	"A-18"
Schedule of Grants Receivable - Grant Fund	"A-19"
Schedule of Reserve for Grants Appropriated - Grant Fund	"A-20"
Schedule of Reserve for Miscellaneous Reserves	"A-21"
Schedule of Petty Cash	"A-22"
Schedule of Encumbrances Payable - Grant Fund	"A-23"
Schedule of Due Current Fund - Grant Fund	"A-24"
Schedule of Municipal Open Space Tax Payable	"A-25"
Schedule of Encumbrances Payable	"A-26"
Schedule of Deferred Charges	"A-27"

Trust Fund:

Schedule of Cash-Treasurer	"B-2"
Schedule of Reserve for Animal Control Trust Fund Expenditures	"B-3"
Schedule of Due State of New Jersey - Animal Control Fund	"B-4"
Schedule of Prepaid Licenses	"B-5"
Schedule of Reserve for Encumbrances Payable - Trust Other Fund	"B-6"
Schedule of Various Reserves and Deposits	"B-7"
Schedule of Due Current Fund	"B-8"

TOWNSHIP OF UNION

I N D E X (CONTINUED)

EXHIBITS

General Capital Fund:

Schedule of Cash-Treasurer	"C-2"
Analysis of Cash	"C-3"
Schedule of Deferred Charges to Future Taxation - Funded	"C-4"
Schedule of Reserve for Debt Service	"C-5"
Schedule of Contracts Payable	"C-6"
Schedule of Improvement Authorizations	"C-7"
Schedule of Capital Improvement Fund	"C-8"
Schedule of Due Current Fund	"C-9"
Schedule of Grants Receivable	"C-10"
Schedule of Green Trust Loans Payable	"C-11"
Schedule of General Serial Bonds	"C-12"

Public Assistance Trust Fund:

Schedule of Cash-Treasurer	"E-1"
Schedule of Cash and Reconciliation per N.J.S.A. 40A:5-5	"E-2"
Schedule of Cash and Reconciliation as of December 31, 2019	"E-3"
Schedule of Revenues	"E-4"

PAGE

PART II

Statistical Data	31-33
Officials in Office and Surety Bonds	34
General Comments and Recommendations	35-38



TOWNSHIP OF UNION

PART I

INDEPENDENT AUDITOR'S REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES AND DATA

REPORTS 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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2019 AND 2018



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Township Committee  
Township of Union  
County of Hunterdon  
Hampton, New Jersey 08827

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

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Union, as of December 31, 2019 and 2018, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

## SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Union'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 regulatory financial statements.

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 of the regulatory financial statements, the regulatory financial statements are prepared by the Township of Union on the basis of the financial reporting provisions 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 meet the requirements 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 referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Union as of December 31, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2019.

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

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2019 and 2018, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

# SUPLEE, CLOONEY & COMPANY

## **Other Matters**

### *Other Information*

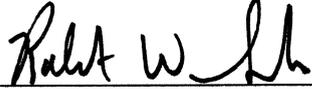
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Union's regulatory financial statements. The supplementary information and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2020 on our consideration of the Township of Union's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Union's internal control over financial reporting and compliance.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 15, 2020



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@senco.com](mailto:info@senco.com)

**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 Union  
County of Hunterdon  
Hampton, New Jersey 08827

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the 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, the regulatory financial statements of the various individual funds and the account group of the Township of Union, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated June 15, 2020. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Union prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

## SUPLEE, CLOONEY & COMPANY

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 of Union's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

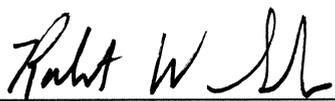
### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Union'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 of Union's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 15, 2020

CURRENT FUND

TOWNSHIP OF UNION

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER <u>31, 2019</u>	BALANCE DECEMBER <u>31, 2018</u>
Cash-Treasurer	A-4	\$ <u>4,086,443.95</u>	\$ <u>3,580,293.34</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 144,848.98	\$ 179,958.40
Tax Title Liens Receivable	A-6	77,646.36	106,707.91
Revenue Accounts Receivable	A-9	8,092.06	7,052.71
Interfunds Receivable	A-10	<u>12,048.20</u>	<u>19,081.00</u>
	A	\$ <u>242,635.60</u>	\$ <u>312,800.02</u>
Deferred Charges:			
Emergency Authorization	A-27	\$ 30,000.00	\$
Special Emergency Authorization	A-27	<u>40,000.00</u>	<u>50,000.00</u>
		\$ <u>70,000.00</u>	\$ <u>50,000.00</u>
		\$ <u>4,399,079.55</u>	\$ <u>3,943,093.36</u>
Grant Fund:			
Due Current Fund	A-23	\$ <u>66,852.61</u>	\$ <u>60,104.30</u>
		\$ <u>66,852.61</u>	\$ <u>60,104.30</u>
		\$ <u>4,465,932.16</u>	\$ <u>4,003,197.66</u>

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

TOWNSHIP OF UNION

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 223,102.95	\$ 128,853.85
Encumbrances Payable	A-26	28,317.32	78,778.10
Prepaid Taxes	A-17	140,261.89	157,445.15
Tax Overpayments	A-18	98,199.21	30,508.78
Due State of New Jersey-Chapter 20, PL 1971	A-8	707.53	1,000.00
Interfunds Payable	A-10	67,522.42	60,774.11
Reserve for Tax Appeals	A-11	25,000.00	25,000.00
County Taxes-Payable	A-14	3,209.60	9,550.49
Local District School Tax Payable	A-15	545,548.07	411,461.59
Regional High School Tax	A-16	1,500,126.92	1,279,290.92
Reserve for Sale of Assets		14,068.00	
Miscellaneous Reserves	A-21	<u>7,413.87</u>	<u>2,095.33</u>
		\$ 2,653,477.78	\$ 2,184,758.32
Reserve for Receivables and Other Assets	A	242,635.60	312,800.02
Fund Balance	A-1	<u>1,502,966.17</u>	<u>1,445,535.02</u>
		\$ <u>4,399,079.55</u>	\$ <u>3,943,093.36</u>
Grant Fund:			
Encumbrances Payable	A-23	\$ 250.00	\$
Reserve for Grants Appropriated	A-20	47,683.82	44,597.09
Reserve for Grants Unappropriated	A-12	18,918.79	15,507.21
		\$ <u>66,852.61</u>	\$ <u>60,104.30</u>
		\$ <u>4,465,932.16</u>	\$ <u>4,003,197.66</u>

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

## TOWNSHIP OF UNION

## CURRENT FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 515,000.00	\$ 515,000.00
Miscellaneous Revenue Anticipated	A-2	901,400.87	892,901.87
Receipts From Delinquent Taxes	A-2	215,463.09	139,565.69
Receipts From Current Taxes	A-2	19,801,299.79	18,960,840.02
Non-Budget Revenue	A-2	74,930.53	61,300.29
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	75,131.62	101,003.37
Tax Overpayments Canceled	A-18	235.94	
Interfunds Returned		7,032.80	4,681.70
<u>Total Income</u>		<u>\$ 21,590,494.64</u>	<u>\$ 20,675,292.94</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 1,926,243.00	\$ 1,891,001.00
Deferred Charges and Statutory Expenditures	A-3	102,256.00	108,691.79
Operations Excluded From "CAPS":			
Operating	A-3	34,638.56	17,718.28
Capital Improvements	A-3	450,000.00	400,000.00
Municipal Debt Service	A-3	508,255.63	505,401.45
Deferred Charges	A-3	10,000.00	
County Taxes	A-14	3,236,293.25	3,079,452.69
County Share of Added Taxes	A-14	3,209.60	9,550.49
Local District School Tax	A-15	9,389,619.00	9,246,446.00
Regional High School Tax	A-16	5,175,936.00	4,734,264.00
Municipal Open Space Tax	A-25	139,882.07	139,965.48
Refund of Prior Year Revenue	A-4	71,730.38	
<u>Total Expenditures</u>		<u>\$ 21,048,063.49</u>	<u>\$ 20,132,491.18</u>
Excess in Revenue		\$ 542,431.15	\$ 542,801.76
Adjustments to Income before Fund Balance:			
Expenditures Included Above which are by Statute			
Deferred Charges to the Budget of the Succeeding Year	A-3:A-27	<u>30,000.00</u>	<u>50,000.00</u>
Statutory Excess to Fund Balance		\$ 572,431.15	\$ 592,801.76
<u>Fund Balance</u>			
Balance, January 1	A	<u>1,445,535.02</u>	<u>1,367,733.26</u>
		\$ 2,017,966.17	\$ 1,960,535.02
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>515,000.00</u>	<u>515,000.00</u>
Fund Balance, December 31	A	<u>\$ 1,502,966.17</u>	<u>\$ 1,445,535.02</u>

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

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

		<u>ANTICIPATED</u>		
	<u>REF.</u>	<u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ 515,000.00	\$ 515,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-9	\$ 17,040.00	\$ 16,800.00	\$ (240.00)
Fees and Permits:				
Other	A-2	75,000.00	62,739.33	(12,260.67)
Fines:				
Municipal Court	A-9	103,000.00	119,125.83	16,125.83
Interest and Costs on Taxes	A-9	37,000.00	64,406.55	27,406.55
Interest on Investments	A-9	48,000.00	77,482.60	29,482.60
Garden State Preservation Trust Fund	A-9	16,911.00	16,911.00	
Energy Receipts Tax	A-9	374,897.00	374,897.00	
Reserve to Pay Debt Service-Milligan	A-9	70,000.00	70,000.00	
Reserve to Pay Debt-Douglass	A-9	80,000.00	80,000.00	
Clean Communities Program	A-19	15,507.21	15,507.21	
Recycling Tonnage Grant	A-19	3,531.35	3,531.35	
	A-1	\$ 840,886.56	\$ 901,400.87	\$ 60,514.31
Receipts From Delinquent Taxes	A-2	\$ 120,000.00	\$ 215,463.09	\$ 95,463.09
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2:A-7	\$ 2,075,506.63	\$ 2,456,359.87	\$ 380,853.24
<u>Budget Totals</u>		\$ 3,551,393.19	\$ 4,088,223.83	\$ 536,830.64
Non-Budget Revenue	A-1:A-2		74,930.53	74,930.53
		\$ 3,551,393.19	\$ 4,163,154.36	\$ 611,761.17
	<u>REF.</u>		A-3	

