

Report of Audit

on the

Financial Statements

of the

Township of Hillside

in the

County of Union
New Jersey

for the

Year Ended
December 31, 2020

TOWNSHIP OF HILLSIDE

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TOWNSHIP OF HILLSIDE

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TOWNSHIP OF HILLSIDE

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2020 AND
DECEMBER 31, 2019



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Hillside
County of Union
Hillside, New Jersey 07205

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 Hillside, as of December 31, 2020 and 2019, 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, 2020, 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, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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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 Township of Hillside'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 Hillside'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 Hillside 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 Hillside as of December 31, 2020 and 2019, 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, 2020.

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, 2020 and 2019, 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, 2020 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.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Hillside's regulatory financial statements. The supplementary information, schedules 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, schedules and data 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, schedules 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 October 26, 2021, on our consideration of the Township of Hillside'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 Hillside's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

October 26, 2021



SUPLEE, CLOONEY & COMPANY

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

The Honorable Mayor and Members
of the Township Council
Township of Hillside
County of Union
Hillside, New Jersey 07205

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 Hillside, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated October 26, 2021. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Hillside 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) as a basis for determining 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.

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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 Hillside'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we identified item 2020-01 to be a material weakness.

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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings as item 2020-01. We also noted other instances of noncompliance which are discussed in Part II, General Comments and Recommendations Section of this report.

Township of Hillside's Response to Findings

The Township of Hillside's response to the findings identified in our audit will be described in the Township's Corrective Plan on file in the Township Clerk's Office. We did not audit the Township's response and, accordingly, we express no opinion on it.

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

October 26, 2021

Township of Hillside
Schedule of Findings
For the Year Ended December 31, 2020

Financial Statement Audit – Reported Findings Under Government Auditing Standards

Compliance Findings

Finding #2020-001

Criteria

Per N.J.A.C. 5:30-5.7, Municipalities are required to maintain general ledgers for all funds.

Condition

During 2020, the Township did not completely maintain General Ledgers for any funds.

Context

General Ledgers are the permanent fiscal records which provide a summary of all financial transactions as they have been recorded in the books of original entry utilizing a double entry accounting system. Through the use of general ledgers, the books of original entry and supporting subsidiary ledgers, the financial statements would be prepared.

Cause

This appears to have occurred, in part, due to turnover of personnel in the Finance Office.

Effect or Potential Effect

By not maintaining General Ledgers, errors and irregularities that could have a negative impact on the Township may not be detected in a timely manner which in turn could lead to a misstatement of the financial statements.

Recommendation

That the Township maintain general ledgers for all funds in compliance with N.J.A.C 5:30-5.7.

Internal Control Findings

Finding #2020-002

As discussed in detail in #2020-001, the Township of Hillside has deficiencies in the design and operation of its internal control over financial reporting.

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CURRENT FUND

TOWNSHIP OF HILLSIDE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER <u>31, 2020</u>	BALANCE DECEMBER <u>31, 2019</u>
Current Fund			
Cash - Treasurer	A-4	\$ 18,272,349.91	\$ 12,437,133.51
Cash - Change Fund	A-6	690.00	690.00
Due From State of New Jersey:			
Senior Citizens and Veterans Deductions	A-8	121,728.73	110,841.47
		<u>\$ 18,394,768.64</u>	<u>\$ 12,548,664.98</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 4,482,637.13	\$ 3,559,924.89
Tax Title Liens Receivable	A-10	1,171,643.80	917,491.39
Sewer Charges Receivable	A-11	277,459.36	270,291.25
Foreclosed Property	A-12	2,280,100.00	2,280,100.00
Revenue Accounts Receivable	A-13	242,428.04	74,682.79
Prepaid School Taxes	A-27	6.00	6.00
Interfunds Receivable	A-28	117,918.18	518,819.08
	A	<u>\$ 8,572,192.51</u>	<u>\$ 7,621,315.40</u>
Deferred Charges:			
Overexpenditure of 2019 Appropriations	A-29	\$	\$ 180,801.13
Overexpenditure of Appropriation Reserves	A-29		266,131.30
Special Emergency Appropriation 40A: 4-53	A-34	292,623.14	438,934.70
		<u>\$ 292,623.14</u>	<u>\$ 885,867.13</u>
		<u>\$ 27,259,584.29</u>	<u>\$ 21,055,847.51</u>
Grant Fund:			
Grant Aid Receivable	A-20	\$ 3,273,029.20	\$ 1,574,053.31
Deferred Charge:			
Overexpenditure of Appropriated Grant Reserves	A-21		54,193.62
Due Current Fund	A-28	89,672.50	76,799.08
Due Trust Other Fund	A-32	256,355.00	256,355.00
Due Swim Pool Capital Fund	A-33	22,952.50	22,952.50
		<u>\$ 3,642,009.20</u>	<u>\$ 1,984,353.51</u>

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Liabilities:			
Appropriation Reserves	A-3:A-14	\$ 3,398,921.97	\$ 2,654,444.79
Sewer Overpayments	A-16	5,052.67	10,828.55
Tax Overpayments	A-17	119,162.98	114,134.28
Prepaid Taxes	A-18	280,165.91	412,195.07
Encumbrances Payable	A-19	472,791.79	528,420.34
Accounts Payable	A-31	56,706.12	57,999.81
County Taxes Payable	A-26	1,612.43	1,612.43
Interfunds Payable	A-28	6,189,046.78	4,979,449.25
Tax Anticipation Note Payable	A-37	4,000,000.00	
Reserve For:			
Hurricane Sandy	A-7	72,136.30	72,136.30
Retirement	A-15	53,001.99	53,001.99
Fire Penalties and Assessments	A-23	30,256.65	30,256.65
Codification of Ordinances	A-24	189.38	189.38
Sale of Municipal Assets	A-30	10,500.00	10,500.00
Insurance Damages	A-35	326,810.86	76,810.86
Unallocated Receipts - Net	A-36	49,689.45	37,325.44
		\$ 15,066,045.28	\$ 9,039,305.14
Reserve for Receivables and Other Assets	A	8,572,192.51	7,621,315.40
Fund Balance	A-1	3,621,346.50	4,395,226.97
		\$ 27,259,584.29	\$ 21,055,847.51
Grant Fund:			
Encumbrances Payable	A-19	\$ 115,309.12	\$ 69,213.89
Due State of New Jersey	A-25	25.04	25.04
Reserve for:			
Grants - Appropriated	A-21	3,510,052.02	1,889,887.47
Grants - Unappropriated	A-22	16,623.02	25,227.11
		\$ 3,642,009.20	\$ 1,984,353.51

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

"A-1"

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	A-1:A-2	\$ 2,750,000.00	\$ 5,303,980.00
Miscellaneous Revenues Anticipated	A-2	11,480,635.77	10,926,133.30
Receipts From Delinquent Taxes	A-2	1,619,632.73	2,518,089.87
Receipts From Current Taxes	A-2	67,377,011.94	66,597,764.70
Non-Budget Revenue	A-2	369,467.63	110,740.68
Other Credits to Income:			
Interfunds Returned		400,900.90	451,538.05
Accounts Payable Cancelled			268,275.39
Unexpended Balance of Appropriation Reserves	A-14	1,841,917.78	1,924,630.54
<u>TOTAL REVENUE AND OTHER INCOME REALIZED</u>		<u>\$ 85,839,566.75</u>	<u>\$ 88,101,152.53</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Municipal Purposes	A-3	\$ 43,133,025.83	\$ 44,154,401.89
County Taxes	A-26	10,185,222.36	9,734,523.78
Local District School Tax	A-27	30,526,495.00	30,526,495.00
Refund Prior Years Revenues	A-4		6,331.18
Grants Receivable Cancelled - Net			305,085.83
Budget Operations	A-28	18,704.03	
<u>TOTAL EXPENDITURES</u>		<u>\$ 83,863,447.22</u>	<u>\$ 84,726,837.68</u>
Excess in Revenue		\$ 1,976,119.53	\$ 3,374,314.85
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			180,801.13
Statutory Excess to Fund Balance		\$ 1,976,119.53	\$ 3,555,115.98
Fund Balance, January 1	A	4,395,226.97	6,144,090.99
		<u>\$ 6,371,346.50</u>	<u>\$ 9,699,206.97</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	2,750,000.00	5,303,980.00
Fund Balance, December 31	A	<u>\$ 3,621,346.50</u>	<u>\$ 4,395,226.97</u>

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>SPECIAL N.J.S. 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>	
Fund Balance Anticipated	A-1	\$ 2,750,000.00	\$ _____	\$ 2,750,000.00	\$ _____
Miscellaneous Revenues:					
Licenses:					
Other	A-2	22,000.00		21,226.00	(774.00)
Fees and Permits:					
Construction Code	A-2	440,000.00		418,308.04	(21,691.96)
Other	A-2	76,000.00		83,895.92	7,895.92
Fines and Costs:					
Municipal Court	A-13	487,000.00		297,409.03	(189,590.97)
Interest and Costs on Taxes	A-13	600,000.00		886,287.83	286,287.83
Interest on Investments and Deposits	A-13	213,000.00		62,638.56	(150,361.44)
Joint Sewer User Charges	A-11	2,276,000.00		2,257,667.19	(18,332.81)
Cable T.V. Franchise Fee	A-13	238,000.00		232,470.65	(5,529.35)
Ambulance Service Fees	A-13	283,000.00		297,199.88	14,199.88
Alarm Fees	A-13	58,000.00		29,621.15	(28,378.85)
Payment in Lieu of Taxes - Gargiulo	A-2	319,000.00		127,814.94	(191,185.06)
Off-Duty Administrative Fees	A-13	22,000.00			(22,000.00)
Consolidated Municipal Property Tax Relief Aid	A-13	479,366.00		479,366.00	
Energy Receipts Tax	A-13	3,835,333.00		3,835,333.01	0.01
Body Armor Grant	A-20	6,207.55		6,207.55	
Municipal Alliance	A-20	20,800.00		20,800.00	
Clean Communities Program	A-20	31,869.38		31,869.38	
NJDOT 2020 - Plymouth Road	A-20	147,946.00		147,946.00	
NJDOT 2020 - Williamson Ave	A-20	350,000.00		350,000.00	
BVP Body Armor	A-20	8,663.69		8,663.69	
2020 Summer Feeding	A-20	61,541.25		61,541.25	
2019 Infrastructure Municipal Aid	A-20	55,000.00		55,000.00	
2020 Infrastructure Municipal Aid	A-20	55,000.00		55,000.00	
2020 Municipal Alliance	A-20	20,800.00		20,800.00	
AAA Highway Safety	A-20	440.00		440.00	
NJDEP Green Acres	A-20	912,515.00		912,515.00	
2019 Union County Kids Recreation Grant	A-20	8,121.00		8,121.00	
Uniform Fire Safety Act	A-13	85,000.00		35,733.77	(49,266.23)
Sewer Trunk Surplus	A-13	324,523.93		324,523.93	
Off-Duty Administrative Fees	A-13	250,000.00		250,000.00	
NJ Heroes Too Grant	A-20		20,000.00	20,000.00	
Strengthening L.P. Health CPCT	A-20		142,236.00	142,236.00	
	A-1	\$ 11,687,126.80	\$ 162,236.00	\$ 11,480,635.77	\$ (368,727.03)
Receipts From Delinquent Taxes	A-1:A-2	1,950,000.00		1,619,632.73	(330,367.27)
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-9	28,737,966.28		28,720,448.93	(17,517.35)
Minimum Library Tax	A-9	664,845.65		664,845.65	
	A-2	29,402,811.93		29,385,294.58	(17,517.35)
<u>BUDGET TOTALS</u>		\$ 45,789,938.73	\$ 162,236.00	\$ 45,235,563.08	\$ (716,611.65)
Non-Budget Revenue	A-1:A-2			369,467.63	369,467.63
		\$ 45,789,938.73	\$ 162,236.00	\$ 45,605,030.71	\$ (347,144.02)
<u>REF.</u>	A-3		A-3		

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

<u>ANALYSIS OF REALIZED REVENUE</u>	<u>REF.</u>	
Allocation of Current Tax Collections:		
Collected	A-1:A-9	\$ 67,377,011.94
Allocated to:		
School and County Taxes		<u>40,711,717.36</u>
Balance for Support of Municipal Budget Appropriations		\$ 26,665,294.58
Add: Reserve for Uncollected Taxes	A-3	<u>2,720,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 29,385,294.58</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-9	\$ 1,530,708.56
Tax Title Lien Collections	A-10	<u>88,924.17</u>
	A-2	<u>\$ 1,619,632.73</u>
Licenses - Other:		
Township Clerk	A-13	\$ 411.00
Board of Health	A-13	<u>20,815.00</u>
	A-2	<u>\$ 21,226.00</u>
Fees and Permits - Other:		
Township Clerk	A-13	\$ 9,546.50
Tax Assessor	A-13	260.00
Fire Department	A-13	41,951.33
Police Department	A-13	11,130.70
Public Works	A-13	<u>21,007.39</u>
	A-2	<u>\$ 83,895.92</u>

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

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

	<u>REF.</u>		
<u>ANALYSIS OF REALIZED REVENUE</u>			
Uniform Construction Code Fees:			
Cash Receipts	A-13	\$	428,533.04
Less: Refunds	A-4		<u>10,225.00</u>
	A-2	\$	<u><u>418,308.04</u></u>
Payment in Lieu of Taxes - Gargiulo	A-13	\$	132,405.00
Less: Refunds	A-4		<u>4,590.06</u>
	A-2	\$	<u><u>127,814.94</u></u>
<u>ANALYSIS OF NON-BUDGET REVENUE</u>			
Miscellaneous Revenue Not Anticipated:			
ABC Licenses		\$	9,494.00
Various Refunds			9,113.20
Sale of Assets			15,386.00
Senior Citizen Administrative Fee			1,915.47
Hillside Board of Education Reimbursement			148,907.62
CDBG Reimbursement			23,936.41
Miscellaneous			<u>16,190.18</u>
	A-4	\$	224,942.88
Animal Control Statutory Excess	A-28		<u>5,077.40</u>
			230,020.28
CDBG Grants Cancelled	A-28		123,540.57
Tax Collector	A-5		<u>15,906.78</u>
	A-2	\$	<u><u>369,467.63</u></u>

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
\$	304,011.00	\$ 304,011.00	\$ 291,371.80	\$ 12,639.20	\$
Salaries and Wages			19,465.62	330.38	
Other Expenses:			1,943.77	12,952.23	
Departmental Expenses	19,796.00	19,796.00			
Photocopy and Microfilm	14,896.00	14,896.00	3,256.40	11,639.60	
Townwide Repair and Maintenance Contracts					
Township Council:					
Salaries and Wages	49,000.00	49,000.00	48,999.72	0.28	
Other Expenses	22,319.50	22,319.50	11,575.43	10,744.07	
Township Clerk:					
Salaries and Wages	208,000.00	208,000.00	200,492.37	7,507.63	
Other Expenses:					
Miscellaneous	14,847.00	14,847.00	13,911.81	935.19	
Advertising	19,796.00	19,796.00	6,047.91	13,748.09	
Elections:					
Other Expenses	24,745.00	24,745.00	14,839.90	9,905.10	
Financial Administration:					
Salaries and Wages	351,900.00	357,000.00	356,949.01	50.99	
Other Expenses	227,595.00	227,595.00	189,656.71	37,938.29	
Annual Audit	75,000.00	75,000.00	68,950.00	6,050.00	
Computer Service Department:					
Other Expenses	54,635.00	54,635.00	41,844.20	12,790.80	
Collection of Taxes:					
Salaries and Wages	152,000.00	152,000.00	144,130.27	7,869.73	
Other Expenses	35,483.84	35,483.84	33,920.70	1,563.14	
Assessment of Taxes:					
Salaries and Wages	81,000.00	81,000.00	74,742.94	6,257.06	
Other Expenses:					
Miscellaneous	13,254.91	13,254.91	3,693.54	9,561.37	
Legal Services and Costs:					
Other Expenses	332,928.00	332,928.00	198,757.11	134,170.89	
Municipal Prosecutor:					
Salaries and Wages	31,000.00	31,000.00	31,000.00		
Other Expenses	9,800.00	9,800.00		9,800.00	
Engineering Services:					
Other Expenses - General	165,000.00	165,000.00	98,000.00	67,000.00	

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
	\$			\$		\$
Buildings and Grounds:						
Salaries and Wages	250,000.00		210,000.00	141,062.59	68,937.41	
Other Expenses	118,473.00		118,473.00	68,456.92	50,016.08	
Municipal Land Use Law (N.J.S.A. 40:550-1):						
Planning Board:						
Salaries and Wages	2,500.00		2,500.00		2,500.00	
Other Expenses	6,860.00		6,860.00	2,712.94	4,147.06	
Zoning Costs:						
Salaries and Wages	2,500.00		2,500.00		2,500.00	
Other Expenses	24,500.00		24,500.00	6,961.21	17,538.79	
Alcohol Beverage Control:						
Other Expenses	5,000.00		5,000.00	5,000.00		
Postage:						
Other Expenses	42,840.00		42,840.00	30,323.38	12,516.62	
Insurance:						
Group Insurance Plan for Employees	5,762,000.00		5,762,000.00	4,689,578.76	1,072,421.24	
Unemployment Insurance	100,000.00		100,000.00	14,002.80	85,997.20	
Workers Compensation Insurance Trust Fund	432,500.00		432,500.00	432,500.00		
Other Insurance Premiums	790,500.00		790,500.00	790,412.94	87.06	
<u>PUBLIC SAFETY</u>						
Fire:						
Salaries and Wages	5,510,000.00		5,700,000.00	5,594,983.18	105,016.82	
Other Expenses:						
Miscellaneous	193,011.00		223,011.00	181,070.48	41,940.52	
Ambulance Services	37,166.50		37,166.50	14,226.18	22,940.32	
Uniform Fire Safety Act:						
Fire Official:						
Salaries and Wages	175,000.00		175,000.00	175,000.00		
Other Expenses	14,700.00		14,700.00	7,197.47	7,502.53	
Police:						
Salaries and Wages	7,785,000.00		7,785,000.00	7,663,889.85	121,110.15	
Other Expenses:						
Departmental Expenses	245,000.00		245,000.00	211,603.03	33,396.97	
Traffic Lights:						
Other Expenses	83,300.00		83,300.00	40,449.18	42,850.82	
School Crossing Guards:						
Salaries and Wages	175,000.00		139,900.00	105,566.24	34,333.76	

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
PUBLIC SAFETY					
Garage Service and Repair:					
Salaries and Wages	\$ 175,000.00	\$ 165,000.00	\$ 149,230.55	\$ 15,769.45	\$
Other Expenses	143,521.00	143,521.00	105,002.31	38,518.69	
Office of Emergency Management:					
Salaries and Wages	9,000.00	9,000.00	9,000.00		
Other Expenses	11,760.00	11,760.00	7,484.44	4,275.56	
STREETS AND ROADS					
Road Repairs and Maintenance:					
Salaries and Wages	1,528,489.58	1,488,489.58	1,417,230.16	71,259.42	
Other Expenses	232,093.00	232,093.00	120,127.13	111,965.87	
SANITATION					
Garbage, Trash, and Recycling Collection:					
Other Expenses	2,200,000.00	2,200,000.00	1,864,319.29	335,680.71	
Sewer System:					
Other Expenses	62,020.00	62,020.00	13,731.21	48,288.79	
Sewer Pumping System:					
Other Expenses	49,000.00	49,000.00	33,378.94	15,621.06	
HEALTH AND WELFARE					
Board of Health:					
Salaries and Wages	260,000.00	260,000.00	243,456.14	16,543.86	
Other Expenses	54,982.90	54,982.90	34,773.01	20,209.89	
Dog License Registration:					
Other Expenses	70,560.00	70,560.00	61,407.28	9,152.72	
RECREATION AND EDUCATION					
Community Recreation Commission:					
Salaries and Wages	150,000.00	140,000.00	126,429.85	13,570.15	
Other Expenses	20,290.90	20,290.90	9,043.15	11,247.75	
Senior Citizens:					
Salaries and Wages	175,000.00	155,000.00	142,832.37	12,167.63	
Other Expenses	22,765.40	22,765.40	8,691.84	14,073.56	
Celebration of Public Events:					
Mayor and Administration:					
Other Expenses	10,000.00	10,000.00		10,000.00	
Council:					
Other Expenses	10,000.00	10,000.00		10,000.00	

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
Municipal Court:						
Salaries and Wages	\$ 349,966.00	\$	319,966.00	\$ 291,773.90	\$ 28,192.10	\$
Other Expenses	47,510.40		47,266.27	20,147.62	27,118.65	
Public Defender:						
Other Expenses	10,000.00		10,000.00	825.00	9,175.00	
Cable TV & Community / Public Access:						
Other Expenses	10,000.00		10,000.00		10,000.00	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Sub-Officials:						
Building Inspector:						
Salaries and Wages	401,778.00		361,778.00	323,976.35	37,801.65	
Other Expenses	21,775.60		21,775.60	18,246.18	3,529.42	
UNCLASSIFIED						
Utilities - All (includes Gasoline)	680,000.00		680,000.00	658,642.12	21,357.88	
Street Lighting	300,000.00		300,000.00	254,729.70	45,270.30	
Fire Hydrant Service	290,000.00		290,000.00	212,936.68	77,063.32	
Group Insurance:						
Health Benefit Waiver	125,000.00		125,000.00	83,750.00	41,250.00	
Accumulated Leave Compensation						
Salaries and Wages	450,000.00		450,000.00	425,954.56	24,045.44	
Salary Adjustment Account	110,000.00		110,000.00		110,000.00	
TOTAL OPERATIONS WITHIN "CAPS"	\$ 31,958,266.53	\$	\$ 31,958,022.40	\$ 28,665,666.14	\$ 3,292,356.26	\$
CONTINGENT	500.00		500.00		500.00	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	\$ 31,958,766.53	\$	\$ 31,958,522.40	\$ 28,665,666.14	\$ 3,292,856.26	\$
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Deferred Charges:						
Overexpenditure of CY 2019 Appropriations	\$ 266,131.30	\$	266,131.30	\$ 266,131.30	\$	\$
Overexpenditure of Trust Reserve	23,401.54		23,401.54	23,401.54		
Overexpenditure of CY 2018 Appropriation Reserves	180,801.13		180,801.13	180,801.13		
Overexpenditure of Appropriated Grants	54,193.62		54,193.62	54,193.62		
Prior Year Bills	138,513.66		138,513.66	138,757.79		

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	\$ 534,199.00	\$ 534,199.00	\$ 533,949.86	\$ 249.14	\$
Social Security (O.A.S.I.)	640,000.00	640,000.00	556,944.77	83,055.23	
Consolidated Police and Firemen's Pension Fund	90.00	90.00	89.92	0.08	
Police and Firemen's Retirement System of N.J.	3,465,335.00	3,465,335.00	3,464,995.74	339.26	
Defined Retirement Contribution Plan	13,000.00	13,000.00		13,000.00	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	\$ 5,315,665.25	\$ 5,315,909.38	\$ 5,219,265.67	\$ 96,643.71	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 37,274,431.78	\$ 37,274,431.78	\$ 33,884,931.81	\$ 3,389,499.97	\$

GENERAL APPROPRIATIONS-OPERATIONS EXCLUDED FROM "CAPS"

Maintenance of Free Public Library	\$ 730,000.00	\$ 730,000.00	\$ 730,000.00	\$
Joint Trunk Sewer	1,982,019.00	1,982,019.00	1,982,019.00	
Reserve for Tax Appeals	10,000.00	10,000.00	10,000.00	

INTERLOCAL MUNICIPAL SERVICE AGREEMENTS

Union County Fire and EMS Dispatch Services	44,325.00	44,325.00	39,903.00	4,422.00
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PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES

Clean Communities Program	31,869.38	31,869.38	31,869.38	
Body Armor Replacement Fund	6,207.55	6,207.55	6,207.55	
Body Armor Replacement Fund - 2019	8,663.69	8,663.69	8,663.69	
Municipal Alliance Grant - 2019:				
County Aid	20,800.00	20,800.00	20,800.00	
Local Match	5,200.00	5,200.00	5,200.00	
Municipal Alliance Grant - 2020				
County Aid	20,800.00	20,800.00	20,800.00	
Local Match	5,200.00	5,200.00	5,200.00	
NJDOT - Plymouth Rd	147,946.00	147,946.00	147,946.00	
NJDOT - Williamson Ave	350,000.00	350,000.00	350,000.00	
2019 Infrastructure Municipal Aid	55,000.00	55,000.00	55,000.00	

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION		
			PAYD OR CHARGED	RESERVED
	\$	\$	\$	\$
<u>PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</u>				
2020 Infrastructure Municipal Aid	55,000.00	55,000.00	55,000.00	
2019 Union County Kids Trust	8,121.00	8,121.00	8,121.00	
2020 Summer Feeding Program	61,541.25	61,541.25	61,541.25	
NJDEP Green Acres	912,515.00	912,515.00	912,515.00	
AAA Safety Grant	440.00	440.00	440.00	
Matching Funds for Grants	5,000.00	5,000.00	5,000.00	
NJ Heroes Too Grant (40A-4-87 \$20,000.00)		20,000.00	20,000.00	
Strengthening L.P. Health CPCT (40A-4-87 \$142,236.00)		142,236.00	142,236.00	
TOTAL OPERATIONS-EXCLUDED FROM "CAPS"	4,460,647.87	4,622,883.87	4,613,461.87	9,422.00
	\$	\$	\$	\$
<u>CAPITAL IMPROVEMENT FUND - EXCLUDED FROM "CAPS"</u>				
Capital Improvement Fund	90,000.00	90,000.00	90,000.00	
	\$	\$	\$	\$
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>				
Payment of Bond Principal	305,000.00	305,000.00	305,000.00	
Interest on Bonds	274,943.76	274,943.76	274,943.76	
Interest on Notes	14,869.05	14,869.05	14,869.05	
N.J. Environmental Infrastructure Loan Program:				
Principal	80,341.32	80,341.32	79,616.62	724.70
Interest	13,487.50	13,487.50	13,487.50	
N.J. Department of Community Affairs - Demolition Loan				
Principal	10,500.00	10,500.00	10,500.00	
Union County Improvement Authority:				
Principal	188,834.25	188,834.25	188,834.25	
Interest	10,571.64	10,571.64	10,571.64	
TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"	898,547.52	898,547.52	897,822.82	724.70
	\$	\$	\$	\$

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
<u>DEFERRED CHARGES-EXCLUDED FROM "CAPS":</u>						
Special Emergency Authorizations 5 Years Judgements	\$ 146,311.56	\$	146,311.56	\$ 146,311.56	\$	\$ 98,424.20
	200,000.00		200,000.00	101,575.80		
<u>TOTAL DEFERRED CHARGES-EXCLUDED FROM "CAPS"</u>	\$ 346,311.56	\$	346,311.56	\$ 247,887.36	\$	\$ 98,424.20
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	\$ 5,795,506.95	\$	5,957,742.95	\$ 5,849,172.05	\$ 9,422.00	\$ 99,148.90
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	\$ 43,069,938.73	\$	43,232,174.73	\$ 39,734,103.86	\$ 3,398,921.97	\$ 99,148.90
Reserve for Uncollected Taxes	2,720,000.00		2,720,000.00	2,720,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 45,789,938.73	\$	45,952,174.73	\$ 42,454,103.86	\$ 3,398,921.97	\$ 99,148.90

REF.