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

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>		
Allocation of Current Tax Collections:			
Collections Realized on a Cash Basis	A-1:A-7	\$	19,801,299.79
Allocated to:			
School and County Taxes			<u>17,894,939.92</u>
Balance for Support of Municipal Budget Appropriations		\$	1,906,359.87
Add: Appropriation - "Reserve for Uncollected Taxes"	A-3		<u>550,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>2,456,359.87</u></u>
Delinquent Taxes	A-7	\$	179,958.40
Tax Title Liens	A-6		<u>35,504.69</u>
	A-2	\$	<u><u>215,463.09</u></u>
Fees and Permits	A-9	\$	63,239.33
Less: Refunds	A-4		<u>500.00</u>
	A-2	\$	<u><u>62,739.33</u></u>
<u>Analysis of Non-Budget Revenues</u>			
Miscellaneous Revenue Not Anticipated:			
Treasurer:			
Clerk Fees		\$	35.00
Cable TV Franchise Fee			5,420.50
Payment in Lieu of Taxes			4,493.94
Recycling			921.50
Miscellaneous			395.04
Building/Plumbing/Electrical Fees			6,730.00
Escrow			49,755.69
Farm Leases			5,800.00
Administrative Fee - Senior Citizen and Veterans			<u>484.15</u>
	A-4	\$	74,035.82
Tax Collector	A-5		<u>6,494.71</u>
			80,530.53
Refunds	A-4		<u>5,600.00</u>
	A-2	\$	<u><u>74,930.53</u></u>

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

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>OPERATIONS WITHIN "CAPS"</u>				
<u>GENERAL GOVERNMENT:</u>				
General Administration:				
Salaries and Wages	\$ 16,500.00	\$ 16,500.00	\$ 14,992.00	\$ 1,508.00
Other Expenses	27,500.00	40,000.00	35,875.37	4,124.63
Mayor and Council:				
Salaries and Wages	22,800.00	22,800.00	22,050.00	750.00
Municipal Clerk:				
Salaries and Wages	83,000.00	83,000.00	77,388.28	5,611.72
Financial Administration:				
Salaries and Wages	47,550.00	47,550.00	47,550.00	
Other Expenses	7,000.00	7,000.00	6,467.68	532.32
Audit Services	35,000.00	35,000.00	31,200.00	3,800.00
Computerized Data Processing:				
Other Expenses	20,000.00	20,000.00	18,146.61	1,853.39
Revenue Administration (Tax Collection):				
Salaries and Wages	16,560.00	16,560.00	16,558.01	1.99
Other Expenses	4,500.00	4,500.00	2,859.34	1,640.66
Tax Assessment Administration:				
Salaries and Wages	28,650.00	28,650.00	28,639.01	10.99
Other Expenses	4,000.00	4,500.00	4,145.44	354.56
Legal Services:				
Other Expenses	90,250.00	90,250.00	87,421.37	2,828.63
Engineering Services:				
Other Expenses	85,250.00	85,250.00	54,383.04	30,866.96
<u>LAND USE ADMINISTRATION:</u>				
Municipal Land Use Law (NJSA 40:550-1)				
Planning Board:				
Salaries and Wages	42,500.00	42,500.00	36,202.48	6,297.52
Other Expenses	20,152.00	62,152.00	60,492.94	1,659.06
Zoning Board of Adjustment:				
Salaries and Wages	13,675.00	13,675.00	13,671.07	3.93
Other Expenses:				
Miscellaneous Other Expenses	100.00	100.00		100.00
<u>INSURANCE:</u>				
Liability Insurance	85,500.00	85,500.00	84,229.00	1,271.00
Worker Compensation Insurance	24,600.00	24,600.00	24,539.00	61.00
Employee Insurance	155,000.00	132,500.00	122,326.90	10,173.10
<u>PUBLIC SAFETY FUNCTIONS:</u>				
Office of Emergency Management:				
Salaries and Wages	8,645.00	8,645.00	7,041.98	1,603.02
Other Expenses	1,500.00	1,500.00		1,500.00
Aid to Volunteer Fire Companies	91,035.00	91,035.00	91,035.00	
Aid to Volunteer Fire Companies - Adjoining	68,527.00	68,527.00	68,527.00	
Contributions to First Aid Organizations	68,713.00	68,713.00	68,712.00	1.00
Contributions to First Aid Organizations - Adjoining	32,635.00	32,635.00	30,382.00	2,253.00
Fire Department:				
Other Expenses:				
Fire Hydrant Services	13,500.00	13,500.00	9,317.25	4,182.75
911 Department:				
Other Expenses	500.00	500.00		500.00

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

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	APPROPRIATIONS		EXPENDED	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>PUBLIC WORKS FUNCTIONS:</u>				
Street and Road Maintenance:				
Salaries and Wages	\$ 270,000.00	\$ 265,000.00	\$ 232,528.63	\$ 32,471.37
Other Expenses	190,000.00	181,500.00	158,390.49	23,109.51
Solid Waste Collection:				
Salaries and Wages	15,000.00	15,000.00	13,364.22	1,635.78
Other Expenses:				
Sewer Rent Charges	1.00	1.00		1.00
Miscellaneous	25,000.00	25,000.00	19,020.52	5,979.48
Building and Grounds:				
Other Expenses	35,000.00	42,500.00	37,709.65	4,790.35
<u>HEALTH AND HUMAN SERVICES FUNCTIONS:</u>				
Public Health Services (Board of Health):				
Other Expenses	100.00	100.00	93.58	6.42
Environmental Health Services:				
Other Expenses	600.00	600.00	21.81	578.19
Animal Control Services:				
Salaries and Wages	5,800.00	5,800.00	5,781.07	18.93
Other Expenses	5,000.00	5,000.00		5,000.00
Contributions to Social Services Agencies:				
Other Expenses	5,000.00	5,000.00	3,623.00	1,377.00
<u>PARKS AND RECREATION FUNCTIONS:</u>				
Recreation Services and Programs:				
Other Expenses:				
Miscellaneous	43,800.00	43,800.00	36,077.82	7,722.18
Insurance Premiums	2,300.00	2,300.00	2,103.00	197.00
Maintenance of Parks:				
Other Expenses	17,500.00	17,500.00	11,855.94	5,644.06
Municipal Court:				
Other Expenses	117,500.00	117,500.00	86,625.00	30,875.00
<u>UNCLASSIFIED:</u>				
Electricity	12,000.00	12,000.00	8,331.57	3,668.43
Street Lighting	6,000.00	6,000.00	4,836.13	1,163.87
Telephone	9,000.00	12,500.00	12,182.84	317.16
Fuel Oil	1,500.00	1,500.00	472.05	1,027.95
Gasoline and Diesel Fuel	20,000.00	20,000.00	14,149.49	5,850.51
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 1,896,243.00</u>	<u>\$ 1,926,243.00</u>	<u>\$ 1,711,319.58</u>	<u>\$ 214,923.42</u>

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

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	APPROPRIATIONS		EXPENDED	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-</u>				
<u>MUNICIPAL WITHIN "CAPS":</u>				
Statutory Expenditures:				
Contribution to:				
Unemployment Insurance	\$ 750.00	\$ 750.00	\$ 371.25	\$ 378.75
Social Security System	45,000.00	45,000.00	37,799.22	7,200.78
Public Employees Retirement System	56,506.00	56,506.00	56,506.00	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 102,256.00</u>	<u>\$ 102,256.00</u>	<u>\$ 94,676.47</u>	<u>\$ 7,579.53</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>\$ 1,998,499.00</u>	<u>\$ 2,028,499.00</u>	<u>\$ 1,805,996.05</u>	<u>\$ 222,502.95</u>
<u>OPERATIONS EXCLUDED FROM "CAPS":</u>				
Fire Department:				
Other Expenses - LOSAP - PVFC	7,200.00	7,200.00	7,200.00	
Other Expenses - LOSAP - PVRS	8,400.00	8,400.00	7,800.00	600.00
<u>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 15,600.00</u>	<u>\$ 15,600.00</u>	<u>\$ 15,000.00</u>	<u>\$ 600.00</u>
<u>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES:</u>				
Clean Communities Program	\$ 15,507.21	\$ 15,507.21	\$ 15,507.21	\$
Recycling Tonnage Grant	3,531.35	3,531.35	3,531.35	
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS</u>	<u>\$ 19,038.56</u>	<u>\$ 19,038.56</u>	<u>\$ 19,038.56</u>	<u>\$</u>
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 34,638.56</u>	<u>\$ 34,638.56</u>	<u>\$ 34,038.56</u>	<u>\$ 600.00</u>
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS":</u>				
Capital Improvement Fund	\$ 450,000.00	\$ 450,000.00	\$ 450,000.00	\$
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>	<u>\$ 450,000.00</u>	<u>\$ 450,000.00</u>	<u>\$ 450,000.00</u>	<u>\$</u>
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS":</u>				
Payment of Bond Principal	\$ 435,000.00	\$ 435,000.00	\$ 435,000.00	\$
Interest on Bonds	73,255.63	73,255.63	73,255.63	
<u>TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>	<u>\$ 508,255.63</u>	<u>\$ 508,255.63</u>	<u>\$ 508,255.63</u>	<u>\$</u>