Budget	A-3	\$ 45,789,938.73	A-1
Appropriations by 40A.4-87	A-2	162,236.00	A:A-1
		<u>45,952,174.73</u>	

Reserve for Uncollected Taxes	A-2	\$ 2,720,000.00
Encumbrances Payable	A-19	472,791.79
Reserve for Grants Appropriated	A-21	1,851,539.87
Deferred Charges:		
Current Fund	A-29	446,932.43
Grant Fund	A-28	54,193.62
Trust Other Fund	A-28	23,401.54
		<u>524,527.59</u>

Deferred Charges:		
Special Emergency Authorization 40A 4-53	A-34	146,311.56
Disbursed - Net	A-4	36,738,933.05
		<u>\$ 42,454,103.86</u>

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

TRUST FUND

"B"

TOWNSHIP OF HILLSIDE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
Animal Control Fund:			
Cash	B-1	\$ <u>133,971.73</u>	\$ <u>128,836.83</u>
		\$ <u>133,971.73</u>	\$ <u>128,836.83</u>
Other Trust Funds:			
Cash	B-1	\$ 3,961,512.12	\$ 4,445,825.88
Community Development Block Grants Receivable	B-4	191,974.60	267,280.00
Interfunds Receivable	B-19	4,134,938.25	2,622,235.84
Deferred Charges - Overexpenditure of Reserve	B-22	<u>17,637.58</u>	<u>29,938.12</u>
		\$ <u>8,306,062.55</u>	\$ <u>7,365,279.84</u>
		\$ <u>8,440,034.28</u>	\$ <u>7,494,116.67</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$ 14,021.15	\$ 13,363.65
Due State of New Jersey	B-3	32.40	632.40
Interfunds Payable	B-20	<u>119,918.18</u>	<u>114,840.78</u>
		\$ <u>133,971.73</u>	\$ <u>128,836.83</u>
Other Trust Funds:			
Reserve for:			
Community Development Block Grants	B-5	\$ 182,546.82	\$ 391,264.57
Facade Loan Repayment	B-6	35,134.28	35,134.28
Tax Sale Redemption	B-7	281,727.17	233,541.75
Retiree Prescription Account	B-8	36,355.58	36,293.70
State Unemployment Insurance	B-9	120,084.13	120,084.13
Flexible Spending Account	B-10	1,225.00	1,225.00
UEZ Second Generation Fund	B-11	759,855.04	657,302.19
UEZ Revolving Loan Escrow	B-12	7,286.16	7,278.77
Police Off-Duty Escrow	B-13	336,693.46	255,604.95
Local Law Enforcement Block Grant	B-14	628.02	628.02
Special Law Enforcement	B-15	9,985.45	9,913.41
Miscellaneous Trust Deposits	B-16	5,721,756.40	4,539,453.91
Federal Law Enforcement Trust	B-17	48,862.12	145,370.25
Building Department Escrow	B-18	506,015.11	528,831.09
Payroll Deductions Payable	B-21	859.13	146,305.14
Interfunds Payable	B-19	256,431.50	256,431.50
Due County of Union		<u>617.18</u>	<u>617.18</u>
		\$ <u>8,306,062.55</u>	\$ <u>7,365,279.84</u>
		\$ <u>8,440,034.28</u>	\$ <u>7,494,116.67</u>

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

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 473,725.71	\$ 1,389,006.16
Deferred Charges to Future Taxation:			
Funded	C-4	7,973,772.19	8,369,613.51
Unfunded	C-8	10,400,483.43	7,069,583.43
Grants Receivable	C-5	92,000.00	468,916.00
New Jersey Infrastructure Bank Receivable	C	1,250,000.00	
Demolition Loan Receivable (State of NJ)	C-16	58,564.01	58,564.01
Interfunds Receivable	C-6	2,028,570.56	1,938,570.56
		<u>\$ 22,277,115.90</u>	<u>\$ 19,294,253.67</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Interfunds Payable	C-6	\$ 32,679.40	\$ 32,679.40
Demolition Loan Payable (State of NJ)	C-7	84,000.00	94,500.00
Capital Improvement Fund	C-9	215,714.46	201,814.46
Contracts Payable	C-10	845,715.26	1,229,105.39
Bond Anticipation Note	C-12	980,952.00	980,952.00
Bond Anticipation Note - NJ Infrastructure Bank	C	1,250,000.00	
General Serial Bonds Payable	C-13	7,225,000.00	7,530,000.00
Infrastructure Loan Payable	C-14	723,336.20	803,677.52
Reserve for Construction of Salt Shed	C-15	89,321.76	89,321.76
Improvement Authorizations:			
Funded	C-11	1,850,368.78	2,683,075.10
Unfunded	C-11	8,934,714.73	5,603,814.73
Fund Balance	C-1	45,313.31	45,313.31
		<u>\$ 22,277,115.90</u>	<u>\$ 19,294,253.67</u>

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

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2019 and December 31, 2020	C	\$ <u>45,313.31</u>

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

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SWIM POOL UTILITY FUND

"D"

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>ASSETS</u>			
Operating Fund:			
Cash	D-2	\$ 422.52	\$ 422.52
Interfunds Receivable	D-3	33,127.07	33,127.07
		<u>\$ 33,549.59</u>	<u>\$ 33,549.59</u>
Capital Fund:			
Interfunds Receivable	D-10	\$ 10,584.06	\$ 10,584.06
Deferred Charge - Grant Receivable Cancelled		105,015.63	105,015.63
Fixed Capital	D-9	710,689.24	710,689.24
Fixed Capital Authorized and Uncompleted	D-4	281,926.39	281,926.39
		<u>\$ 1,108,215.32</u>	<u>\$ 1,108,215.32</u>
		<u>\$ 1,141,764.91</u>	<u>\$ 1,141,764.91</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Interfunds Payable	D-3	\$ 15,104.29	\$ 15,104.29
		<u>\$ 15,104.29</u>	<u>\$ 15,104.29</u>
Fund Balance	D-1	18,445.30	18,445.30
		<u>\$ 33,549.59</u>	<u>\$ 33,549.59</u>
Capital Fund:			
Improvement Authorizations - Funded	D-5	\$ 2,273.90	\$ 2,273.90
Improvement Authorizations - Unfunded	D-5	100,600.00	100,600.00
Capital Improvement Fund	D-6	10,250.00	10,250.00
Reserve for:			
Amortization	D-7	790,689.24	790,689.24
Deferred Amortization	D-8	106,326.39	106,326.39
Interfunds Payable	D-10	98,075.79	98,075.79
		<u>\$ 1,108,215.32</u>	<u>\$ 1,108,215.32</u>
		<u>\$ 1,141,764.91</u>	<u>\$ 1,141,764.91</u>

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

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

STATEMENTS OF OPERATIONS
AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER <u>31, 2020</u>	YEAR ENDED DECEMBER <u>31, 2019</u>
<u>REVENUE AND OTHER INCOME</u>			
Deficit (General Budget)		\$	\$ 20,921.61
Other Credits to Income:			
Accrued Interest on Notes Canceled			1,047.50
Accounts Payable Canceled			4,473.97
			<hr/>
<u>TOTAL INCOME</u>		\$ <hr/>	\$ <hr/> 26,443.08
<u>EXPENDITURES</u>			
Debt Service		\$	\$ 4,887.00
Deferred Charges and Statutory Expenditures			21,556.08
			<hr/>
<u>TOTAL EXPENDITURES</u>		\$ <hr/>	\$ <hr/> 26,443.08
Excess (Deficit) in Revenue		\$	\$
Fund Balance, January 1	D	<hr/> 18,445.30	<hr/> 18,445.30
Fund Balance, December 31	D	\$ <hr/> <hr/> 18,445.30	\$ <hr/> <hr/> 18,445.30

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

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PUBLIC ASSISTANCE TRUST FUND

"E"

TOWNSHIP OF HILLSIDE
PUBLIC ASSISTANCE TRUST FUND
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2020	BALANCE DECEMBER 31, 2019
<u>ASSETS</u>		
Due Current Fund	\$ <u>17,137.82</u>	\$ <u>17,137.82</u>
	\$ <u><u>17,137.82</u></u>	\$ <u><u>17,137.82</u></u>
<u>LIABILITIES AND RESERVES</u>		
Due State of New Jersey	\$ <u>17,137.82</u>	\$ <u>17,137.82</u>
	\$ <u><u>17,137.82</u></u>	\$ <u><u>17,137.82</u></u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

TOWNSHIP OF HILLSIDE
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER 31, 2020	BALANCE DECEMBER 31, 2019
<u>FIXED ASSETS</u>		
Land	\$ 5,050,100.00	\$ 5,050,100.00
Buildings	5,461,300.00	5,461,300.00
Machinery and Equipment	<u>8,066,098.00</u>	<u>8,261,746.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 18,577,498.00</u>	<u>\$ 18,773,146.00</u>
<u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 18,577,498.00</u>	<u>\$ 18,773,146.00</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HILLSIDE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Hillside is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Council 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 Hillside include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Hillside, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Hillside do not include the operations of the municipal library or the Board of Education, 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 Generally Accepted Accounting Principles (GAAP).

The Accounting policies of the Township of Hillside conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 Hillside 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 groups:

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 disbursements 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.

Swim Pool Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned Swim Pool Utility.

Public Assistance Trust 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 Asset Account Group - utilized to account for property, land, buildings and equipment that have 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 generally accepted accounting principles applicable to local governmental 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. Federal and State grants are realized as revenue 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 revenue 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 issuances 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 - New Jersey Administrative Code (N.J.A.C. 5:30-5.6), Accounting for Governmental Fixed Assets, 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 \$500.00 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. 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.

The Township developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm.

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 are 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.

Fixed Capital - Swim Pool Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30- 5.6.

Property and equipment purchased by the Swim Pool Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Swim Pool Utility (Continued)

The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) 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 nonemployer contributing entity that arise from other types of events.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet.

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.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

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 OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2020 was not available, therefore the information dated June 30, 2019 is disclosed.

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 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, change funds, 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 public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). 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. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Township of Hillside had the following cash and cash equivalents at December 31, 2020:

<u>Fund</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Change Funds</u>	<u>Total</u>
Checking Accounts	\$23,764,513.91	(\$922,531.92)		\$22,841,981.99
Change Funds			\$690.00	690.00
Total Cash and Cash Equivalents	<u>\$23,764,513.91</u>	<u>(\$922,531.92)</u>	<u>\$690.00</u>	<u>\$22,842,671.99</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2020, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$23,764,513.91, \$250,000.00 was covered by Federal Depository Insurance, \$23,514,513.91 was covered under the provisions of NJGUDPA.

B. Investments

The purchase of investments by the Township is 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 types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds 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.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury 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, 2020, the Township had no investments.

The Township of Hillside's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: GOVERNMENTAL DEBT

Long-Term 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, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT AND OPERATING DEBT AND TYPE II SCHOOL DEBT)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Issued:			
General:			
Bonds, Notes and Loans	\$11,268,288.20	\$9,409,129.52	\$7,371,675.28
Swim Pool Utility:			
Notes			64,654.00
Total Issued	<u>\$11,268,288.20</u>	<u>\$9,409,129.52</u>	<u>\$7,436,329.28</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	7,164,531.43	6,088,631.43	8,060,068.42
Swim Pool Utility:			
Bonds and Notes		100,600.00	100,600.00
Total Authorized But Not Issued	<u>7,164,531.43</u>	<u>6,189,231.43</u>	<u>8,160,668.42</u>
Net Bonds and Notes Issued and and Authorized But Not Issued	<u>\$18,432,819.63</u>	<u>\$15,598,360.95</u>	<u>\$15,596,997.70</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt

SUMMARY OF REGULATORY DEBT CONDITION
(ANNUAL DEBT STATEMENT AS OF DECEMBER 31, 2020)

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 .913%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Swim Pool Debt	\$100,600.00	\$100,600.00	
General Debt	<u>18,432,819.63</u>	<u>-0-</u>	<u>\$18,432,819.63</u>
	<u>\$18,533,419.63</u>	<u>\$100,600.00</u>	<u>\$18,432,819.63</u>

NET DEBT \$18,432,819.63 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$2,019,245,141.00 EQUALS .913%.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED - DEBT LIMITATION

Equalized Valuation Basis* - December 31, 2020	\$2,019,245,141.00
3-1/2 of Equalized Valuation Basis	70,673,579.94
Net Debt	<u>18,432,819.63</u>
Remaining Borrowing Power	<u>\$52,240,760.31</u>

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

Long-Term Debt

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2020, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$ 7,164,531.43</u>
Swim Pool Capital Fund	<u>\$ 100,600.00</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

General Serial Bonds:	OUTSTANDING BALANCE DECEMBER <u>31, 2020</u>
\$7,530,000.00 2019 Bonds due in annual remaining installments of \$565,000.00 to \$610,000 through June 2033 at interest rates between 2.125% and 5.000%.	<u>\$7,225,000.00</u>
	<u>\$7,225,000.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2020

<u>YEAR</u>	<u>GENERAL CAPITAL</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2021	\$305,000.00	\$259,693.76	\$564,693.76
2022	610,000.00	236,818.76	846,818.76
2023	610,000.00	206,318.76	816,318.76
2024	610,000.00	175,818.76	785,818.76
2025	570,000.00	146,318.76	716,318.76
2026-2030	2,825,000.00	436,109.40	3,261,109.40
2031-2033	<u>1,695,000.00</u>	<u>76,275.00</u>	<u>1,771,275.00</u>
	<u>\$7,225,000.00</u>	<u>\$1,537,353.20</u>	<u>\$8,762,353.20</u>

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

The Township has entered into four Environmental Infrastructure Trust Loan Agreements with the State of New Jersey for the Joint Meeting of Essex and Union Counties project. The loans are payable over 20 years. The first loan 2002A dated 10/15/02, consists of two parts, an interest bearing portion of \$200,000.00 (the Trust Loan) and a non-interest bearing portion of \$208,697.00 (the Fund Loan). The rate of Interest on the Trust Loan is variable ranging from 3.00% to 5.25%.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS (CONTINUED)

Following are the maturities and debt schedule for the outstanding principal and interest on the loan:

<u>Year</u>	<u>Trust Loan 2002A</u>		<u>Fund Loan</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
2021	\$15,000.00	\$1,462.50	\$10,663.36	\$27,125.86
2022	15,000.00	712.50	10,177.77	25,890.27
	<u>\$30,000.00</u>	<u>\$2,175.00</u>	<u>\$20,841.13</u>	<u>\$53,016.13</u>

The second Environmental Infrastructure Trust loan, 2006A dated 11/09/06, also consists of two parts, an interest bearing portion of \$105,000.00 (the Trust Loan) and a non-interest bearing portion of \$300,397.00 (the Fund Loan). The rate of Interest on the Trust Loan is variable ranging from 4.00% to 5.00%.

Following are the maturities and debt schedule for the outstanding principal and interest on the loan:

<u>Year</u>	<u>Trust Loan 2006A</u>		<u>Fund Loan</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
2021	\$5,000.00	\$1,725.00	\$12,765.06	\$19,490.06
2022	5,000.00	1,518.76	12,373.56	18,892.32
2023	5,000.00	1,312.50	11,982.08	18,294.58
2024	5,000.00	1,100.00	11,578.72	17,678.72
2025	10,000.00	850.00	20,594.94	31,444.94
2026	10,000.00	425.00	19,788.39	30,213.39
	<u>\$40,000.00</u>	<u>\$6,931.26</u>	<u>\$89,082.75</u>	<u>\$136,014.01</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS (CONTINUED)

The third Environmental Infrastructure Trust loan, 2010A dated 03/10/10, also consists of two parts, an interest-bearing portion of \$125,000.00 (the Trust Loan) and a non-interest bearing portion of \$122,926.00 (the Fund Loan). The rate of interest on the Trust Loan is variable ranging from 4.00% to 5.00%.

Following are the maturities and debt schedule for the outstanding principal and interest on the loan:

<u>Year</u>	<u>Trust Loan 2010A</u>		<u>Fund Loan</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
2021	\$5,000.00	\$2,900.00	\$6,250.47	\$14,150.47
2022	5,000.00	2,750.00	6,250.47	14,000.47
2023	5,000.00	2,550.00	6,250.47	13,800.47
2024	10,000.00	2,350.00	6,250.47	18,600.47
2025	10,000.00	1,950.00	6,250.47	18,200.47
2026	10,000.00	1,550.00	6,250.47	17,800.47
2027	10,000.00	1,200.00	6,250.47	17,450.47
2028	10,000.00	800.00	6,250.47	17,050.47
2030	10,000.00	400.00	6,250.56	16,650.56
	<u>\$75,000.00</u>	<u>\$16,450.00</u>	<u>\$56,254.32</u>	<u>\$147,704.32</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS (CONTINUED)

The fourth Environmental Infrastructure Trust loan, 2015A-1 dated 05/28/15, also consists of two parts, an interest bearing portion of \$160,000.00 (the Trust Loan) and a non-interest bearing portion of \$389,341.00 (the Fund Loan). The rate of interest on the Trust Loan is variable ranging from 4.00% to 5.00%.