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

TOWNSHIP OF UNION

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	APPROPRIATIONS		EXPENDED	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>DEFERRED CHARGES-MUNICIPAL EXCLUDED FROM "CAPS"</u>				
Emergency Authorization:	\$	\$	\$	\$
Special Emergency Authorization - 5 Years	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>	<u></u>
<u>TOTAL DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</u>	\$ <u>10,000.00</u>	\$ <u>10,000.00</u>	\$ <u>10,000.00</u>	\$ <u></u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	\$ <u>1,002,894.19</u>	\$ <u>1,002,894.19</u>	\$ <u>1,002,294.19</u>	\$ <u>600.00</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	\$ <u>3,001,393.19</u>	\$ <u>3,031,393.19</u>	\$ <u>2,808,290.24</u>	\$ <u>223,102.95</u>
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>550,000.00</u>	<u>550,000.00</u>	<u>550,000.00</u>	<u></u>
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ <u><u>3,551,393.19</u></u>	\$ <u><u>3,581,393.19</u></u>	\$ <u><u>3,358,290.24</u></u>	\$ <u><u>223,102.95</u></u>
	<u>REF.</u>	A-2	A-1	A:A-1
Budget	A-3	\$ 3,551,393.19		
Emergency Authorization 40A:4-48	A-27	<u>30,000.00</u>		
		\$ <u><u>3,581,393.19</u></u>		
Encumbered	A-26		\$ 28,317.32	
Reserve for Uncollected Taxes	A-2		550,000.00	
Special Emergency 40A:4-53	A-27		10,000.00	
Reserve for Grants Appropriated	A-20		19,038.56	
Cash Disbursements	A-4		<u>2,774,996.50</u>	
			\$ <u>3,382,352.38</u>	
Less: Refunds	A-4		<u>24,062.14</u>	
			\$ <u><u>3,358,290.24</u></u>	

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

TRUST FUND

## TOWNSHIP OF UNION

## TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	B-2	\$ <u>9,603.26</u>	\$ <u>7,866.35</u>
		\$ <u>9,603.26</u>	\$ <u>7,866.35</u>
Other Funds:			
Cash	B-2	\$ <u>900,042.90</u>	\$ <u>972,236.81</u>
		\$ <u>900,042.90</u>	\$ <u>972,236.81</u>
		\$ <u><u>909,646.16</u></u>	\$ <u><u>980,103.16</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Trust Fund:			
Due Current Fund	B-8	\$ 284.26	\$ 155.79
Due From State of New Jersey	B-4	4.20	
Prepaid Licenses	B-5	2,111.00	2,226.00
Reserve for Animal Control			
Trust Fund Expenditures	B-3	<u>7,203.80</u>	<u>5,484.56</u>
		\$ <u>9,603.26</u>	\$ <u>7,866.35</u>
Other Funds:			
Due Current Fund	B-8	\$ 11,763.94	\$ 18,925.21
Reserve For:			
Encumbrances	B-6	7,337.71	8,690.02
Various Reserves and Deposits	B-7	867,483.92	931,164.25
Fund Balance	B-1	<u>13,457.33</u>	<u>13,457.33</u>
		\$ <u>900,042.90</u>	\$ <u>972,236.81</u>
		\$ <u><u>909,646.16</u></u>	\$ <u><u>980,103.16</u></u>

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

TOWNSHIP OF UNION

TRUST FUND

STATEMENT OF FUND BALANCE- REGULATORY BASIS - OTHER FUNDS

	<u>REF.</u>		
Balance, December 31, 2018	B	\$	13,457.33
Balance, December 31, 2019	B	\$	<u>13,457.33</u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,379,618.65	\$ 1,607,570.61
Deferred Charges to Future Taxation - Funded	C-4	3,786,674.84	4,267,617.80
Due Current Fund	C-9	669.81	669.81
Grants Receivable	C-10	<u>11,665.09</u>	<u>385,000.00</u>
		<u>\$ 5,178,628.39</u>	<u>\$ 6,260,858.22</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-12	\$ 3,692,000.00	\$ 4,127,000.00
Loan Payable - New Jersey Department of Environmental Protection	C-11	94,674.84	140,617.80
Improvement Authorizations: Funded	C-7	119,190.02	935,258.08
Reserve for:			
Contracts Payable	C-6	169,804.07	85,022.88
Debt Service	C-5	708,567.28	858,567.28
Capital Improvement Fund	C-8	<u>394,392.18</u>	<u>114,392.18</u>
		<u>\$ 5,178,628.39</u>	<u>\$ 6,260,858.22</u>

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

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2018	C	\$	0.00
Balance, December 31, 2019	C	\$	<u>0.00</u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

PUBLIC ASSISTANCE TRUST FUND

TOWNSHIP OF UNION

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>
<u>ASSETS</u>			
Cash - Treasurer: Public Assistance Trust Fund I	E-1	\$ <u>1,493.99</u>	\$ <u>1,471.98</u>
		\$ <u>1,493.99</u>	\$ <u>1,471.98</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance: Public Assistance Trust Fund I		\$ <u>1,493.99</u>	\$ <u>1,471.98</u>
		\$ <u>1,493.99</u>	\$ <u>1,471.98</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF UNION

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	DECEMBER <u>31, 2019</u>	DECEMBER <u>31, 2018</u>
General Fixed Assets:		
Sites	\$ 14,544,184.00	\$ 14,544,184.00
Site Improvements	168,183.00	168,183.00
Buildings and Building Improvements	715,061.00	715,061.00
Machinery and Equipment	<u>1,511,480.17</u>	<u>1,498,421.00</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 16,938,908.17</u>	<u>\$ 16,925,849.00</u>
Investment in General Fixed Assets	<u>\$ 16,938,908.17</u>	<u>\$ 16,925,849.00</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF UNION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Union is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Union include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Union, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Union do not include the operations of the volunteer fire companies, first aid squads, local or regional school districts, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Union conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, and State of New Jersey. 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 financial transactions and accounts of the Township of Union are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that has been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from U.S. generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenues when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's regulatory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit. Public domain ("infrastructure") general 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.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Adjustments for assets acquired/sold subsequent to this date have not been recorded. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Township's most recent property revaluation.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (an amendment of GASB Statement No. 68), local government employers (or non-employer contributing entity in a special funding situation) are required to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize their proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources on the Statement of Net Position and the proportionate share of the pension related expense on the Statement of Activities.

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 to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

D. 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 held in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank 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 of Union has the following cash and cash equivalents at December 31, 2019:

<u>Fund Type</u>	Bank <u>Balance</u>	N.J. Cash <u>Management</u>	<u>Reconciling Items:</u>		Reconciled <u>Balance</u>
			<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$ 4,111,367.32	\$ 10,710.65	\$ 70,938.34	\$ 106,572.36	\$ 4,086,443.95
Animal Control Fund	9,217.26		386.00		9,603.26
Other Trust Fund	915,992.05	239.35	50.00	16,238.50	900,042.90
General Capital Fund	1,357,818.66	16.99	46,250.00	24,467.00	1,379,618.65
Public Assistance Trust Fund	<u>1,493.99</u>				<u>1,493.99</u>
<b>TOTAL DECEMBER 31, 2019</b>	<b>\$ <u>6,395,889.28</u></b>	<b>\$ <u>10,966.99</u></b>	<b>\$ <u>117,624.34</u></b>	<b>\$ <u>147,277.86</u></b>	<b>\$ <u>6,377,202.75</u></b>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

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. As of December 31, 2019, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance, \$6,134,922.29 was covered under the provisions of NJGUDPA and \$10,966.99 was on deposit with the New Jersey Cash Management Fund.

B. Investments

The purchases of investments by the Township are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2019, the Township has \$10,966.99 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Township is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: GOVERNMENTAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the Township are general obligation bonds, based by the full faith and credit of the Township.

LONG-TERM DEBT

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2019</u>	<u>YEAR 2018</u>	<u>YEAR 2017</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 3,786,674.84	\$ 4,267,617.80	\$ 4,769,125.35
Less: Funds Temporarily Held to Pay Bonds and Notes - Gen. Capital	<u>708,567.28</u>	<u>858,567.28</u>	<u>1,008,567.28</u>
<u>Net Debt Issued</u>	<u>\$ 3,078,107.56</u>	<u>\$ 3,409,050.52</u>	<u>\$ 3,760,558.07</u>
 NET BONDS, NOTES AND LOANS ISSUED AND AUTHORIZED BUT NOT ISSUED	 <u>\$ 3,078,107.56</u>	 <u>\$ 3,409,050.52</u>	 <u>\$ 3,760,558.07</u>

SUMMARY OF REGULATORY 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 regulatory net debt of .365%.