Following are the maturities and debt schedule for the outstanding principal and interest on the loan:

Year	Trust Loan JMECU		Fund Loan	Total
	Principal	Interest	Principal	
2021	\$5,000.00	\$5,950.00	\$19,797.00	\$30,747.00
2022	10,000.00	5,700.00	19,797.00	35,497.00
2023	10,000.00	5,200.00	19,797.00	34,997.00
2024	10,000.00	4,700.00	19,797.00	34,497.00
2025	10,000.00	4,200.00	19,797.00	33,997.00
2026	10,000.00	3,700.00	19,797.00	33,497.00
2027	10,000.00	3,200.00	19,797.00	32,997.00
2028	10,000.00	2,800.00	19,797.00	32,597.00
2029	10,000.00	2,400.00	19,797.00	32,197.00
2030	10,000.00	2,000.00	19,797.00	31,797.00
2031	10,000.00	1,600.00	19,797.00	31,397.00
2032	10,000.00	1,200.00	19,797.00	30,997.00
2033	10,000.00	800.00	19,797.00	30,597.00
2034	10,000.00	400.00	19,797.00	30,197.00
	<u>\$135,000.00</u>	<u>\$43,850.00</u>	<u>\$277,158.00</u>	<u>\$456,008.00</u>

NEW JERSEY DEMOLITION LOAN

The Township has entered into A Demolition Loan Agreements with the State of New Jersey for the demolition of certain buildings within the Township in the amount of \$105,000.00. The loan is payable over 10 years and is interest-free with an annual payment of \$10,500.00 beginning May 1, 2019 and ending May 1, 2028. The loan balance at December 31, 2020 was \$84,000.00

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Short-Term Debt

BOND ANTICIPATION NOTES

Outstanding Bond Anticipation Notes are summarized as follows:

General Capital Fund:

<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2020</u>
19-016	10/24/19	10/23/20	10/22/21	0.650%	<u>\$980,952.00</u>

TAX ANTICIPATION NOTE

The outstanding Tax Anticipation Note is summarized as follows:

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2020</u>
11/19/20	04/19/21	0.520%	<u>\$4,000,000.00</u>

NOTE 4: FUND BALANCE APPROPRIATED

Fund balances, at December 31, 2020, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2021 were as follows:

Current Fund	<u>\$2,750,000.00</u>
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NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of July 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 the 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.

NOTE 5: PROPERTY TAXES (CONTINUED)

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

	BALANCE DECEMBER 31, <u>2020</u>	BALANCE DECEMBER 31, <u>2019</u>
Prepaid Taxes	<u>\$280,165.91</u>	<u>\$412,195.07</u>

NOTE 6: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) 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, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. 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.

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.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

NOTE 6: PENSION PLANS (CONTINUED)

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.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

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%.

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 2020, 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 2020, PERS provides for employee contributions of 7.50% of employees' base salary.

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2020, the State contributed an amount less than the actuarially determined amount. During 2020, PFRS provides for employee contributions of 10.00% of employees' base salary.

Certain portions of the cost are contributed by the employees. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$3,951,070.00 for 2020, \$3,747,545.87 for 2019 and \$3,599,495.39 for 2017.

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

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, 2020. 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, 2020.

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$9,333,604.00 for the Township of Hillside's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2020. 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, 2020, the Township's proportion was 0.0518001629 percent, which was a decrease of 0.0007034171 percent from its proportion measured as of June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$17,867.00 for the Township of Hillside's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statement based on the April 1, 2020 billing was \$522,241.00.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between expected and actual experience	\$ 167,526.00	\$ 41,232.00
Changes of assumptions	931,995.00	3,239,664.00
Net difference between projected and actual earnings on pension plan investments		147,335.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>653,771.00</u>	<u>832,778.00</u>
	<u>\$ 1,753,292.00</u>	<u>\$ 4,261,009.00</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:

Year Ended <u>June 30,</u>	<u>Amount</u>
2020	(\$305,313.40)
2021	(910,093.40)
2022	(816,492.40)
2023	(402,376.40)
2024	<u>(73,441.40)</u>
	<u><u>(\$2,507,717.00)</u></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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

	<u>June 30, 2020</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	Based on
	Years of Service	Age
Investment Rate of Return	7.00%	7.00%

Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and a 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-2020.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period of 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 June 30, 2020 and June 30, 2019) 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, 2020 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%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% and 5.66% as of June 30, 2020 and June 30, 2018, respectively. This 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, 2020 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% for June 30, 2020 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.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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, 2020, 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% Decrease <u>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
Township's proportionate share of the pension liability	\$11,871,876.00	\$9,333,604.00	\$7,314,394.00

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 or by visiting <http://www.state.nj.us/treasury/pensions>.

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$43,315,168.00 for the Township of Hillside's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2020. 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, 2020, the Township's proportion was 0.3352224941 percent, which was an increase of 0.0105082487 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$1,978,367.00. The pension expense recognized in the Township's financial statement based on the April 1, 2020 billing was \$3,279,973.00.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 436,690.00	\$ 155,453.00
Changes of assumptions	109,002.00	11,612,538.00
Net difference between projected and actual earnings on pension plan investments	2,539,771.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>2,694,426.00</u>	<u>3,618,502.00</u>
	<u>\$ 5,779,889.00</u>	<u>\$ 15,386,493.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		Amount
<u>June 30</u>		
2021	\$	(4,236,651.20)
2022		(2,919,313.20)
2023		(1,298,048.20)
2024		(605,355.20)
2025		<u>(547,236.20)</u>
	\$	<u>(9,606,604.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

	<u>June 30, 2020</u>	<u>June 30, 2018</u>
Inflation	2.75%	2.25%
Salary Increases		
Through all future years	3.15-15.25%	2.10-8.98%
	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 Safety Employee mortality table with a 105.6% adjustment for males and a 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and a 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions (Continued)

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, 2013 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020 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 PFRS s target asset allocation as of June 30, 2020 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%	11.3%
Private Equity	12.00%	10.85%

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.85% and 6.51% as of June 30, 2020 and June 30, 2018 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2020 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% as of June 30, 2020 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 and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the 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, 2020, calculated using the discount rate as disclosed above as well as what the collective 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, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the PFRS pension liability	\$57,600,257.00	\$43,315,168.00	\$31,450,309.00

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At June 30, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$6,722,316.00 and \$6,724,696.00 respectively.

At June 30, 2020, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$43,315,168.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>6,722,316.00</u>
	<u><u>\$50,037,484.00</u></u>

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 Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 or by visiting <http://www.state.nj.us/treasury/pensions>.

NOTE 7: COMPENSATED ABSENCES (UNAUDITED)

Under the existing policy of the Township, certain employees are allowed to accumulate unused vacation and sick pay over the life of their working careers, which may be taken as time off, or paid at the later date, at an agreed upon rate. At December 31, 2020, the current cost of such unpaid compensation is unavailable but probably material. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented. The Township has accumulated \$53,001.99 for this purpose in the Current Fund and continues to budget funds to provide for these liabilities as they arise.

NOTE 8: LITIGATION

The Township Attorney did not provide a letter to indicate or discern 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 9: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments. 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.

NOTE 10: CONTINGENT LIABILITIES

The Township participates in several federal and 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. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2020, the Township does not believe that any material liabilities will result from such audits.

NOTE 11: 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 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three years.

NOTE 11: RISK MANAGEMENT (CONTINUED)

The Township has also established a self-insurance program in accordance with New Jersey Statute Chapter 40:10. The statute enables the governing body of any local unit to provide insurance coverage for its exposure to a wide variety of property and liability casualty risks. The Township self-insures for workers compensation exposure. The Township has purchased a separate excess workers' compensation policy for coverage of losses in excess of \$450,000.00 per occurrence.

At December 31, 2020, the Township's exposure for claims incurred under the above self-insurance programs is not presently determinable.

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. Below 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 previous two years:

<u>Year</u>	<u>Contributions</u>		<u>Amount Reimbursed</u>	<u>Ending Balance</u>
	<u>Township</u>	<u>Employee</u>		
2020	-0-	-0-	-0-	\$120,084.13
2019	-0-	-0-	-0-	120,084.13
2018	-0-	-0-	-0-	120,084.13

In 2020, the Township did not transfer the Budget Appropriation to the Trust Fund. Instead, unemployment expenditures, totaling \$14,002.80, were charged directly to the 2020 Appropriations.

NOTE 12: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, the following deferred charges are shown on the Balance Sheets of the Township:

	BALANCE DECEMBER 31 <u>2020</u>	2021 BUDGET <u>APPROPRIATION</u>	DEFERRED <u>AMOUNT</u>
Current Fund:			
Special Emergency Authorization 40A:4-53	\$292,623.14	\$146,311.56	\$146,311.58
Trust Other Fund:			
Overexpenditure of Reserve	17,637.58	17,637.58	
Swim Pool Operating Fund:			
Grant Receivable Cancelled	<u>105,015.63</u>	<u>105,015.63</u>	
	<u>\$292,623.14</u>	<u>\$146,311.56</u>	<u>\$146,311.58</u>

NOTE 13: DEFERRED COMPENSATION PLAN

The Township offers its employees deferred compensation plans created in accordance with Internal Revenue Code Sections 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The township does not make any contribution to the plans. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardship.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plans were amended to require that all amounts of compensation deferred under the Plans are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plans are held in trust, in annuity contracts or custodial accounts. All assets of the plans are held by independent administrators.

The accompanying financial statements do not include the Township's Deferred Compensation Plans activities.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2020:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 117,918.18	\$ 6,189,046.78
Grant Fund	368,980.00	
Animal Control Trust Fund		119,918.18
Trust Other Fund	4,134,938.25	256,431.50
General Capital Fund	2,028,570.56	32,679.40
Swim Pool Operating Fund	33,127.07	15,104.29
Swim Pool Capital Fund	10,584.06	98,075.79
Public Assistance Trust Fund II	<u>17,137.82</u>	
	<u>\$ 6,711,255.94</u>	<u>\$ 6,711,255.94</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 15: LEASE PURCHASE AGREEMENT

The Township has entered into the following agreements with the Union County Improvement Authority to lease purchase various capital items as follows:

<u>DATE</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
2006	Capital Equipment	\$7,951,779.52

In accordance with the terms of the lease agreements, the Township will be obligated to make the following rental payments:

<u>Year Ended December 31</u>	<u>Capital Equipment Lease - 2006</u>	<u>Total</u>
2021	<u>274,862.76</u>	<u>274,862.76</u>
	<u>\$ 274,862.76</u>	<u>\$ 274,862.76</u>

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” which is effective for fiscal years beginning after June 15, 2017. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Single Employer Plan

Plan Description

The Township’s defined benefit OPEB plan, Township of Hillside Post-Employment Healthcare Plan (the Plan), provides OPEB for all employees of the Township and their eligible dependents in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Township. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Summary of Benefits

The Plan provides retirees and their eligible dependents medical pharmacy and dental benefits provided that they have met the eligibility requirements contained in the Township’s various labor agreements.

Inactive employees or beneficiaries currently receiving benefits payments	153
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active employees	178
	<hr style="border-top: 1px solid black;"/>
	331

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan (Continued)

Employees Covered by Benefits Terms

Contributions

The contribution requirements of the Township and Plan members are established and maybe be amended by the Township's governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical and prescription coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Township's plan document, ranging from 3.5% to 35%.

Total OPEB Liability

The Township's total OPEB liability of \$211,126,221.00 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Healthcare cost trend rates:

<u>Year</u>	Pre-65 Medical (Decreasing .05% <u>per year</u>)	<u>Post-65 Medical</u>
2020	8.00%	8.00%
Ultimate Rate (2026 and Later Years)	5.00%	5.00%

Mortality

RP 2014 Healthy Male and Female Tables are based on the Employee and Healthy Annuitant Tables for both pre & post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2018.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2018–December 31, 2018.

Discount Rate

The discount rate for unfunded plans should be the single rate that reflects a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/Aaa or higher (or an equivalent quality on another scale). The plan is currently unfunded. The selected discount rate is based on the prescribed discount interest rate methodology under GASB No. 74/75 using an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO – 2.74%, S&P Municipal Bond 20 Year High Grade Rate Index - 3.26%, and Fidelity GA AA 20 Years - 2.75%) to establish a discount rate of 3.80% as of December 31, 2018 and 2.90% as of December 31, 2019.

Changes in the Total OPEB Liability:

	Total OPEB <u>Liability</u>
Balance at 12/31/18	\$ 169,568,621
Changes for the year:	
Service Costs	1,800,689
Interest Costs	5,958,346
Changes in assumptions or other inputs	37,984,592
Benefit payments	<u>(4,186,027)</u>
Net Change in OPEB Liability	<u>41,557,600</u>
Balance at 12/31/19	<u><u>\$ 211,126,221</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.80 percent in 2018 to 2.90 percent in 2019.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan (Continued)

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.90 percent) or 1-percentage point higher (3.90 percent) than the current discount rate:

	December 31, 2019		
	1%	At Current	1%
	Decrease <u>1.90%</u>	Discount Rate <u>2.90%</u>	Increase <u>3.90%</u>
Total OPEB Liability	\$270,832,839.00	\$211,126,221.00	\$169,713,263.00

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2019		
	1%	Healthcare Cost	1%
	Decrease	Trend Rate	Increase
Total OPEB Liability	\$162,796,277.00	\$211,126,221.00	\$279,462,628.00

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019 the actuarially determined OPEB expense reflected in the Plan report was \$11,212,180. At December 31, 2019, the Plan reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Special Funding Situation

The Township, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271 , P.L.1989.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit
(OPEB) plan with a special funding situation (Continued)

Special Funding Situation (Continued)

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

At June 30, 2019 and 2018, the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is \$20,203,409.00 and \$21,877,393 respectively.

At June 30, 2019, the Township's and State of New Jersey's proportionate share of the OPEB liability was as follows:

Township's proportionate share of the Net OPEB Liability	\$	-
State of New Jersey's proportionate share of Net OPEB Liability associated with the Township		<u>20,203,409.00</u>
		<u>\$ 20,203,409.00</u>

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation (Continued)

Actuarial Assumptions and Other Inputs

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

Inflation Rate	<u>2019</u> 2.50%	<u>2018</u> 2.50%
Salary Increases*:		
Public Employees Retirement System (PERS):		
Initial Fiscal Year Applied		
Rate Through 2026	2.00% to 6.00%	
Rate Thereafter	3.00% to 7.00%	
Police and Firemen's Retirement System (PFRS):		
Rate for All Future Years	3.25% to 15.25%	
All Pensions:		
Rate through 2026		1.65% to 8.98%
Rate thereafter		2.65% to 9.98%

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

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

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

Health Care Trend Assumptions

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

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit
(OPEB) plan with a special funding situation (Continued)

Discount Rate

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

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 or by visiting <http://www.state.nj.us/treasury/pensions>.