	<u>GROSS DEBT</u>	<u>DEDUCTION</u>	<u>NET DEBT</u>
Local School Debt	\$ 9,320,000.00	\$ 9,320,000.00	\$
Regional School Debt	881,722.98	881,722.98	
General Debt	<u>3,786,674.84</u>	<u>708,567.28</u>	<u>3,078,107.56</u>
	<u>\$ 13,988,397.82</u>	<u>\$ 10,910,290.26</u>	<u>\$ 3,078,107.56</u>

NET DEBT \$3,078,107.56 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, AS AMENDED, \$844,193,597.33 EQUALS .365%.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

EQUALIZED VALUATION BASIS

2017 Equalized Valuation Basis of Real Property	\$	819,570,509.00
2018 Equalized Valuation Basis of Real Property		857,386,591.00
2019 Equalized Valuation Basis of Real Property		<u>855,623,692.00</u>
	\$	<u>844,193,597.33</u>

BORROWING POWER UNDER N.J.S. 40A:2-6

Equalized Valuation Basis* - December 31, 2019	\$	<u>844,193,597.33</u>
3-1/2% of Equalized Valuation Basis	\$	29,546,775.91
Net Debt		<u>3,078,107.56</u>
Remaining Borrowing Power	\$	<u>26,468,668.35</u>

\*Equalized Valuation basis is the average of the equalized valuation of Real Estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township for the last three (3) preceding years.

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 3% of the Average Equalized Assessed Valuation of real property for the Local and Regional School Districts.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

Serial Bonds

\$3,445,000.00 of 2016 Refunding Bonds with annual principal installments of \$295,000 to \$365,000 starting 2017 through November 2026 at an interest rate of 1.600%. \$ 2,320,000.00

\$1,597,000.00 of 2016 Serial Bonds with annual principal installments of \$75,000 to \$150,000 starting 2017 through May 2013 at variable interest rate of 2.00% to 2.375%. 1,372,000.00

\$ 3,692,000.00

Green Acres Loan

\$747,300 of 2003 Green Acres Loan with semi-annual principal and interest installments of \$26,263.37 through December 2021 at an interest rate of 2.0%. \$ 94,674.84

Bonds and Notes Authorized But Not Issued

At December 31, 2019, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>None</u>
----------------------	-------------

SCHEDULE OF GREEN ACRES TRUST LOANS

CALENDAR YEAR	HOFFMAN		TOTAL
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2020	\$ 46,866.41	\$ 1,660.33	\$ 48,526.74
2021	<u>47,808.43</u>	<u>718.31</u>	<u>48,526.74</u>
	<u>\$ 94,674.84</u>	<u>\$ 2,378.64</u>	<u>\$ 97,053.48</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

SCHEDULE OF SERIAL BONDS PAYABLE

<u>CALENDAR YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2020	\$ 440,000.00	\$ 65,855.00	\$ 505,855.00
2021	430,000.00	58,327.50	488,327.50
2022	420,000.00	50,903.75	470,903.75
2023	415,000.00	43,663.75	458,663.75
2024	420,000.00	36,278.75	456,278.75
2025-2029	1,270,000.00	85,525.00	1,355,525.00
2030-2031	<u>297,000.00</u>	<u>6,924.38</u>	<u>303,924.38</u>
	<u>\$ 3,692,000.00</u>	<u>\$ 347,478.13</u>	<u>\$ 4,039,478.13</u>

SHORT-TERM DEBT

In accordance with N.J.S.A. 40A:2-8.1, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

- (1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;
- (2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and
- (3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

The Township did not have any Bond Anticipation Notes in 2019.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SHORT-TERM DEBT (CONTINUED)

In accordance with NJSA 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the Township may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year, and bear an interest rate that does not exceed 6%. The Township did not have any Tax Anticipation Notes in 2019.

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2019, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2020, were as follows:

Current Fund	\$515,000.00
--------------	--------------

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2019</u>	BALANCE DECEMBER <u>31, 2018</u>
Prepaid Taxes	<u>\$140,261.89</u>	<u>\$157,445.15</u>

NOTE 6: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrprts.shtml](http://www.nj.gov/treasury/pensions/annrprts.shtml).

Public Employees' Retirement System (PERS) - 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 PERS 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 pension fund or local jurisdiction's pension fund.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2019, PERS provides for employee contributions of 7.50% of employees' base salary.

The Township's share of pension, which is based upon the annual billings received from the state, amounted to:

<u>YEAR</u>		<u>PERS</u>
2019	\$	56,506.00
2018		57,942.00
2017		55,661.00

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Township employees are also covered by the Federal Insurance Contribution Act.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 “Accounting and Financial Reporting for Public Employees Pensions” which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen’s Retirement System (PFRS) of the participating municipality as of December 31, 2019. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year’s budget and no liability is accrued at December 31, 2019.

Public Employees Retirement System (PERS)

At June 30, 2019, the State reported a net pension liability of \$990,131.00 for the Township’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The Township’s proportion of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Township’s proportion was 0.0054950860 percent, which was a decrease of 0.0001737940 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the State recognized an actuarially determined pension expense of \$41,738.00 for the Township’s proportionate share of the total pension expense. The pension expense recognized in the Township’s financial statements based on the April 1, 2019 billing was \$56,387.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 17,772.00	\$ 4,374.00
Changes of assumptions	98,868.00	343,671.00
Net difference between projected and actual earnings on pension plan investments		15,630.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>28,953.00</u>	<u>114,442.00</u>
	<u>\$ 145,593.00</u>	<u>\$ 478,117.00</u>

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	(\$45,687.80)
2021	(109,844.80)
2022	(99,915.80)
2023	(55,984.80)
2024	<u>(21,090.80)</u>
	<u>(\$332,524.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation	2.75%	2.25%
Salary Increases		
Through 2026	2.00-6.00%	1.65-4.15%
Thereafter	3.00-7.00%	2.65-5.15%
	Based on Years of Service	Based on Age
Investment Rate of Return	7.00%	7.00%

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2019 and June 30, 2018) 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 PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% and 5.66% as of June 30, 2019 and June 30, 2018, respectively. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2019 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% for June 30, 2019 and June 30, 2018 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2019 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>5.28%</u>	<u>6.28%</u>	<u>7.28%</u>
Township's proportionate share of the pension liability	\$1,259,397.00	\$990,131.00	\$775,928.00

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 7: LITIGATION

The Township Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

NOTE 8: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2019. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. The balance in reserve at December 31, 2019 is \$25,000.00.

NOTE 9: CONTINGENT LIABILITIES

The Township participates in several state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to state financial assistance programs will be discussed in detail in Part II of the 2019 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2019, the Township does not believe that any material liabilities will result from such audits.

NOTE 10: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Township participates in the Public Alliance Insurance Coverage Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. The Fund is also a member of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance coverage for each of the various risks noted above. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following table is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and the previous two years:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ 298.74	\$ 1,113.86	\$ 6,260.82	\$ 24,987.67
2018	154.19	1,237.27	5,538.93	29,835.89
2017	19.25	1,222.70	513.62	33,983.36

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

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

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 12,048.20	\$ 67,522.42
Grant Fund	66,852.61	
Animal Control Trust Fund		284.26
Trust Other Fund		11,763.94
General Capital Fund	669.81	
	<u>\$ 79,570.62</u>	<u>\$ 79,570.62</u>

All balances resulted from the time lag between the dates that payment between funds is made.

NOTE 12: DEFERRED SCHOOL TAXES

New Jersey statutes provide for the deferral of liability for not more than 50% of the annual levy when school taxes are raised on a school year basis and such taxes have not been requisitioned by the school district.

LOCAL DISTRICT SCHOOL TAX

	BALANCE DECEMBER 31, 2019	BALANCE DECEMBER 31, 2018
Balance of Tax	\$2,587,967.92	\$2,367,131.92
Deferred	<u>1,087,841.00</u>	<u>1,087,841.00</u>
School Tax Payable	<u>\$1,500,126.92</u>	<u>\$1,279,290.92</u>

REGIONAL HIGH SCHOOL TAX

	BALANCE DECEMBER 31, 2019	BALANCE DECEMBER 31, 2018
Balance of Tax	\$4,669,460.60	\$4,585,374.12
Deferred	<u>4,123,912.53</u>	<u>4,173,912.53</u>
School Tax Payable	<u>\$545,548.07</u>	<u>\$411,461.59</u>

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

During 2000, the Township of Union adopted an ordinance establishing a Length of Service Awards Program for the members of the Pattenberg Volunteer Fire Company pursuant to N.J.S.A. 40A:14-183 *et seq.* Under this program, each volunteer of the Pattenberg Volunteer Fire Company that performs the maximum amount of service will have an annual amount of \$600.00 deposited into a tax deferred income account that will earn interest for the volunteer. The amount budgeted for this cost was \$7,200.00 in 2019.

During 2017, the Township of Union adopted an ordinance establishing a Length of Service Awards Program for the members of the Pattenberg Rescue Squad pursuant to N.J.S.A. 40A:14-183 *et seq.* Under this program, each volunteer of the Pattenberg Rescue Squad that performs the maximum amount of service will have an annual amount of \$600.00 deposited into a tax deferred income account that will earn interest for the volunteer. The amount budgeted for this cost was \$7,800.00 in 2019.

The accompanying financial statements do not include the Township's Length of Service Awards Program's activities. The Township's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 14: DEFERRED COMPENSATION PLANS

The Township offers its employees enrollment in a deferred compensation plan created in accordance with Internal Revenue Code Section 403 (b). The plan, which is administered by VALIC, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 15: COMPENSATED ABSENCES

The Township does not have a policy which allows employees to accrue unused vacation and sick pay.

NOTE 16: GASB 75 OTHER POST-EMPLOYMENT BENEFITS

The Township does not provide post retirement benefits other than pension to its employees which is provided through the New Jersey pension system.

NOTE 17: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through June 15, 2020 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no subsequent events needed to be disclosed.

Subsequent to the date of these Financial Statements the COVID-19 Corona Virus spread across the State of New Jersey and the Nation as a whole. The impact of this virus on the Township's operations in 2020 cannot reasonably be estimated at this time but is expected to negatively affect revenues.