NOTE 17: SUBSEQUENT EVENTS

The Township has evaluated material subsequent events occurring after the financial statement date through October 26, 2021 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that the following subsequent event require disclosure.

On October 5, 2021, the Township Council approved Ordinance 21-19 for Various Public Improvements and Acquisition of New, Additional or Replacement Equipment and Machinery and new automotive vehicles, including original apparatus and equipment. The Ordinance appropriates \$2,053,500.00 including the authorization of the issuance of \$1,955,500.00 in Bonds or Notes

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TOWNSHIP OF HILLSIDE
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2020

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	REF.	GRANT FUND	CURRENT FUND
Balance, December 31, 2019	A	\$ -0-	\$ 12,437,133.51
Increased by Receipts:			
Collector	A-5		72,066,504.71
Miscellaneous Revenue Not Anticipated	A-2		224,942.88
Senior Citizens and Veterans Deductions	A-8		95,773.30
Appropriation Reserves - Refunds	A-14		55.97
Revenue Accounts Receivable	A-13		6,377,950.94
Grants Receivable	A-20	120,923.98	
Reserve for:			
Grants - Unappropriated	A-22	12,635.91	
Insurance Damages	A-35		250,000.00
Unallocated Receipts	A-36		12,364.01
Interfunds Returned	A-28	185,280.09	2,358,606.37
Tax Anticipation Note	A-37		4,000,000.00
		\$ 318,839.98	\$ 85,386,198.18
Decreased by Disbursements:			
2020 Appropriations	A-3		36,738,933.05
Appropriation Reserves	A-14		1,341,003.32
Interfunds Advanced	A-28		726,189.16
Refund of Tax Overpayments	A-17	133,559.89	16,683.16
Refund of Sewer Overpayments	A-16		346.98
Reserve for:			
Grants Appropriated	A-21	185,280.09	
County Taxes	A-26		10,185,222.36
Local District School Tax	A-27		30,526,495.00
Accounts Payable	A-31		1,293.69
Refund of			
Uniform Construction Code Fees	A-2		10,225.00
Payment In Lieu of Taxes - Gargiulo	A-2		4,590.06
		\$ 318,839.98	\$ 79,550,981.78
Balance, December 31, 2020	A	\$ -0-	\$ 18,272,349.91

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>		
Increased by:			
Revenue Accounts Receivable	A-13	\$ 1,018,692.83	
Taxes Receivable	A-9	68,381,870.73	
Tax Title Liens	A-10	88,924.17	
Sewer Charges Receivable	A-11	2,252,238.29	
Tax Overpayments	A-17	28,706.00	
Prepaid Taxes	A-18	280,165.91	
Miscellaneous Revenue Not Anticipated	A-2	<u>15,906.78</u>	
			\$ <u>72,066,504.71</u>
			<u>72,066,504.71</u>
Decreased by:			
Payment to Treasurer	A-4		\$ <u><u>72,066,504.71</u></u>

"A-6"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance, December 31, 2019 and December 31, 2020	A	\$	<u>690.00</u>
Tax Collector		\$	400.00
Municipal Court			40.00
Board of Health			50.00
Police			<u>200.00</u>
		\$	<u>690.00</u>

"A-7"

SCHEDULE OF RESERVE FOR HURRICANE SANDY

Balance, December 31, 2019 and December 31, 2020	A	\$	<u>72,136.30</u>
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TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF DUE TO/FROM STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

	<u>REF.</u>		
Balance, December 31, 2019 (Due From)	A	\$	110,841.47
Increased by:			
Senior Citizens' and Veterans' Deductions Per Tax Billings	A-8	\$	103,000.00
Senior Citizens' and Veterans' Deductions Granted by Tax Collector:			
Prior Year Taxes	A-8		<u>4,777.00</u>
			\$ <u>107,777.00</u>
			\$ <u>218,618.47</u>
Decreased by:			
Cash Receipts	A-4	\$	95,773.30
Senior Citizens' Deductions Disallowed by Tax Collector:			
2019 Taxes	A-8		<u>1,116.44</u>
			\$ <u>96,889.74</u>
Balance, December 31, 2020 (Due From)	A	\$	<u><u>121,728.73</u></u>

ANALYSIS OF REALIZED REVENUE

Senior Citizens' and Veterans' Deductions Per Tax Billings	A-8	\$	103,000.00
Senior Citizens' and Veterans' Deductions Granted by Tax Collector	A-8		<u>4,777.00</u>
			\$ <u>107,777.00</u>
Less: Senior Citizens' Deductions Disallowed by Tax Collector	A-8		<u>1,116.44</u>
	A-9	\$	<u><u>106,660.56</u></u>

TOWNSHIP OF HILLSIDE
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2019	2020 LEVY	ADDED TAXES	CASH COLLECTIONS 2019	2020	TRANSFERRED TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2020
SFY2010	\$ 2,678.78							\$ 453.49
TY2011	10,873.50					10,420.01		6,294.11
2012	17,656.23					11,362.12		11,928.34
2013	27,775.29					11,631.08	293.00	17,682.73
2014	51,887.30				3,922.87	11,841.53		288,086.04
2015	364,040.78				22,363.04	39,794.55	67.41	333,675.96
2016	409,850.78				36,092.78	45,971.24	68.02	410,629.77
2017	457,804.81		293.00		25,056.91	22,411.13		220,791.85
2018	284,887.69				24,000.28	40,095.56		519,868.66
2019	1,932,469.73		11,991.51		1,373,301.44	50,541.14	750.00	1,809,410.95
	\$ 3,559,924.89	\$ 70,122,892.03	\$ 12,284.51	\$ 412,195.07	\$ 1,530,708.56	\$ 230,911.46	\$ 1,178.43	\$ 2,673,226.18
2020					66,964,816.87	65,555.86	7,098.05	
	\$ 3,559,924.89	\$ 70,122,892.03	\$ 12,284.51	\$ 412,195.07	\$ 68,495,525.43	\$ 296,467.32	\$ 8,276.48	\$ 4,482,637.13

REF.

A

A-2-A-18

A-2

A-10

A

Collections	\$ 68,381,870.73
State of New Jersey	106,660.56
Tax Overpayments Applied	6,994.14
	<u>\$ 68,495,525.43</u>

ANALYSIS OF 2020 <u>PROPERTY TAX LEVY</u>	
TAX YIELD	
General Purpose Tax	\$ 70,122,892.03
	<u>\$ 70,122,892.03</u>

TAX LEVY	
Local District School Tax	\$ 30,526,495.00
County Tax	\$ 10,185,222.36
	<u>\$ 40,711,717.36</u>

Local Tax for Municipal Purposes	\$ 28,737,966.28
Minimum Library Tax	664,845.65
Add: Additional Taxes Levied	8,362.74
	<u>\$ 29,411,174.67</u>
	<u>\$ 70,122,892.03</u>

"A-10"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2019	A		\$ 917,491.39
Increased by:			
Transferred from Property Taxes Receivable	A-9	\$ 296,467.32	
Transfer from Sewer Use Charges Receivable	A-11	1,207.00	
Other Charges		<u>45,402.26</u>	
			<u>343,076.58</u>
			\$ <u>1,260,567.97</u>
Decreased by:			
Collections	A-2:A-5		<u>88,924.17</u>
Balance, December 31, 2020	A		\$ <u><u>1,171,643.80</u></u>

"A-11"

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

Balance, December 31, 2019	A		\$ 270,291.25
Increased by:			
Levy			<u>2,289,440.12</u>
			\$ <u>2,559,731.37</u>
Decreased by:			
Collections	A-2:A-5	\$ 2,252,238.29	
Transferred to Lien	A-10	1,207.00	
Overpayments Applied	A-2:A-16	5,428.90	
Cancelled		<u>23,397.82</u>	
			<u>2,282,272.01</u>
Balance, December 31, 2020	A		\$ <u><u>277,459.36</u></u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF FORECLOSED PROPERTY

<u>BLOCK</u>	<u>LOT</u>		BALANCE DECEMBER 31, <u>2019</u>		BALANCE DECEMBER 31, <u>2020</u>
406	11	\$	41,800.00	\$	41,800.00
424	18		283,300.00		283,300.00
424	19		48,000.00		48,000.00
1209	7		648,400.00		648,400.00
1209	8		481,500.00		481,500.00
203	15		345,000.00		345,000.00
606	15		40,000.00		40,000.00
305	19		1,000.00		1,000.00
401	68		76,100.00		76,100.00
602	10		91,700.00		91,700.00
1209	22		19,000.00		19,000.00
1417	37		126,100.00		126,100.00
1713	43		78,200.00		78,200.00
			<hr/>		<hr/>
		\$	<u>2,280,100.00</u>	\$	<u>2,280,100.00</u>
			<hr/>		<hr/>
	<u>REF.</u>		A		A

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 2019	ACCRUED	COLLECTED BY		BALANCE DECEMBER 31, 2020
			TREASURER	COLLECTOR	
Clerk:					
Licenses:					
Other	\$	411.00	411.00	\$	\$
Fees and Permits		9,546.50	9,546.50		
Tax Assessor:					
Fees and Permits		260.00	260.00		
Board of Health:					
Licenses		20,815.00	20,815.00		
Fire Department:					
Fees and Permits		41,951.33	41,951.33		
Public Works Department:					
Fees and Permits		21,007.39	21,007.39		
Police Department					
Fees and Permits		11,130.70	11,130.70		
Municipal Court:					
Fines and Costs	35,994.99		297,409.03		17,596.58
Interest and Costs on Taxes		886,287.83		886,287.83	
Interest on Investments and Deposits		62,638.56	62,638.56		
Cable T.V. Franchise Fees		232,470.65	232,470.65		
Ambulance Service Fees		297,199.88	297,199.88		
Alarm Fees		29,621.15	29,621.15		
Off Duty Administrative Fees		250,000.00	250,000.00		
Payment in Lieu of Taxes - Gargiulo		132,405.00		132,405.00	
Consolidated Municipal Property Tax Relief Aid		479,366.00	479,366.00		
Energy Receipts Tax		3,835,333.01	3,835,333.01		
Construction Code Official:					
Fees and Permits		614,676.70	428,533.04		224,831.46
Uniform Fire Safety Act		35,733.77	35,733.77		
Sewer Trunk Surplus		324,523.93	324,523.93		
	\$	7,564,389.02	6,377,950.94	\$	\$
					1,018,692.83
					242,428.04
REF.	A	A	A-4	A-5	A

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2019	BALANCE AFTER TRANSFERS	NET PAID OR CHARGED	UNEXPENDED BALANCE LAPSED
SALARIES AND WAGES:				
Administrative and Executive	\$ 9,871.69	\$ 9,871.69	\$	9,871.69
Township Council	1,000.28	1,000.28		1,000.28
Township Clerk	3,047.31	3,047.31		3,047.31
Financial Administration	2,321.89	2,321.89		2,321.89
Collection of Taxes	8,577.15	8,577.15		8,577.15
Assessment of Taxes	22,661.51	22,661.51		22,661.51
Legal/Professional Services and Costs	21,730.73	21,730.73		21,730.73
Municipal Prosecutor	0.04	0.04		0.04
Engineering	5,000.00	5,000.00		5,000.00
Buildings and Grounds	136,376.29	136,376.29		136,376.29
Planning Board	2,500.00	2,500.00		2,500.00
Zoning Costs	2,500.00	2,500.00		2,500.00
Police	194,976.05	49,555.63	10,557.50	38,998.13
Fire		20,498.20		20,498.20
School Crossing Guards	26,374.19	26,374.19		26,374.19
Garage Service and Repairs	49,199.14	49,199.14		49,199.14
Emergency Management	9,000.00	9,000.00		9,000.00
Road Repair & Maintenance	46,796.23	46,796.23		46,796.23
Community Recreation Commission	3,408.91	3,408.91		3,408.91
Senior Citizens	7,898.15	7,898.15		7,898.15
Temporary & Summer Employees	17,441.25	17,441.25		17,441.25
Municipal Court		12,422.07	5,000.00	7,422.07
Board of Health		5,562.24		5,562.24
Building Inspector	10,519.62	10,519.62		10,519.62
Salary Adjustment Account	110,000.00	110,000.00		110,000.00
Sub-Total Salaries and Wages	\$ 691,200.43	\$ 599,434.64	\$ 15,557.50	\$ 583,877.14

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2019	\$	BALANCE AFTER TRANSFERS	\$	NET PAID OR CHARGED	UNEXPENDED BALANCE LAPSED
<u>OTHER EXPENSES:</u>						
Administrative and Executive:						
Departmental Expenses			9,192.41	\$	7,136.13	2,056.28
Photocopy and Film	13,463.21	\$	13,504.91			13,504.91
Townwide Repair and Maintenance Contracts						
Record Retention - All Departments	15,200.00		15,200.00			
Township Council	14,585.87		16,191.87		16,191.87	15,200.00
Township Clerk						
Misc.			992.15		805.31	186.84
Advertising	2,901.38		4,109.55		3,105.24	1,004.31
Elections	9,815.20		9,815.20			9,815.20
Financial Administration						
Miscellaneous	2,034.94		100,521.25		55,771.83	44,749.42
Audit	39,609.50		39,609.50		39,609.50	
Computer Service Department: (Data Processing)	18,873.63		19,612.72		16,511.70	3,101.02
Collection of Taxes	2,737.00		20,194.06		19,513.79	680.27
Assessment of Taxes	5,994.30		7,072.13		146.44	6,925.69
Legal/Professional Services and Costs	12,587.24		147,764.34		114,406.12	33,358.22
Municipal Prosecutor	10,000.00		10,000.00			10,000.00
Engineering Services - General	59,624.75		82,786.36		12,151.66	70,634.70
Public Buildings and Grounds	113.74		4,531.68		2,492.83	2,038.85
Planning Board	5,483.67		5,483.67		5,483.67	
Zoning Costs	15,292.14		15,357.14		4,535.17	10,821.97
Alcohol Beverage Control	3,089.00		3,089.00			3,089.00
Postage	313.81		6,831.55		188.22	6,643.33
Group Insurance Plan for Employees	950,134.70		586,409.70		178,391.30	408,018.40
Unemployment Compensation Insurance	61,458.83		61,458.83		59,948.27	1,510.56
Workers Compensation Insurance Trust Fund	8,565.33		8,565.33		1,896.00	6,669.33