NOTE 18: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER 31, 2019	2020 BUDGET APPROPRIATION	BALANCE TO SUCCEEDING BUDGETS
Current:			
Special Emergency Authorization:			
Preparation of a Tax Map	<u>\$40,000.00</u>	<u>\$10,000.00</u>	<u>\$30,000.00</u>
Emergency Authorization	<u>\$30,000.00</u>	<u>\$30,000.00</u>	<u>\$0.00</u>

TOWNSHIP OF UNION

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2019

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF CASH-TREASURER

REF.	CURRENT FUND	GRANT FUND
	\$ 3,580,293.34	\$
Balance, December 31, 2018		
Increased by Receipts:		
Collector	\$ 20,694,459.51	\$
State of New Jersey-Chapter 20, P.L. 1971	24,207.53	
Revenue Accounts Receivable	818,455.76	
Miscellaneous Revenue Not Anticipated	74,035.82	
Appropriation Refunds	24,062.14	
Grants Receivable		3,531.35
Interfunds Received	402,971.32	15,701.83
Petty Cash	100.00	
Grants Unappropriated		18,918.79
Reserve for Sale of Municipal Assets	14,068.00	
	<u>22,052,360.08</u>	<u>38,151.97</u>
	\$ 25,632,653.42	\$
Decreased by Disbursements:		
2019 Appropriations	\$ 2,774,996.50	\$
2018 Appropriation Reserves	84,500.33	
Interfunds Disbursed	389,190.21	22,450.14
County Taxes	3,245,843.74	
Local District School Tax	9,255,532.52	
Regional High School Tax	4,955,100.00	
Municipal Open Space Tax	139,882.07	
Grants Appropriated		15,701.83
Miscellaneous Reserves	623,233.72	
Petty Cash	100.00	
Refund of Miscellaneous Revenue Not Anticipated	5,600.00	
Refund of Current Year Revenues	500.00	
Refund of Prior Year Revenues	71,730.38	
	<u>21,546,209.47</u>	<u>38,151.97</u>
Balance, December 31, 2019	\$ 4,086,443.95	\$ -0-

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR

REF.

Received:				
Interest on Delinquent Taxes	A-9	\$	64,406.55	
Taxes Receivable	A-7		19,793,598.80	
2020 Taxes Prepaid	A-17		140,261.89	
Miscellaneous Reserves	A-21		580,552.26	
Tax Title Liens	A-6		35,504.69	
Tax Overpayments	A-18		73,390.61	
Senior Citizen Deductions Disallowed	A-8		250.00	
Miscellaneous Revenue Not Anticipated	A-2		6,494.71	
			<u>6,494.71</u>	
				\$ <u>20,694,459.51</u>
Decreased by Disbursements:				
Payments to Treasurer	A-4			\$ <u><u>20,694,459.51</u></u>

SCHEDULE OF TAX TITLE LIENS

Balance, December 31, 2018	A			\$ 106,707.91
Increased by:				
Transfers From Taxes Receivable	A-7	\$	6,384.76	
Interest and Costs Accrued by Tax Sale of October 17, 2019			<u>58.38</u>	
				\$ <u>6,443.14</u>
				\$ <u>113,151.05</u>
Decreased by:				
Cash Receipts	A-2:A-5			<u>35,504.69</u>
Balance, December 31, 2019	A			\$ <u><u>77,646.36</u></u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2018	2019 LEVY	IN 2018	COLLECTED IN 2019	OVERPAYMENTS APPLIED	CANCELLED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2019
2018	\$ 179,958.40	\$	\$	\$ 179,958.40	\$	\$	\$	\$
2019		19,988,734.09	157,445.15	19,638,390.40	5,464.24	36,200.56	6,384.76	144,848.98
	\$ 179,958.40	\$ 19,988,734.09	\$ 157,445.15	\$ 19,818,348.80	\$ 5,464.24	\$ 36,200.56	\$ 6,384.76	\$ 144,848.98

REF. A

Collector	
State of New Jersey	
	A-5
	A-8
	A-2
	19,793,598.80
	24,750.00
	19,818,348.80

ANALYSIS OF 2019 PROPERTY TAX LEVY

TAX YIELD	
General Purpose Tax	\$ 19,968,911.40
Added Taxes (54:4-63.1 et seq.)	19,822.69
	\$ 19,988,734.09

TAX LEVY	
Regional High School Tax (Abstract)	\$ 5,175,936.00
Local District School Tax (Abstract)	9,339,619.00
Municipal Open Space Tax	139,882.07
County Taxes:	
County Tax (Abstract)	3,236,293.25
Due County for Added Taxes (54:4-63.1 et seq.)	3,209.60

Total County Taxes	3,239,502.85
Local Tax for Municipal Purposes (Abstract)	\$ 2,075,506.63
Add: Additional Tax Levied	18,287.54
	2,093,794.17
	\$ 19,988,734.09

A-2 A-18 A-6

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance Due from (to), December 31, 2018	A	\$	(1,000.00)
Increased by:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$	2,250.00
Veterans			22,000.00
Allowed by Collector			500.00
			<u>24,750.00</u>
		\$	<u>23,750.00</u>
Decreased by:			
Received From State of New Jersey	A-4	\$	24,207.53
Disallowed by Collector - 2018 Taxes	A-5		250.00
			<u>24,457.53</u>
Balance Due From (To), December 31, 2019	A	\$	<u><u>(707.53)</u></u>
 <u>SUMMARY OF 2019 EXEMPTIONS</u>			
Senior Citizens and Veterans Deductions			
Per Tax Billings		\$	24,250.00
Allowed by Collector			500.00
			<u>24,750.00</u>
	A-7	\$	<u><u>24,750.00</u></u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>REF.</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>ACCRUED IN 2019</u>	<u>COLLECTED BY COLLECTOR</u>	<u>COLLECTED BY TREASURER</u>	<u>BALANCE DECEMBER 31, 2019</u>
Clerk:					
A-2	\$	\$ 16,800.00	\$	\$ 16,800.00	\$
A-2		16,359.33		16,359.33	
A-2		46,880.00		46,880.00	
A-2	7,052.71	120,165.18		119,125.83	8,092.06
A-2		64,406.55	64,406.55		
A-2		77,482.60		77,482.60	
A-2		374,897.00		374,897.00	
A-2		16,911.00		16,911.00	
A-2		70,000.00		70,000.00	
A-2		80,000.00		80,000.00	
	<u>\$ 7,052.71</u>	<u>\$ 883,901.66</u>	<u>\$ 64,406.55</u>	<u>\$ 818,455.76</u>	<u>\$ 8,092.06</u>
<u>REF.</u>	A		A-5	A-4	A

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ANIMAL CONTROL FUND</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2018:						
Due From	A	\$ 19,081.00	\$	\$ 155.79	\$ 18,925.21	\$ 669.81
Due To	A	60,774.11	60,104.30			
Cash Receipts	A-4	402,971.32	22,450.14		7,186.27	373,334.91
Cash Disbursements	A-4	389,190.21	15,701.83	128.47	25.00	373,334.91
Balance, December 31, 2019:						
Due From	A	\$ 12,048.20	\$	\$ 284.26	\$ 11,763.94	\$ 669.81
Due To	A	67,522.42	66,852.61			

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF RESERVES TAX APPEALS

	<u>REF.</u>		
Balance, December 31, 2018	A	\$	25,000.00
Balance, December 31, 2019	A	\$	<u>25,000.00</u>

TOWNSHIP OF UNION

GRANT FUND

SCHEDULE OF RESERVES FOR GRANTS-UNAPPROPRIATED

	BALANCE DECEMBER 31, 2018	CASH RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2019
Alcohol Education and Rehabilitation Fund	\$	\$	\$	\$
Clean Communities	15,507.21	1,607.49	15,507.21	1,607.49
	<u>15,507.21</u>	<u>17,311.30</u>	<u>15,507.21</u>	<u>17,311.30</u>
	<u>\$ 15,507.21</u>	<u>\$ 18,918.79</u>	<u>\$ 15,507.21</u>	<u>\$ 18,918.79</u>
<u>REF.</u>	A	A-4	A-19	A

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2018	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>				
General Administration	\$ 1,071.52	\$ 1,071.52	\$	1,071.52
Municipal Clerk	4.46	4.46		4.46
Financial Administration	5.49	5.49		5.49
Revenue Administration	406.54	406.54		406.54
Assessment of Taxes	9.50	9.50		9.50
Planning Board	8.44	8.44		8.44
Zoning Board of Adjustments	2.10	2.10		2.10
Office of Emergency Management	8.43	8.43		8.43
Street and Road Maintenance	18,254.24	8,254.24		8,254.24
Solid Waste Collection	1,771.83	1,771.83		1,771.83
Animal Control Services	5.53	5.53		5.53
<u>OTHER EXPENSES:</u>				
General Administration	4,465.38	4,664.38	3,860.92	803.46
Financial Administration	122.83	152.83	30.00	122.83
Computer Data Processing	2,733.70	2,783.70		2,783.70
Revenue Administration	64.78	64.78		64.78
Assessment of Taxes	713.66	713.66	690.00	23.66
Legal Services and Costs	24.05	6,024.05	5,219.32	804.73
Engineering Services	429.00	12,429.00	10,521.00	1,908.00
Planning Board	1,473.70	3,625.70	2,860.68	765.02
Zoning Board of Adjustments	100.00	100.00		100.00
Unemployment Insurance	337.65	337.65		337.65
Liability Insurance	609.00	609.00		609.00
Worker Compensation Insurance	385.00	385.00		385.00
Employee Insurance	12,296.12	2,296.12	496.81	1,799.31
Office of Emergency Management	11.16	1,500.00	1,488.84	11.16
Aid to Volunteer Fire Companies- Adjoining	1.78	1.78		1.78
Contributions to First Aid Organization - Adjoining	4.81	4.81		4.81
Fire Hydrant Services	3,682.75	3,682.75	3,105.75	577.00
911 Department	500.00	500.00		500.00
Street and Road Maintenance	35,752.64	59,896.59	40,797.53	19,099.06
Solid Waste Collection - Sewer Rent	1.00	1.00		1.00
Solid Waste Collection - Other	8,408.92	8,408.92	4,709.70	3,699.22
Building and Grounds	6,398.76	7,173.07	1,684.58	5,488.49
Environmental Health Services	600.00	600.00	116.90	483.10
Public Health Services	100.00	100.00		100.00
Animal Control Services	4,500.00	4,500.00		4,500.00
Contribution to Social Services Agencies	1,926.00	1,926.00	1,926.00	
Recreation Services and Programs- Other Expense	1,475.09	5,415.09	5,415.09	
Maintenance of Parks	268.91	268.91		268.91
Electricity	1,625.04	1,625.04	90.91	1,534.13
Street Lighting	3,333.07	3,333.07		3,333.07
Telephone	1,250.64	1,250.64	1,028.77	221.87
Fuel Oil	959.01	959.01	457.53	501.48
Gasoline-Diesel Fuel	2,766.69	2,766.69		2,766.69
Social Security System (O.A.S.I.)	7,984.63	7,984.63		7,984.63
Municipal Court	2,000.00	2,000.00		2,000.00
	\$ <u>128,853.85</u>	\$ <u>159,631.95</u>	\$ <u>84,500.33</u>	\$ <u>75,131.62</u>
<u>REF.</u>	A		A-4	A-1
Balance, December 31, 2018	A-13	\$ 128,853.85		
Encumbrances Payable	A-26	<u>30,778.10</u>		
		\$ <u>159,631.95</u>		

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018	A		\$ 9,550.49
2019 Tax Levy:			
County Taxes	A-1:A-7	\$ 2,711,142.30	
County Open Space	A-1:A-7	258,925.82	
County Library	A-1:A-7	266,225.13	
County Share of Added Taxes	A-1:A-7	<u>3,209.60</u>	
			<u>3,239,502.85</u>
			\$ <u>3,249,053.34</u>
Decreased by:			
Cash Disbursements	A-4		<u>3,245,843.74</u>
Balance, December 31, 2019	A		\$ <u><u>3,209.60</u></u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

	<u>REF.</u>		
Balance, December 31, 2018:			
School Tax Deferred		\$ 4,173,912.53	
School Tax Payable	A	<u>411,461.59</u>	
			\$ 4,585,374.12
Increased by:			
Levy	A-7		<u>9,339,619.00</u>
			13,924,993.12
Decreased by:			
Cash Disbursements	A-4		<u>9,255,532.52</u>
Balance, December 31, 2019:			
School Tax Deferred		\$ 4,123,912.53	
School Tax Payable	A	<u>545,548.07</u>	
			\$ <u><u>4,669,460.60</u></u>
2019 Liability for Local District School Tax:			
Tax Paid	A-4		\$ 9,255,532.52
Tax Prepaid, December 31, 2019	A-15		<u>545,548.07</u>
			9,801,080.59
Less:			
Tax Payable December 31, 2018	A-15		<u>411,461.59</u>
	A-1		\$ <u><u>9,389,619.00</u></u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAX

	<u>REF.</u>		
Balance, December 31, 2018:			
School Tax Deferred		\$ 1,087,841.00	
School Tax Payable	A	<u>1,279,290.92</u>	
			\$ 2,367,131.92
Increased by:			
Levy	A-7		<u>5,175,936.00</u>
			<u>7,543,067.92</u>
Decreased by:			
Cash Disbursements	A-4		<u>4,955,100.00</u>
Balance, December 31, 2019:			
School Tax Deferred		\$ 1,087,841.00	
School Tax Payable	A	<u>1,500,126.92</u>	
			\$ <u><u>2,587,967.92</u></u>
2019 Liability for Regional High School Tax:			
Tax Paid	A-4		\$ 4,955,100.00
Tax Payable, December 31, 2019	A-16		<u>1,500,126.92</u>
			6,455,226.92
Less:			
Tax Payable, December 31, 2018	A-16		<u>1,279,290.92</u>
	A-1		\$ <u><u>5,175,936.00</u></u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2018 (2019 Taxes)	A	\$	157,445.15
Increased by:			
Collection of 2020 Taxes	A-5		140,261.89
		\$	<u>297,707.04</u>
Decreased by:			
Application to 2019 Taxes Receivable	A-7		157,445.15
			<u>157,445.15</u>
Balance, December 31, 2019 (2020 Taxes)	A	\$	<u><u>140,261.89</u></u>

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2018	A	\$	30,508.78
Increased by:			
Cash Receipts	A-5		73,390.61
		\$	<u>103,899.39</u>
Decreased by:			
Applied	A-7	\$	5,464.24
Canceled	A-1		<u>235.94</u>
			<u>5,700.18</u>
Balance, December 31, 2019	A	\$	<u><u>98,199.21</u></u>

TOWNSHIP OF UNION

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>2019 REVENUE ANTICIPATED</u>	<u>CASH RECEIPTS</u>	<u>UNAPPROPRIATED APPLIED</u>
Clean Communities Program	\$ 15,507.21	\$	\$ 15,507.21
Recycling Tonnage Grant	<u>3,531.35</u>	<u>3,531.35</u>	
	\$ <u>19,038.56</u>	\$ <u>3,531.35</u>	\$ <u>15,507.21</u>
<u>REF.</u>	A-2	A-4	A-12

TOWNSHIP OF UNION

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2018	2019 BUDGET APPROPRIATIONS	CASH DISBURSEMENTS	ENCUMBRANCES PAYABLE	BALANCE DECEMBER 31, 2019
Clean Communities Program	\$ 11,423.98	\$ 15,507.21	\$ 9,330.83	\$ 250.00	\$ 17,350.36
ANJEC Smart Growth Planning	10,000.00				10,000.00
Recycling Tonnage Grant	18,245.44	3,531.35	6,371.00		15,405.79
Exxon Mobil Foundation	1,030.00				1,030.00
Anheuser Busch - Environmental Commission	350.00				350.00
Alcohol Education Rehabilitation	739.67				739.67
Municipal Stormwater Regulation Grant	2,808.00				2,808.00
	<u>\$ 44,597.09</u>	<u>\$ 19,038.56</u>	<u>\$ 15,701.83</u>	<u>\$ 250.00</u>	<u>\$ 47,683.82</u>

REF.

A

A-3

A-4

A-23

A

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS RESERVES

	<u>BALANCE DECEMBER 31, 2018</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSED</u>	<u>BALANCE DECEMBER 31, 2019</u>
Tax Maps	\$ 50,000.00		\$ 48,000.00	\$ 2,000.00
Outside Liens		580,123.45	574,709.58	5,413.87
Due to Other Municipalities		428.81	428.81	
COAH Litigation	<u>95.33</u>		<u>95.33</u>	
	<u>\$ 50,095.33</u>	<u>\$ 580,552.26</u>	<u>\$ 623,233.72</u>	<u>\$ 7,413.87</u>

REF.

A-5

A-4

A

Balance, December 31, 2018  
Encumbrances Payable

\$	<u>2,095.33</u>
\$	<u>48,000.00</u>
\$	<u>50,095.33</u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF PETTY CASH

	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>
Township Clerk	\$ <u>100.00</u>	\$ <u>100.00</u>
	\$ <u>100.00</u>	\$ <u>100.00</u>
<u>REF.</u>	A-4	A-4

"A-23"

TOWNSHIP OF UNION

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Increased by:		
Transfer from Grants Appropriated	A-20	\$ <u>250.00</u>
Balance, December 31, 2019	A	\$ <u><u>250.00</u></u>

"A-24"

SCHEDULE OF DUE CURRENT FUND - GRANT FUND

Balance, December 31, 2018 (Due From)	A	\$ (60,104.30)
Increased by:		
Cash Receipts	A-4	\$ <u>15,701.83</u>
		\$ (44,402.47)
Decreased by:		
Cash Disbursements	A-4	<u>22,450.14</u>
Balance, December 31, 2019 (Due From)	A	\$ <u><u>(66,852.61)</u></u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

	<u>REF.</u>	
Increased by:		
2019 Tax Levy	A-1:A-7	\$ <u>139,882.07</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>139,882.07</u></u>

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2018	A	\$ 78,778.10
Increased by:		
Transferred from 2019 Appropriations	A-3	\$ <u>28,317.32</u>
		\$ 107,095.42
Decreased by:		
Transferred to 2018 Appropriation Reserves	A-13	\$ 30,778.10
Reserve for Miscellaneous Reserves	A-21	<u>48,000.00</u>
		<u>78,778.10</u>
Balance, December 31, 2019	A	\$ <u><u>28,317.32</u></u>

TOWNSHIP OF UNION

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	<u>REF.</u>	<u>SPECIAL EMERGENCY AUTHORIZATION (N.J.S.A. 40A: 4-53) TAX MAP</u>	<u>EMERGENCY AUTHORIZATION (N.J.S.A. 40A: 4-48) PLANNING - LEGAL</u>	<u>TOTAL</u>
Balance, December 31, 2018	A	\$ 50,000.00	\$	\$ 50,000.00
Increased by: 2019 Authorization	A-3	\$ <u>50,000.00</u>	\$ <u>30,000.00</u>	\$ <u>30,000.00</u>
			\$ <u>30,000.00</u>	\$ <u>80,000.00</u>
Decreased by: Budget Appropriation	A-3	<u>10,000.00</u>	<u></u>	<u>10,000.00</u>
Balance, December 31, 2019	A	\$ <u><u>40,000.00</u></u>	\$ <u><u>30,000.00</u></u>	\$ <u><u>70,000.00</u></u>