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2019	BALANCE AFTER TRANSFERS	NET PAID OR CHARGED	UNEXPENDED BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED):</u>				
Other Insurance Premiums	\$ 34,587.00	\$ 49,587.00	\$ 15,000.00	\$ 34,587.00
Fire:				
Miscellaneous		58,395.40	39,364.73	19,030.67
Ambulance Services	16,193.71	18,738.85	8,421.78	10,317.07
Fire Official	6,102.23	13,605.98	5,568.81	8,037.17
Police Department	15,394.01	72,733.36	72,248.45	484.91
Traffic Lights	29,218.05	29,218.05		29,218.05
Garage Service and Repairs	31,397.71	62,614.68	34,312.81	28,301.87
Emergency Management	2,725.91	2,725.91		2,725.91
Roads Repair & Maintenance	4,896.61	58,508.14	52,972.72	5,535.42
Garbage, Trash and Recycling Collection	33,435.01	402,035.01	401,124.37	910.64
Sewer System	42,258.63	85,013.63	33,110.45	51,903.18
Sewer Pumping System	21,080.40	21,949.11	12,985.89	8,963.22
Board of Health	11,596.71	13,142.56	3,343.20	9,799.36
Dog License Regulation	10,143.92	15,726.40	11,164.96	4,561.44
Community Recreation Commission	6,575.70	10,001.53	2,275.85	7,725.68
Senior Citizens	8,005.89	10,691.20	850.08	9,841.12
Celebration of Public Events				
Mayor and Administration	10,000.00	10,000.00		10,000.00
Council	10,000.00	10,000.00		10,000.00
Municipal Court	26,921.95	29,136.17	5,347.98	23,788.19
Public Defender	7,525.00	7,525.00	1,100.00	6,425.00
Cable TV & Community Public Access	20,000.00	20,000.00		20,000.00
Building Inspector (Code Enforcement)	15,621.21	16,181.69	503.30	15,678.39
Utilities- All	43.02	26,243.02	26,214.36	28.66
Street Lighting	6,398.46	6,398.46	770.67	5,627.79
Fire Hydrant Service	90,836.04	91,624.96	54,192.31	37,432.65

TOWNSHIP OF HILLSIDE
CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>NET PAID OR</u> <u>CHARGED</u>	<u>UNEXPENDED</u> <u>BALANCE</u> <u>LAPSED</u>
<u>OTHER EXPENSES (CONTINUED):</u>				
Health Benefit Waiver	\$ 17,083.34	\$ 17,083.34	\$	\$ 17,083.34
Contingent	500.00	500.00		500.00
Social Security (O.A.S.I.)	49,037.42	49,037.42		49,037.42
Consolidated Police and Firemen's Pension Fund	18,500.00	18,500.00		18,500.00
Union County Fire & EMS Dispatch Services	10,050.69	10,050.69		10,050.69
Defined Retirement Contribution Plan	13,000.00	13,000.00		13,000.00
Prior Year Bills		169.58		
Reserve for Tax Appeals	7,237.50	10,000.00	6,062.50	3,937.50
Matching Funds for Grants	135,000.00	135,000.00		135,000.00
Sub-Total Other Expenses	<u>1,963,244.36</u>	<u>2,583,430.49</u>	<u>1,325,389.85</u>	<u>1,258,040.64</u>
	\$ <u>2,654,444.79</u>	\$ <u>3,182,865.13</u>	\$ <u>1,340,947.35</u>	\$ <u>1,841,917.78</u>
<u>REF.</u>	A			A-1
Appropriation Reserves	\$ 2,654,444.79			
Transferred from Accounts Payable	<u>528,420.34</u>			
	<u>\$ 3,182,865.13</u>			
Cash Disbursements - Net		\$ 1,341,003.32		
Less: Refunds		<u>55.97</u>		
		<u>\$ 1,340,947.35</u>		

"A-15"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF RESERVE FOR RETIREMENT

REF.

Balance, December 31, 2019 and December 31, 2020	A		\$	<u>53,001.99</u>
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"A-16"

SCHEDULE OF SEWER OVERPAYMENTS

Balance, December 31, 2019	A		\$	10,828.55
Decreased by:				
Refunded	A-4	\$		346.98
Applied	A-11			<u>5,428.90</u>
				<u>5,775.88</u>
Balance, December 31, 2020	A		\$	<u>5,052.67</u>

"A-17"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	114,134.28
Increased by:			
Overpayments	A-5		<u>28,706.00</u>
		\$	<u>142,840.28</u>
Decreased by:			
Refunded	A-4	\$	16,683.16
Applied	A-9		<u>6,994.14</u>
			<u>23,677.30</u>
Balance, December 31, 2020	A	\$	<u><u>119,162.98</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2019	A	\$	412,195.07
Increased by:			
Collection of 2021 Taxes	A-5		<u>280,165.91</u>
		\$	<u>692,360.98</u>
Decreased by:			
Applied to 2020 Taxes	A-9		<u>412,195.07</u>
Balance, December 31, 2020	A	\$	<u><u>280,165.91</u></u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019:			
Current Fund	A	\$ 528,420.34	
Grant Fund	A	<u>69,213.89</u>	
			\$ 597,634.23
Increased by:			
2020 Appropriations	A-3	\$ 472,791.79	
Reserve for Grants Appropriated	A-21	<u>114,834.75</u>	
			<u>587,626.54</u>
			\$ 1,185,260.77
Decreased by:			
Transferred to Appropriation Reserves	A-14	\$ 528,420.34	
Transferred to Grants Appropriated	A-21	<u>68,739.52</u>	
			<u>597,159.86</u>
Balance, December 31, 2020			\$ <u><u>588,100.91</u></u>
Current Fund	A	\$ 472,791.79	
Grant Fund	A	<u>115,309.12</u>	
			\$ <u><u>588,100.91</u></u>

TOWNSHIP OF HILLSIDE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2019	\$	2020 BUDGET	AMENDMENTS	\$	CASH RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2020
Clean Communities Program								
Body Armor Replacement Fund								
Mayor's Advisory Council on Drug & Alcohol Abuse								
FY2015	353.84		31,869.38			31,869.38		8,663.69
FY2016	575.03		14,871.24			6,207.55		353.84
FY2017	6.87							575.03
FY2019								6.87
FY2020							20,800.00	
Summer Food Service Program - 2013	27,319.33		20,800.00					20,800.00
Summer Food Service Program - 2016	31,544.64		20,800.00					27,319.33
Summer Food Service Program - 2017	40,973.90							31,544.64
Summer Food Service Program - 2018	8,832.99							40,973.90
Summer Food Service Program - 2019	11,329.02							8,832.99
2020 Summer Feeding Program			61,541.25			30,412.67		11,329.02
County of Union - Field of Dreams Grant	50,000.00							31,128.58
County of Union - Green the Streets	125,000.00							50,000.00
County of Union - Open Space Grant	20,000.00							125,000.00
Kids Recreation Trust Fund 2018	9,666.58							20,000.00
Greening Union County	15,000.00							9,666.58
Greening Union County	11,000.00							15,000.00
Greening Union County - 2018	2,100.00							11,000.00
Edward Byrne Memorial Justice Assistance Grant	37,604.40							2,100.00
Edward Byrne Memorial Justice Assistance Grant	14,067.90							37,604.40
Neighborhood Stabilization Program (ARRA)	100,000.00							14,067.90
NJ DOT - Highway Safety Grant	12,413.93							100,000.00
NJ DOT - Distracted Driving Grant	6,600.00							12,413.93
DOT - Burnett Street - 2014	51,967.80							6,600.00
DOT - Hollywood Ave Section II	31,898.70							51,967.80
DOT - Westminster Ave	10,662.21							31,898.70
DOT - Bloy Street	254,056.00							10,662.21
DOT - Urban Aid 2018	51,367.00							254,056.00
NJDOT - Plymouth Rd	48,281.67							51,367.00
NJDOT - Williamson Ave			147,946.00					48,281.67
Evans Terminal Storm Water Replacement	250,000.00		350,000.00					147,946.00
UEZ - Streets & Roads Summer Work Program	57,000.00							350,000.00
FEMA - OEM Hazard Mitigation	198,580.00							250,000.00
NJ DOT - Safe Corridor - 2015	64,096.19							57,000.00
NJ DOT - Safe Corridor - 2018	19,171.44							198,580.00
Infrastructure & Municipal Aid Grant - 2015	5,776.37							64,096.19
Infrastructure & Municipal Aid Grant - 2017	6,332.50							19,171.44
Infrastructure & Municipal Aid Grant - 2018	475.00							5,776.37
2019 Infrastructure Municipal Aid			55,000.00			52,434.38		6,332.50
2020 Infrastructure Municipal Aid			55,000.00					475.00
2019 Union County Kids Trust			8,121.00					2,565.62
NJDEP Green Acres			912,515.00					55,000.00
AAA Safety Grant			440.00					8,121.00
NJ Heroes Too Grant				20,000.00			440.00	912,515.00
Strengthening L.P.Health.CPCT				142,236.00				20,000.00
				142,236.00				142,236.00
				162,236.00				
				1,678,903.87		120,923.98	21,240.00	3,273,029.20
	1,574,053.31							
	A		A-2	A-2		A-4	A-22	A

REF.

TOWNSHIP OF HILLSIDE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2019	MODIFIED	2020 BUDGET	PAID OR CHARGED	BALANCE DECEMBER 31, 2020
	\$	\$	\$	\$	\$
Alcohol Education & Rehabilitation Program	4,251.97	4,251.97			4,251.97
Clean Communities Program	66,535.14	71,571.14	31,869.38	11,642.00	91,798.52
Drunk Driving Enforcement Fund	1,148.20	1,148.20			1,148.20
Recycling Tonnage Grant	29,327.99	30,332.73		814.74	29,517.99
Body Armor Replacement Grant		9,126.40	14,871.24	10,330.44	13,667.20
Solid Waste Grant	32,823.14	32,823.14			32,823.14
Mayor's Advisory Council on Drug & Alcohol Abuse FY2018 Grant:(07/01/17-06/30/18)					
County Share		1,023.00			1,023.00
Local Match		115.00			115.00
FY2019 Grant:(07/01/18-06/30/19)					
County Share			20,800.00		20,800.00
Local Match			5,200.00		5,200.00
FY2020 Grant:(07/01/19-06/30/20)					
County Share			20,800.00		20,800.00
Local Match			5,200.00		5,200.00
Impaired Driving Grant	3,900.00	3,900.00			3,900.00
Comcast Government & Community Affairs Grant	33,823.28	33,823.28			33,823.28
County of Union - Green the Streets	101,789.15	101,789.15			101,789.15
County of Union - Green the Streets - Match	21,647.92	21,647.92			21,647.92
NJDOT - Hollywood Ave Section II	5,116.93	5,116.93			5,116.93
NJDOT - Burnett Street	18,902.59	18,902.59			18,902.59
NJDOT - Long Avenue Section Four	11,072.06	11,072.06			11,072.06
NJDOT - Bloy Street 2019	254,056.00	254,056.00			254,056.00
NJDOT - Plymouth Rd			147,946.00		147,946.00
NJDOT - Williamson Ave			350,000.00		350,000.00
Nursing Services Grant	6,677.76	6,677.76			6,677.76
NJ Prevention Network for Senior Citizen's Get Active Walking	1,296.63	1,296.63			1,296.63
Economic Development/UEZ	26,062.88	26,062.88			26,062.88
Edward Byrne Memorial Justice Assistance Grant	5,456.05	5,456.05			5,456.05
Green Communities Program - Match	1,500.00	1,500.00			1,500.00
Greening Union County	7,525.00	7,525.00			7,525.00
Homeland Security FEMA Grant - Match	4,316.44	4,316.44			4,316.44
Kids Recreation Trust Fund 2018	9,666.58	9,666.58			9,666.58
Neighborhood Stabilization Program (ARRA)	100,000.00	100,000.00			100,000.00
Nonpublic Nursing Aid Grant	15,150.00	15,150.00			15,150.00
Summer Food Service Program 2016	4,621.67	4,621.67			4,621.67
Summer Food Service Program 2017	31,277.47	31,277.47			31,277.47
Summer Food Service Program 2019	47,162.30	47,162.30			47,162.30
UEZ Green the Streets	200,000.00	200,000.00			200,000.00
UEZ Liberty Avenue	12,159.53	12,159.53			12,159.53
UEZ Relocation Grant - Crane Group International	200,000.00	200,000.00			200,000.00
Urban Enterprise Zone - Summer Work Program 2015	19,000.00	19,000.00			19,000.00
Urban Enterprise Zone - Summer Work Program 2014	4,415.00	4,415.00			4,415.00
Urban Enterprise Zone - Summer Work Program 2013	1,080.00	1,080.00			1,080.00

TOWNSHIP OF HILLSIDE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2019	MODIFIED	2020 BUDGET	PAID OR CHARGED	BALANCE DECEMBER 31, 2020
FEMA - OEM Hazard Mitigation	\$ 192,315.00	\$ 192,315.00		\$	\$ 192,315.00
Hillside Outdoor Music Event (H.O.M.E.)	3,850.00	3,850.00			3,850.00
2015 Infrastructure and Municipal Aid Grant Program	50,000.00	50,000.00			50,000.00
2015 Infrastructure Municipal Aid	5,776.37	5,776.37			5,776.37
2016 Infrastructure Municipal Aid	50,000.00	50,000.00			50,000.00
2017 Infrastructure Municipal Aid	23,222.50	23,222.50			23,222.50
2018 Infrastructure Municipal Aid	2,565.62	55,000.00			55,000.00
2019 Infrastructure Municipal Aid		55,000.00		52,434.38	2,565.62
2020 Infrastructure Municipal Aid				25,311.22	29,688.78
18 NJDOT Highway Safety	31,491.93	31,491.93			31,491.93
Union County Open Space	20,000.00	20,000.00			20,000.00
Summer Food 159	38,269.90	38,269.90		(671.21)	38,941.11
NJDOT Distracted Drivers	6,600.00	6,600.00			6,600.00
Recycling Enhancement	4,700.00	4,700.00			4,700.00
Clean Communities Program	20,527.47	20,527.47		9,583.44	10,944.03
FY2017 Urban Aid	51,367.00	51,367.00		31,550.00	19,817.00
FY2018 Urban Aid	101,940.00	101,940.00		101,940.00	
U Text U Drive grant	5,500.00	5,500.00			5,500.00
Demolition Loan Fund			8,121.00		8,121.00
2020 Summer Feeding Program			61,541.25		61,541.25
NJDEP Green Acres			912,515.00		912,515.00
AAA Safety Grant			440.00		440.00
NJ Heroes Too Grant			20,000.00		20,000.00
Strengthening L.P. Health, CPCT			142,236.00		142,236.00
	<u>1,889,887.47</u>	<u>1,958,626.99</u>	<u>1,851,539.87</u>	<u>300,114.84</u>	<u>3,510,052.02</u>
REF	A				A
Reserve		\$ 1,889,887.47			
Transferred from Encumbrance Payable	A-21				
	A-19	<u>68,739.52</u>			
		\$ 1,958,626.99			
Grants Receivable	A-20		\$ 1,841,139.87		
Local Match	A-28		<u>10,400.00</u>		
			\$ 1,851,539.87		
Cash Disbursement	A-4		\$	185,280.09	
Transferred to Encumbrances Payable	A-19			<u>114,834.75</u>	
				\$ 300,114.84	

TOWNSHIP OF HILLSIDE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

	BALANCE DECEMBER 31, <u>2019</u>	CASH <u>RECEIPTS</u>	<u>APPLIED</u>	BALANCE DECEMBER 31, <u>2020</u>
Recycling Tonnage Grant	\$ 3,987.11	\$ 12,635.91	\$	\$ 16,623.02
AAA Pedestrian Safety Grant	440.00		440.00	
Municipal Alliance Grant	<u>20,800.00</u>	<u> </u>	<u>20,800.00</u>	<u> </u>
	\$ <u>25,227.11</u>	\$ <u>12,635.91</u>	\$ <u>21,240.00</u>	\$ <u>16,623.02</u>
<u>REF.</u>	A	A-4	A-20	A

"A-23"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF RESERVE FOR FIRE PENALTIES AND ASSESSMENTS

REF.

Balance, December 31, 2019 and December 31, 2020	A	\$ <u>30,256.65</u>
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"A-24"

SCHEDULE OF RESERVE FOR CODIFICATION OF ORDINANCES

Balance, December 31, 2019 and December 31, 2020	A	\$ <u>189.38</u>
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"A-25"

GRANT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - SUMMER FOOD

Balance, December 31, 2019 and December 31, 2020	A	\$ <u>25.04</u>
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"A-26"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	1,612.43
Increased by:			
Tax Levy	A-1; A-9		<u>10,185,222.36</u>
		\$	<u>10,186,834.79</u>
Decreased by:			
Payments	A-4		<u>10,185,222.36</u>
Balance, December 31, 2020	A	\$	<u><u>1,612.43</u></u>

"A-27"

SCHEDULE OF SCHOOL TAXES PAYABLE

Balance December 31, 2019 (Prepaid)	A	\$	(6.00)
Increased by:			
Levy	A-1:A-9		<u>30,526,495.00</u>
		\$	<u>30,526,489.00</u>
Decreased by:			
Disbursements	A-4		<u>30,526,495.00</u>
Balance December 31, 2020 (Prepaid)	A	\$	<u><u>(6.00)</u></u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUND	GENERAL CAPITAL FUND	SWIM POOL UTILITY OPERATING FUND	GRANT FUND	PUBLIC ASSISTANCE TRUST FUND II
Balance, December 31, 2019							
A	\$ 518,819.08	\$ 112,840.78	\$ 405,978.30	\$	\$	\$	\$
A	4,979,449.25		2,993,534.74	1,858,927.04	33,050.57	76,799.08	17,137.82
Receipts:							
A-4	2,358,606.37		2,135,046.48	90,000.00		133,559.89	
A-1	18,704.03		18,704.03				
A-3	77,595.16		23,401.54			54,193.62	
Grant Match	10,400.00					10,400.00	
Disbursements	726,189.16		540,909.07			185,280.09	
Grants Cancelled - Net	123,540.57		123,540.57				
Statutory Excess	5,077.40	5,077.40					
Balance, December 31, 2020							
A	\$ 117,918.18	\$ 117,918.18	\$	\$	\$	\$	\$
A	6,189,046.78		4,100,258.85	1,948,927.04	33,050.57	89,672.50	17,137.82

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, <u>2019</u>	RAISED IN <u>2020 BUDGET</u>
Overexpenditure of Appropriations	\$ 180,801.13	\$ 180,801.13
Overexpenditure of Appropriation Reserves	<u>266,131.30</u>	<u>266,131.30</u>
	\$ <u><u>446,932.43</u></u>	\$ <u><u>446,932.43</u></u>
<u>REF.</u>	A	A-3

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

REF.

Balance, December 31, 2019 and
December 31, 2020

A

\$ 10,500.00

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	A		\$ 57,999.81
Decreased by:			
Cash Disbursements	A-4	\$ <u>1,293.69</u>	<u>1,293.69</u>
Balance, December 31, 2020	A		\$ <u><u>56,706.12</u></u>

"A-32"

TOWNSHIP OF HILLSIDE

GRANT FUND

SCHEDULE OF DUE TRUST OTHER FUND

	<u>REF.</u>	
Balance, December 31, 2019 and December 31, 2020 (Due from)	A	\$ <u>256,355.00</u>

"A-33"

SCHEDULE OF DUE SWIM POOL CAPITAL FUND

Balance, December 31, 2019 and December 31, 2020	A	\$ <u>22,952.50</u>
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TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES
SPECIAL EMERGENCY - N.J.S.A. 40A 4-53

<u>DATE AUTHORIZED</u>	<u>PURPOSE</u>	<u>NET AMOUNT AUTHORIZED</u>	<u>1/5 OF NET AMOUNT AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>RAISED IN 2020 BUDGET</u>	<u>BALANCE DECEMBER 31, 2020</u>
12/19/2017	Contractually Required Severance Liabilities	\$ 731,557.80	\$ 146,311.56	\$ 438,934.70	\$ 146,311.56	\$ 292,623.14
				\$ 438,934.70	\$ 146,311.56	\$ 292,623.14
			<u>REF.</u>	A	A-3	A

"A-35"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF RESERVE FOR INSURANCE DAMAGES

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	76,810.86
Increased by:			
Cash Receipts	A-4		<u>250,000.00</u>
Balance, December 31, 2020	A	\$	<u><u>326,810.86</u></u>

"A-36"

SCHEDULE OF RESERVE FOR UNALLOCATED RECEIPTS

Balance, December 31, 2019	A	\$	37,325.44
Increased by:			
Cash Receipts	A-4		<u>12,364.01</u>
Balance, December 31, 2020	A	\$	<u><u>49,689.45</u></u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF TAX ANTICIPATION NOTE PAYABLE

<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>INCREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
11/19/2020	11/19/2020	4/19/2021	0.520%	\$ <u>4,000,000.00</u>	\$ <u>4,000,000.00</u>
				\$ <u>4,000,000.00</u>	\$ <u>4,000,000.00</u>
			<u>REF.</u>	A-4	A

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF CASH - TREASURER

REF.		ANIMAL CONTROL	OTHER
B	Balance, December 31, 2019	\$ 128,836.83	\$ 4,445,825.88
B-2	Increased by Receipts:		
B-3	Animal Control Fees	5,746.60	
B-4	Dog Registration Fees - Due State of New Jersey	1,318.20	
	Community Development Block Grant Receivable		75,304.78
	Reserve for:		
B-7	Tax Sale Redemption		1,378,519.59
B-8	Retiree Prescription Account		61.88
B-11	UEZ 2nd Generation Fund		102,552.85
B-12	UEZ Revolving Loan Escrow		7.39
B-13	Police Off Duty Escrow		1,399,733.50
B-15	Special Law Enforcement Trust		72.04
B-16	Miscellaneous Trust Deposits		2,126,056.00
B-17	Federal Law Enforcement Trust		17,271.31
B-18	Building Department Escrow		216,567.89
B-19	Interfunds Receivable		11,758,319.09
B-21	Payroll Deductions Payable		23,374,600.71
		7,064.80	40,449,067.03
		\$ 135,901.63	\$ 44,894,892.91
B-2	Decreased by Disbursements:		
B-3	Animal Control Expenditures	11.70	
	New Jersey State Board of Health	1,918.20	
	Reserve for:		
B-5	Community Development Block Grant		85,176.56
B-7	Tax Sale Redemption		1,330,334.17
B-13	Police Off Duty Escrow		1,318,644.99
B-16	Miscellaneous Trust Deposits		954,854.51
B-17	Federal Law Enforcement Trust		113,779.44
B-18	Building Department Escrow		239,383.87
B-19	Due Current Fund		13,348,476.75
B-21	Payroll Deductions Payable		23,542,730.50
		1,929.90	40,933,380.79
B	Balance, December 31, 2020	\$ 133,971.73	\$ 3,961,512.12

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2019	B	\$	13,363.65
Increased by:			
Dog License Fees	B-1	\$	5,139.00
Miscellaneous	B-1		<u>607.60</u>
			5,746.60
		\$	<u>19,110.25</u>
Decreased by:			
Cash Disbursements	B-1	\$	11.70
Statutory Excess Due Current Fund	B-20		<u>5,077.40</u>
			5,089.10
Balance, December 31, 2020	B	\$	<u><u>14,021.15</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2018	6,930.75
2019	<u>7,090.40</u>
	\$ <u><u>14,021.15</u></u>

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FEES DUE STATE OF NEW JERSEY

Balance, December 31, 2019	B	\$	632.40
Increased by:			
Cash Receipts	B-1		1,318.20
		\$	<u>1,950.60</u>
Decreased by:			
Cash Disbursements	B-1		<u>1,918.20</u>
Balance, December 31, 2020	B	\$	<u><u>32.40</u></u>

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

<u>PROGRAM DESCRIPTION</u>	BALANCE DECEMBER 31, 2019	CASH RECEIPTS	<u>CANCELED</u>	BALANCE DECEMBER 31, 2020
Program Year 45:				
Senior Citizens Health Care Program	\$ 12,500.00	\$ 12,499.63	\$ 0.37	\$
Senior Citizens Program	10,250.00	10,249.99	0.01	
Buie Center Youth Recreation	13,000.00	11,555.40		1,444.60
Maternal Child Health Care	18,000.00	17,999.76	0.24	
Code Enforcement	23,000.00	23,000.00		
Road Resurfacing	140,000.00			140,000.00
Buie Center Roof Replacement	50,530.00			50,530.00
	<u>\$ 267,280.00</u>	<u>\$ 75,304.78</u>	<u>\$ 0.62</u>	<u>\$ 191,974.60</u>
<u>REF.</u>	B	B-1	B-5	B

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT

PROGRAM DESCRIPTION	BALANCE DECEMBER 31..2019	EXPENDED	CANCELLED	BALANCE DECEMBER 31..2020
Program Year 31:				
Bathroom Renovations	\$ 13,360.67	\$	13,360.67	\$
Program Year 40:				
Maternal Child Health Care	1,472.35		1,472.35	
Program Year 41:				
Buie Center Youth Recreation	318.01		318.01	
Maternal Child Health Care	200.00		200.00	
Program Year 43:				
Senior Citizens Health Care Program	2,000.00		2,000.00	
Senior Citizens Program	5,341.50	444.00	4,897.50	
Buie Center Youth Recreation	5,339.03		5,339.03	
Code Enforcement	24,267.48		24,267.48	
Program Year 44:				
Senior Citizens Health Care Program	12,000.00		12,000.00	
Senior Citizens Program	9,500.00		9,500.00	
Buie Center Youth Recreation	13,000.00		13,000.00	
Maternal Child Health Care	11,800.40		11,800.40	
Code Enforcement	23,300.00		23,300.00	
Program Year 45:				
Senior Citizens Health Care Program	12,500.00	12,499.63	0.37	2,959.99
Senior Citizens Program	10,250.00	7,290.00	0.01	6,445.94
Buie Center Youth Recreation	13,000.00	6,554.06		
Maternal Child Health Care	18,000.00	17,999.76	0.24	
Code Enforcement	23,000.00	23,000.00		
Road Resurfacing	140,000.00	5,885.11		134,114.89
Buie Center Roof Replacement	50,530.00	11,504.00		39,026.00
	\$ 389,179.44	\$ 85,176.56	\$ 121,456.06	\$ 182,546.82
	2,085.13		2,085.13	
Program Income - Sidewalk Reimbursements	\$ 391,264.57	\$ 85,176.56	\$ 123,541.19	\$ 182,546.82
	B	B-1		B
REF.				
Due Current Fund			\$ 123,540.57	
Community Development Block Grant			0.62	
			\$ 123,541.19	

"B-6"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR FACADE LOAN REPAYMENTS

REF.

Balance, December 31, 2019		
December 31, 2020	B	\$ <u>35,134.28</u>

"B-7"

SCHEDULE OF RESERVE FOR TAX SALE REDEMPTION

Balance, December 31, 2019	B	\$ 233,541.75
Increased by:		
Cash Receipts	B-1	<u>1,378,519.59</u>
		\$ <u>1,612,061.34</u>
Decreased by:		
Cash Disbursements	B-1	<u>1,330,334.17</u>
Balance, December 31, 2020	B	\$ <u>281,727.17</u>

"B-8"

SCHEDULE OF RESERVE FOR RETIREE PRESCRIPTION ACCOUNT

Balance, December 31, 2019	B	\$ 36,293.70
Increased by:		
Cash Receipts	B-1	<u>61.88</u>
Balance, December 31, 2020	B	\$ <u>36,355.58</u>

"B-9"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

REF.

Balance, December 31, 2019 and
December 31, 2020

B

\$ 120,084.13

"B-10"

SCHEDULE OF RESERVE FOR FLEXIBLE SPENDING ACCOUNT

Balance, December 31, 2019 and
December 31, 2020

B

\$ 1,225.00

"B-11"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR UEZ 2ND GENERATION FUND

	<u>REF.</u>		
Balance, December 31, 2019	B	\$	657,302.19
Increased by:			
Cash Receipts	B-1		<u>102,552.85</u>
Balance, December 31, 2020	B	\$	<u><u>759,855.04</u></u>

"B-12"

SCHEDULE OF RESERVE FOR UEZ REVOLVING LOAN ESCROW

Balance, December 31, 2019	B	\$	7,278.77
Increased by:			
Cash Receipts	B-1		<u>7.39</u>
Balance, December 31, 2020	B	\$	<u><u>7,286.16</u></u>

"B-13"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF POLICE OFF-DUTY ESCROW

	<u>REF.</u>	
Balance, December 31, 2019	B	\$ 255,604.95
Increased by:		
Cash Receipts	B-1	<u>1,399,733.50</u>
		\$ <u>1,655,338.45</u>
Decreased by:		
Cash Disbursements	B-1	<u>1,318,644.99</u>
Balance, December 31, 2020	B	\$ <u><u>336,693.46</u></u>

"B-14"

SCHEDULE OF RESERVE FOR LOCAL LAW ENFORCEMENT BLOCK GRANT

Balance, December 31, 2019 and December 31, 2020	B	\$ <u><u>628.02</u></u>
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"B-15"

SCHEDULE OF RESERVE FOR SPECIAL LAW ENFORCEMENT TRUST

Balance, December 31, 2019	B	\$ 9,913.41
Increased by:		
Cash Receipts	B-1	<u>72.04</u>
Balance, December 31, 2020	B	\$ <u><u>9,985.45</u></u>

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

DESCRIPTION	BALANCE DECEMBER 31, 2019	RECEIPTS	EXPENDED	OVEREXPENDITURE	BALANCE DECEMBER 31, 2020
Tax Sale Premium	\$ 2,556,050.17	\$ 2,037,900.00	\$ 909,000.00	\$	3,684,950.17
Zoning and Planning Escrow	4,480.00				4,480.00
D.C.A. Fees Due State of New Jersey	6,307.00	30,713.00	50.00		36,970.00
Electrical Inspection Fees	2,030.00				2,030.00
Elevator Inspection Fees	11,494.00	4,172.00			15,666.00
Police Department Donations	1,391.24				1,391.24
Fire Fines and Penalties (UFC Fees)	49,281.00	23,016.00	5,781.00		66,516.00
Fire Department Donations	5,760.46	1,000.00			6,760.46
UFC Training	14,285.00				14,285.00
National Night Out	202.34				202.34
Hillside Street Fair	3,566.34				3,566.34
Marriage License Fees Due State of New Jersey	625.00	3,425.00	2,250.00		1,800.00
Board of Health	6,774.46				6,774.46
Burial Permit Fees Due State of New Jersey	515.00				515.00
Medicare	3,158.56				3,158.56
Senior Citizens Funds	2,444.99	14,464.00	16,269.15		639.84
Recreation Trust	29,168.66	3,785.00	3,404.36		29,549.30
Parking Offence Adjudication Act	31,656.86	2,732.00	2,150.00		32,238.86
Public Defender		4,849.00	15,950.00	11,101.00	
UEZ Funds Unappropriated	1,702,958.13				1,702,958.13
Environmental Health Commission	2,970.43				2,970.43
Street Opening Deposits	4,935.60				4,935.60
Entranceway Signage Project	1,950.00				1,950.00
Musicfest	3,575.00				3,575.00
Hardware Escrow - Deposit on Sale of Property	89,936.21				89,936.21
Home Festival	701.84				701.84
DWI	160.75				160.75
Miscellaneous Deposits	3,074.87				3,074.87
Total Miscellaneous	\$ 4,539,453.91	\$ 2,126,056.00	\$ 954,854.51	\$ 11,101.00	5,721,756.40

REF.