TOWNSHIP OF UNION

TRUST FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>TRUST OTHER</u>
Balance, December 31, 2018	B	\$ 7,866.35	\$ 972,236.81
Increased by Receipts:			
Dog License Fees	B-3	\$ 4,366.20	\$
Due From State of New Jersey	B-4	727.80	
Prepaid Licenses	B-5	2,111.00	
Various Reserves and Deposits	B-7		955,413.63
Due Current Fund	B-8	<u>128.47</u>	<u>4,345.29</u>
		<u>7,333.47</u>	<u>959,758.92</u>
		\$ <u>15,199.82</u>	\$ <u>1,931,995.73</u>
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	B-3	\$ 4,872.96	\$
Due From State of New Jersey	B-4	723.60	
Various Reserves and Deposits	B-7		1,020,446.27
Due Current Fund	B-8	<u>5,596.56</u>	<u>11,506.56</u>
			<u>1,031,952.83</u>
Balance, December 31, 2019	B	\$ <u><u>9,603.26</u></u>	\$ <u><u>900,042.90</u></u>

TOWNSHIP OF UNION

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2018	B	\$	5,484.56
Increased by:			
License Fees Collected	B-2	\$	4,366.20
Prepaid Licenses Applied	B-5		<u>2,226.00</u>
			6,592.20
		\$	<u>12,076.76</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	B-2		<u>4,872.96</u>
Balance, December 31, 2019	B	\$	<u><u>7,203.80</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2018	\$ 7,094.80
2017	<u>6,536.00</u>
	\$ <u><u>13,630.80</u></u>

SCHEDULE OF DUE STATE OF NEW JERSEY -  
ANIMAL CONTROL FUND

Increased by:			
Cash Receipts	B-2	\$	727.80
Decreased by:			
Cash Disbursements	B-2		<u>723.60</u>
Balance, December 31, 2019	B	\$	<u><u>4.20</u></u>

"B-5"

TOWNSHIP OF UNION

TRUST FUND

SCHEDULE OF PREPAID LICENSES

	<u>REF.</u>		
Balance, December 31, 2018	B	\$	2,226.00
Increased by:			
Cash Receipts	B-2	\$	<u>2,111.00</u>
			4,337.00
Decreased by:			
Transfer to Revenue	B-3		<u>2,226.00</u>
Balance, December 31, 2019	B	\$	<u><u>2,111.00</u></u>

"B-6"

SCHEDULE OF ENCUMBRANCES PAYABLE  
TRUST OTHER FUND

Balance, December 31, 2018	B	\$	8,690.02
Increased by:			
Transfer from Reserves and Deposits	B-7	\$	<u>7,337.71</u>
			16,027.73
Decreased by:			
Transfer to Reserves and Deposits	B-7		<u>8,690.02</u>
Balance, December 31, 2019	B	\$	<u><u>7,337.71</u></u>

TOWNSHIP OF UNION

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2018	CASH RECEIPTS	CASH DISBURSED	ENCUMBERED	BALANCE DECEMBER 31, 2019
Driveway Deposits	\$ 7,065.93	\$	116.25	\$	6,949.68
Escrow Deposits	265,447.19	12,972.75	188,273.20	361.25	89,785.49
Land Use Deposits	93,030.43	124,214.74	164,639.19	6,976.46	45,629.52
C.O.A.H. Deposits	13,165.59	51,746.12			64,911.71
Unemployment Compensation	29,835.89	1,412.60	6,260.82		24,987.67
Performance Bond Deposits	226,095.56	9,959.91			236,055.47
Open Space	301,191.01	144,664.29	50,713.58		395,141.72
Payroll Agency	7.10	610,443.22	610,443.23		7.09
Public Defender	4,015.57				4,015.57
	<u>\$ 939,854.27</u>	<u>\$ 955,413.63</u>	<u>\$ 1,020,446.27</u>	<u>\$ 7,337.71</u>	<u>\$ 867,483.92</u>

REF.

B

B-2

B-6

Balance, December 31, 2018

\$ 931,164.25

Encumbrances Payable

8,690.02

\$ 939,854.27

"B-8"

TOWNSHIP OF UNION

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>ANIMAL CONTROL FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2018:				
Due To	B	\$ <u>19,081.00</u>	\$ <u>155.79</u>	\$ <u>18,925.21</u>
Increased by:				
Cash Receipts	B-2	<u>4,473.76</u>	<u>128.47</u>	<u>4,345.29</u>
.		\$ <u>23,554.76</u>	\$ <u>284.26</u>	\$ <u>23,270.50</u>
Decreased by:				
Cash Disbursements	B-2	<u>11,506.56</u>		<u>11,506.56</u>
Balance, December 31, 2019:				
Due To	B	\$ <u><u>12,048.20</u></u>	\$ <u><u>284.26</u></u>	\$ <u><u>11,763.94</u></u>

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 1,607,570.61
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-8	\$ 450,000.00	
Grants Receivable	C-10	373,334.91	
Due Current Fund	C-9	<u>22,727.00</u>	
			<u>846,061.91</u>
			\$ <u>2,453,632.52</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$ 901,286.87	
Reserve for Debt Service	C-5	150,000.00	
Due Current Fund	C-9	<u>22,727.00</u>	
			<u>1,074,013.87</u>
Balance, December 31, 2019	C:C-3		\$ <u><u>1,379,618.65</u></u>

"C-3"

TOWNSHIP OF UNION  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
Capital Improvement Fund	\$ 394,392.18
Contracts Payable	169,804.07
Reserve for Debt Services	708,567.28
Improvement Authorizations	
Funded Improvements Listed on "C-7"	119,190.02
Due Current Fund	(669.81)
Grants Receivable	<u>(11,665.09)</u>
	<u>\$ 1,379,618.65</u>
<u>REF.</u>	C:C-2

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2018	C	\$ 4,267,617.80
Decreased by:		
2019 Budget Appropriation to Pay:		
Bond Principal	C-12	\$ 435,000.00
Loan Principal	C-11	<u>45,942.96</u>
		<u>480,942.96</u>
Balance, December 31, 2019	C	<u>\$ 3,786,674.84</u>

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 858,567.28
Decreased by:		
Transferred to Current Fund as Anticipated Revenue	C-2	<u>150,000.00</u>
Balance, December 31, 2019	C	<u><u>\$ 708,567.28</u></u>

TOWNSHIP OF UNION  
GENERAL CAPITAL FUND  
SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 85,022.88
Increased by:		
Contracts Issued	C-7	<u>986,068.06</u>
		\$ 1,071,090.94
Decreased by:		
Cash Disbursements	C-2	<u>901,286.87</u>
Balance, December 31, 2019	C	<u><u>169,804.07</u></u>

TOWNSHIP OF UNION  
 GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2018		2019 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2019	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
2014-07	Perryville Road Improvements	06/04/14	\$ 220,000.00	\$ 3,820.29	\$	\$	\$	3,820.29	\$
2015-03	Various Capital Improvements	08/24/15	1,109,000.00	13,972.17			13,972.17		
2017-05	Road Improvements	06/07/17	120,000.00	20,898.50			12,436.74		8,461.76
2018-04	Improvement to Frontage Road	07/18/18	520,000.00	512,845.00			436,960.95		75,884.05
2018-05	Purchase of Equip. for DPW	07/18/18	90,000.00	4,977.12					4,977.12
2018-06	Purchase of a New Server	07/18/18	7,000.00	395.00					395.00
2018-08	Road Improvements	08/15/18	380,000.00	378,350.00			352,894.13		25,455.87
2019-08	Purchase of Dump Truck	06/05/19	170,000.00		170,000.00		169,804.07		195.93
				\$ 935,258.08	\$	\$	\$ 986,068.06	\$	119,190.02
				C	C		C-6		C:C-3

REF.

Capital Improvement Fund

\$ 170,000.00

C-8

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 114,392.18
Increased by:		
2019 Budget Appropriation	C-2	<u>450,000.00</u>
		\$ <u>564,392.18</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7	<u>170,000.00</u>
Balance, December 31, 2019	C	\$ <u><u>394,392.18</u></u>

"C-9"

TOWNSHIP OF UNION  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2018 (Due From)	C	\$ (669.81)
Increased by:		
Cash Receipts	C-2	<u>22,727.00</u>
		\$ <u>22,057.19</u>
Decreased by:		
Cash Disbursements	C-2	<u>22,727.00</u>
Balance, December 31, 2019 (Due From)	C	<u><u>\$ (669.81)</u></u>

"C-10"

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2018	C	\$ 385,000.00
Decreased by:		
Cash Receipts	C-2	<u>373,334.91</u>
Balance, December 31, 2019	C	<u><u>\$ 11,665.09</u></u>

ANALYSIS OF BALANCE

New Jersey Department of Transportation	\$ <u>11,665.09</u>
	<u><u>\$ 11,665.09</u></u>

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2019</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Hoffman Property	12/17/2004	\$ 747,301.00	2020	\$ 46,866.41	2.00%	\$ 140,617.80	\$ 45,942.96	\$ 94,674.84
			2021	47,808.43				
						\$ 140,617.80	\$ 45,942.96	\$ 94,674.84
					<u>REF.</u>	C	C-4	C

TOWNSHIP OF UNION

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2018	BALANCE DECEMBER 31, 2019
			DATE	AMOUNT			
Refunding Bonds	08/18/2016	\$ 3,445,000.00	11/15/20	\$ 365,000.00	1.600%	\$	\$
			11/15/21	355,000.00	1.600%		
			11/15/22	340,000.00	1.600%		
			11/15/23	335,000.00	1.600%		
			11/15/24	320,000.00	1.600%		
			11/15/25	310,000.00	1.600%		
General Obligation Bonds	05/26/2016	1,597,000.00	5/16/20	75,000.00	2.250%	2,680,000.00	2,320,000.00
			5/16/21	75,000.00	2.250%		
			5/16/22	80,000.00	2.250%		
			5/16/23	80,000.00	2.250%		
			5/16/24	100,000.00	2.250%		
			5/16/25	100,000.00	2.000%		
			5/16/26	115,000.00	2.000%		
			5/16/27	150,000.00	2.000%		
			5/16/28	150,000.00	2.000%		
			5/16/29	150,000.00	2.125%		
5/16/30	150,000.00	2.250%					
5/16/31	147,000.00	2.375%					
						1,447,000.00	1,372,000.00
						<u>\$ 4,127,000.00</u>	<u>\$ 3,692,000.00</u>

REF.

C

C

Bonds Paid by Budget

C-4

\$ 435,000.00

TOWNSHIP OF UNION

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>P.A.T.F.</u> <u>ACCOUNT I</u>	<u>FUND</u> <u>TOTAL</u>
Balance, December 31, 2018	E	\$ 1,471.98	\$ 1,471.98
Increased by Receipts:			
Interest Earned	E-4	<u>22.01</u>	<u>22.01</u>
Balance, December 31, 2019	E	<u>\$ 1,493.99</u>	<u>\$ 1,493.99</u>

TOWNSHIP OF UNION

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF CASH AND RECONCILIATION  
PER N.J.S.A. 40A:5-5

	<u>REF.</u>		
Balance, December 31, 2019	E	\$	1,493.99
Increased by:			
Cash Receipts Record			<u>4.18</u>
Balance March 31, 2020		\$	<u><u>1,498.17</u></u>

RECONCILIATION-MARCH 31, 2020

	<u>P.A.T.F.</u>		<u>TOTAL</u>
	<u>ACCOUNT #1</u>		
Balance on Deposit per Statement:			
PNC Bank			
Account #81-3010-9633	\$	<u>1,498.17</u>	\$ <u>1,498.17</u>
Balance March 31, 2020	\$	<u><u>1,498.17</u></u>	\$ <u><u>1,498.17</u></u>

TOWNSHIP OF UNION

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF CASH AND RECONCILIATION  
AS OF DECEMBER 31, 2019

	<u>REF.</u>		
Balance, December 31, 2018	E-1	\$	1,471.98
Increased by:			
Cash Receipts	E-4		<u>22.01</u>
Balance, December 31, 2019	E-1	\$	<u><u>1,493.99</u></u>

RECONCILIATION-DECEMBER 31, 2019

	<u>P.A.T.F.</u>		<u>TOTAL</u>
	<u>ACCOUNT #1</u>		
Balance on Deposit per Statement:			
PNC Bank			
Account #81-3010-9633	\$	<u>1,493.99</u>	\$ <u>1,493.99</u>
Balance, December 31, 2019	\$	<u><u>1,493.99</u></u>	\$ <u><u>1,493.99</u></u>

TOWNSHIP OF UNION  
PUBLIC ASSISTANCE TRUST FUND  
SCHEDULE OF REVENUES

	<u>REF.</u>	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>FUND</u> <u>TOTAL</u>
Interest Earned		\$ <u>22.01</u>	\$ <u>22.01</u>
<u>TOTAL RECEIPTS</u>	E-1	\$ <u><u>22.01</u></u>	\$ <u><u>22.01</u></u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

TOWNSHIP OF UNION

PART II

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2019</u>		<u>YEAR 2018</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 515,000.00	2.39	\$ 515,000.00	2.49
Miscellaneous-From Other Than Local				
Property Tax Levies	1,058,731.76	4.90	1,059,887.23	5.13
Collection of Delinquent Taxes and Tax Title Liens	215,463.09	1.00	139,565.69	0.68
Collection of Current Tax Levy	<u>19,801,299.79</u>	<u>91.71</u>	<u>18,960,840.02</u>	<u>91.71</u>
<u>TOTAL INCOME</u>	<u>\$ 21,590,494.64</u>	<u>100.00 %</u>	<u>\$ 20,675,292.94</u>	<u>100.00 %</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 3,031,393.19	14.40	\$ 2,922,812.52	14.52
County Taxes	3,239,502.85	15.39	3,089,003.18	15.34
School Taxes	14,565,555.00	69.20	13,980,710.00	69.44
Other	<u>211,612.45</u>	<u>1.01</u>	<u>139,965.48</u>	<u>0.70</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 21,048,063.49</u>	<u>100.00 %</u>	<u>\$ 20,132,491.18</u>	<u>100.00 %</u>
Excess in Revenue	\$ 542,431.15		\$ 542,801.76	
Adjustments to Income Before Fund Balance				
Expenditures Included Above Which are by Statute				
Deferred Charges to the Budget of the Succeeding Year	<u>30,000.00</u>		<u>50,000.00</u>	
Statutory Excess to Fund Balance	\$ 572,431.15		\$ 592,801.76	
Fund Balance, January 1	<u>1,445,535.02</u>		<u>1,367,733.26</u>	
	\$ 2,017,966.17		\$ 1,960,535.02	
Less: Utilization as Anticipated Revenue	<u>515,000.00</u>		<u>515,000.00</u>	
Fund Balance, December 31	<u>\$ 1,502,966.17</u>		<u>\$ 1,445,535.02</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$2.858</u>	<u>\$2.738</u>	<u>\$2.647</u>
Appointment of Tax Rate:			
Municipal	\$0.297	\$0.282	\$0.271
Municipal Open Space	0.020	0.020	0.020
County	0.388	0.369	0.358
County Open Space	0.037	0.036	0.035
County Library	0.038	0.037	0.036
Local District School	1.337	1.315	1.247
Regional High School	<u>0.741</u>	<u>0.679</u>	<u>0.680</u>

Assessed Valuation:

2019	<u>\$698,702,307.00</u>	
2018		<u>\$697,655,469.00</u>
2017		<u>\$699,175,696.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2019	\$19,988,734.09	\$19,801,299.79	99.06%
2018	\$19,160,746.28	\$18,985,840.02	99.09%
2017	\$18,530,649.49	\$18,347,185.68	99.01%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison expressed in percentage of the total delinquent taxes, in relation to the tax levies of the last three years:

<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>
2019	\$77,646.36	\$144,848.98	\$222,495.34	1.11%
2018	\$106,707.91	\$179,958.40	\$286,666.31	1.50%
2017	\$94,400.61	\$160,425.28	\$254,825.89	1.38%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2019 by foreclosure or deed, as a result of liquidation of tax title liens.

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2019	\$ 1,502,966.17	\$ 515,000.00
	2018	1,445,535.02	515,000.00
	2017	1,367,733.26	515,000.00
	2016	1,243,373.04	500,000.00
	2015	1,148,558.99	486,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Frank Mazza	Mayor	*	
Matt Severino	Deputy Mayor	*	
David Stothoff	Committeeman	*	
Bruce Hirt	Committeeman	*	
Page Stiger	Committeeman	*	
Grace Brennan	Chief Financial Officer	\$1,000,000.00	Municipal Excess J.I.F.
Colleen Dolan	Tax Collector	\$1,000,000.00	Municipal Excess J.I.F.
Ella Malecki-Ruta	Township Clerk	*	
Michelle Trivigno	Tax Assessor	*	
J. Peter Jost	Township Attorney		

\*There is a Blanket Bond provided by Public Alliance Insurance Coverage Fund in the amount of \$50,000.00 with \$950,000 of excess coverage provided by the Municipal Excess Liability Joint Insurance Fund. This bond covers employees , volunteers, non-compensated officials and officers other than those specifically bonded.

All bonds were examined and were properly executed.

**THIS PAGE INTENTIONALLY LEFT BLANK**

GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2015, municipalities that had not appointed a qualified purchasing agent had the bid threshold set at \$17,500.00.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Solicitor's opinion should be sought before a commitment is made.

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

Country Acres and Rose Hill Court Improvement Project  
Frontage Road Sections 1 and 2

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed. Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolution authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 was advertised during 2019 for the following professional services:

Township Auditor  
Township Engineer  
Township Attorney  
Planning Consultant  
Environmental Consultant  
Bond Counsel

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 2, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes.

BE IT RESOLVED that pursuant to N.J.S.A. 50:4-67, the Township Committee of the Township of Union, County of Hunterdon, and State of New Jersey, hereby fixes the rate of interest to be charged on all delinquent taxes for the year 2019 at the rate of 8% (eight percent) per annum on the first one thousand five hundred (\$1,500.00) dollars of delinquency and 18% (eighteen percent) per annum on any amount in excess of one thousand five hundred dollars of delinquency.

BE IT FURTHER RESOLVED, that notwithstanding the above provision, no interest shall be charge if payment of any installment is made within ten (10) days after the date upon which the same become payable according to the laws in such cases made and provided. If such payment is not made within ten (10) days grace period, the above rate of interest shall run and accrue from the original due date of such taxes.

It appears from an examination of the records that interest was collected in accordance with the forgoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 17, 2019 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2019	6
2018	7
2017	7

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	<u>NUMBER</u>
Delinquent Tax Positive Confirmation	15
Information Tax Current Positive Confirmation	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

## RECOMMENDATIONS

None