B

B-1

B-1

B-22

B

"B-17"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR FEDERAL LAW ENFORCEMENT TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2019	B	\$	145,370.25
Increased by:			
Cash Receipts	B-1		<u>17,271.31</u>
		\$	162,641.56
Decreased by:			
Cash Disbursements	B-1		<u>113,779.44</u>
Balance, December 31, 2020	B	\$	<u><u>48,862.12</u></u>

"B-18"

SCHEDULE OF RESERVE FOR BUILDING DEPARTMENT ESCROW

Balance, December 31, 2019	B	\$	528,831.09
Increased by:			
Cash Receipts	B-1		<u>216,567.89</u>
		\$	745,398.98
Decreased by:			
Cash Disbursements	B-1		<u>239,383.87</u>
Balance, December 31, 2020	B	\$	<u><u>506,015.11</u></u>

TOWNSHIP OF HILLSIDE

TRUST OTHER FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>GRANT FUND</u>	<u>SWIM POOL OPERATING</u>
Balance, December 31, 2019							
Due From	B	\$ 2,622,235.84	\$ 2,587,556.44	\$ 2,000.00	\$ 32,679.40	\$	\$
Due To	B	<u>256,431.50</u>				<u>256,355.00</u>	<u>76.50</u>
Receipts	B-1	11,758,319.09	11,758,319.09				
CDBG Grants Cancelled - Net	B-5	<u>123,540.57</u>	<u>123,540.57</u>				
Disbursements	B-1	13,348,476.75	13,348,476.75				
Deferred Charge	B-22	23,401.54	23,401.54				
Transfer Charges	B-21	<u>22,683.78</u>	<u>22,683.78</u>				
Balance, December 31, 2020							
Due From	B	\$ 4,134,938.25	\$ 4,100,258.85	\$ 2,000.00	\$ 32,679.40	\$	\$
Due To	B	<u>256,431.50</u>				<u>256,355.00</u>	<u>76.50</u>

TOWNSHIP OF HILLSIDE

ANIMAL CONTROL TRUST FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2019				
Due To	B	\$ <u>114,840.78</u>	\$ <u>112,840.78</u>	\$ <u>2,000.00</u>
Statutory Excess	B-2	<u>5,077.40</u>	<u>5,077.40</u>	<u> </u>
Balance, December 31, 2020				
Due To	B	\$ <u><u>119,918.18</u></u>	\$ <u><u>117,918.18</u></u>	\$ <u><u>2,000.00</u></u>

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	B	\$	146,305.14
Increased by:			
Cash Receipts	B-1	\$	23,374,600.71
Due Current	B-19		<u>22,683.78</u>
			<u>23,397,284.49</u>
		\$	23,543,589.63
Decreased by:			
Cash Disbursements	B-1	\$	<u>23,542,730.50</u>
			<u>23,542,730.50</u>
Balance, December 31, 2020	B	\$	<u><u>859.13</u></u>

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF DEFERRED CHARGES

<u>DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>ADDED IN 2020</u>	<u>RAISED IN CURRENT BUDGET</u>	<u>BALANCE DECEMBER 31, 2020</u>
Overexpenditure of:				
Miscellaneous Trust Reserves	\$ 23,401.54	\$ 11,101.00	\$ 16,864.96	\$ 17,637.58
Community Development Block Grant Trust Reserves	6,536.58		6,536.58	
	<u>\$ 29,938.12</u>	<u>\$ 11,101.00</u>	<u>\$ 23,401.54</u>	<u>\$ 17,637.58</u>

REF.

B

B-16

B-19

B

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2019	C		\$ 1,389,006.16
Increased by:			
Capital Improvement Fund	C-9	\$ 90,000.00	
Interfunds Returned	C-6	210,549.89	
Bond Anticipation Note	C-12	<u>980,952.00</u>	
			<u>1,281,501.89</u>
			\$ 2,670,508.05
Decreased by:			
Contracts Payable	C-10	\$ 915,280.45	
Interfunds Advanced	C-6	300,549.89	
Bond Anticipation Note	C-12	<u>980,952.00</u>	
			<u>2,196,782.34</u>
Balance, December 31, 2020	C		\$ <u><u>473,725.71</u></u>

"C-3"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

ANALYSIS OF CASH

<u>DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>
Capital Improvement Fund	\$ 215,714.46
Contracts Payable	845,715.26
Reserve for Construction of Salt Shed	89,321.76
Grants Receivable	(92,000.00)
Improvement Authorizations Funded (Set Forth on Exhibit "C-11")	1,850,368.78
Improvement Authorizations Expended (Set Forth on Exhibit "C-8")	(629,624.70)
Unexpended Proceeds of Bond Anticipation Notes	144,808.00
Interfunds Receivable	(2,028,570.56)
Interfunds Payable	32,679.40
Fund Balance	<u>45,313.31</u>
	<u>\$ 473,725.71</u>
<u>REF.</u>	C

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	8,369,613.51
Decreased by:			
Budget Appropriation to Pay Serial Bonds	C-13	\$	305,000.00
Budget Appropriation to Pay Loans Payable:			
Demolition Loan	C-7		10,500.00
Infrastructure Loans	C-14		<u>80,341.32</u>
			<u>395,841.32</u>
Balance, December 31, 2020	C	\$	<u><u>7,973,772.19</u></u>

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	468,916.00
Decreased by:			
Cancelled	C-11	\$	<u>376,916.00</u>
			<u>376,916.00</u>
Balance, December 31, 2020	C	\$	<u>92,000.00</u>
<u>Analysis of Balance</u>			
Community Development Block Grant		\$	<u>92,000.00</u>
		\$	<u>92,000.00</u>

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT</u> <u>FUND</u>	<u>TRUST</u> <u>OTHER FUND</u>	<u>SWIM POOL</u> <u>UTILITY</u> <u>OPERATING</u> <u>FUND</u>	<u>SWIM POOL</u> <u>UTILITY</u> <u>CAPITAL</u> <u>FUND</u>
Balance, December 31, 2019						
Due from	C	\$ 1,938,570.56	\$ 1,858,927.04	\$	\$ 4,520.23	\$ 75,123.29
Due to	C	<u>32,679.40</u>		<u>32,679.40</u>		
Receipts	C-2	<u>210,549.89</u>	<u>210,549.89</u>			
Disbursements	C-2	<u>300,549.89</u>	<u>300,549.89</u>			
Balance, December 31, 2020						
Due from	C	\$ 2,028,570.56	\$ 1,948,927.04	\$	\$ 4,520.23	\$ 75,123.29
Due to	C	<u>32,679.40</u>		<u>32,679.40</u>		

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

ECONOMIC DEVELOPMENT AUTHORITY

SCHEDULE OF DEMOLITION LOAN PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOAN OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>			
Underground Storage Tank Loan	2018	\$ 2018	2021	\$ 10,500.00	0.00%		
			2022	10,500.00	0.00%		
			2023	10,500.00	0.00%		
			2024	10,500.00	0.00%		
			2025	10,500.00	0.00%		
			2026	10,500.00	0.00%		
			2027	10,500.00	0.00%		
			2028	10,500.00	0.00%		
						\$ 94,500.00	\$ 84,000.00
					\$ 94,500.00	\$ 84,000.00	

REF.

C

C-4

C

C

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE, DECEMBER 31, 2020					
		BALANCE DECEMBER 31, 2019	2020 AUTHORIZATIONS	BALANCE DECEMBER 31, 2020	BOND ANTICIPATION NOTES	EXPENDITURES	UNFUNDED IMPROVEMENT AUTHORIZATIONS
475	Various Capital Improvements	\$ 800.02	\$	\$ 800.02	\$	\$	\$ 800.02
00-018	Various Public Improvements	50.00		50.00			50.00
02-023	Demolition of Unsafe Buildings and Structures at Various Locations	50,096.40		50,096.40		15,914.00	34,182.40
02-024	Township's Portion of Joint Meeting Capital Improvement Plan	16,303.00		16,303.00		2,070.57	14,232.43
06-016	Townships Portion of Joint Meeting Capital Improvement Plan	15,423.00		15,423.00		9,687.13	5,735.87
0-07-002	Environmental Remediation, Hollywood Ave Firehouse	22,542.00		22,542.00			22,542.00
09-017	Township's Portion of Joint Meeting Capital Improvement Plan	520,000.00		520,000.00		493,779.00	26,221.00
09-019	Various Public Improvements and Acquisition of New, Additional or Replacement Equipment and Machinery	375.00		375.00			375.00
08-020	Various Public Improvements and Acquisition of New, Additional or Replacement Equipment and Machinery	523.00		523.00			523.00
09-025	Hillside Ave Stormwater Management System	356,221.00		356,221.00			356,221.00
14-13	Townships Portion of Joint Meeting Capital Improv. Plan	230,659.00		230,659.00			230,659.00
14-16	Acquisition of a Sewer Jet Vacuum Machine	113,325.00		113,325.00		108,174.00	5,151.00
18-06	Demolition of Unsafe Building & Structures	53,314.01		53,314.01			53,314.01
18-19	2018 Capital Acquisitions, Improvements and Equipment	3,809,000.00		3,809,000.00			3,809,000.00
18-23	Capital Improvements projects for the joint meeting of Essex & Union County	900,000.00		900,000.00			900,000.00
19-16	Acquisition of Vehicles and Equipment	980,952.00		980,952.00	980,952.00		
20-13	Township's Allocable Share of the Flood Mitigation Project of the Joint Meeting of Essex and Union County		1,815,000.00	1,815,000.00			1,815,000.00
20-17	Various Public Improvements		1,515,900.00	1,515,900.00			1,515,900.00
		<u>\$ 7,069,563.43</u>	<u>\$ 3,330,900.00</u>	<u>\$ 10,400,483.43</u>	<u>\$ 980,952.00</u>	<u>\$ 629,624.70</u>	<u>\$ 8,789,906.73</u>
		C	C-11	C	C-12	C-3	
		REF.					
	Unexpended Improvement Authorizations-Unfunded						\$ 8,934,714.73
	Less: Unexpended Proceeds of Bond Anticipation Notes						144,808.00
							<u>\$ 8,789,906.73</u>

"C-9"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	201,814.46
Increased by:			
Budget Appropriation	C-2		<u>90,000.00</u>
		\$	291,814.46
Decreased by:			
Improvement Authorizations	C-11		<u>76,100.00</u>
Balance, December 31, 2020	C	\$	<u><u>215,714.46</u></u>

"C-10"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2019	C	\$	1,229,105.39
Increased by:			
Contracts Payable:			
Improvement Authorizations	C-11	\$	<u>531,890.32</u>
			<u>531,890.32</u>
		\$	1,760,995.71
Decreased by:			
Cash Disbursements	C-2		<u>915,280.45</u>
Balance, December 31, 2020	C	\$	<u><u>845,715.26</u></u>

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2019		2020 AUTHORIZATIONS	CONTRACTS PAYABLE	IMPROVEMENT AUTHORIZATION CANCELLED	BALANCE DECEMBER 31, 2020			
				FUNDED	UNFUNDED				FUNDED	UNFUNDED		
475	Various Improvements to Public Property and Buildings and the Acquisition of Equipment and Machinery	06/25/86	\$ 453,000.00	\$ 800.02	\$	\$	\$	\$	\$	800.02		
476	Tax Appeal Refunds	01/25/97	2,510,000.00	53,426.99					53,426.99			
99-023	Township Portion of Joint Meeting Capital Improvement Plan	09/28/89	395,000.00	0.23					0.23			
00-006	Acquisition of New and Replacement Equipment	02/29/00	76,000.00	109.54					109.54			
00-018	Various Public Improvements	06/05/00	940,000.00	1,976.27	50.00				1,976.27	50.00		
99-009	Purchase of Services and Equipment to Prepare for Y2K Compliance	07/27/99	150,000.00	1,431.27					1,431.27			
02-023	Demolition of Unsafe Buildings and Structures at Various Locations	08/11/02	105,000.00	34,182.40					34,182.40			
02-024	Township's Portion of Joint Meeting Capital Improvement Plan	06/25/02	425,000.00	14,232.43					14,232.43			
02-036	Purchase of Leaf Collector - Public Works	09/24/02	28,000.00	118.42					118.42			
03-020	Various Public Improvements, Demolition of Unsafe Buildings and	06/10/03	330,000.00	14,906.86					14,906.86			
06-016	Townships Portion of Joint Meeting Capital Improvement Plan	08/27/06	420,820.00	5,735.87					5,735.87			
07-002	Environmental Remediation, Hollywood Ave Firehouse	04/15/07	100,000.00	22,542.00					22,542.00			
09-017	Township's Portion of Joint Meeting Capital Improvement Plan	06/23/09	520,000.00	26,221.00					26,221.00			
09-019	Various Public Improvements and Acquisition of New, Additional or Replacement Equipment and Machinery	06/23/09	1,514,500.00	375.00					375.00			
08-020	Various Public Improvements and Acquisition of New, Additional or Replacement Equipment and Machinery	08/19/08	1,020,000.00	89,072.32	523.00				89,072.32	523.00		
09-025	Hillside Ave Stormwater Management System	10/27/09	850,000.00	491,834.00	356,221.00				491,834.00	356,221.00		
11-018	Various Public Improvements	12/27/11	93,000.00	346.37					346.37			
14-13	Townships Portion of Joint Meeting Capital Improv. Plan	10/21/14	780,000.00	230,659.00					230,659.00			
14-16	Acquisition of a Sewer Jet Vacuum Machine	10/21/14	180,000.00	5,151.00					5,151.00			
16-09	2016 Road Program	07/19/16	5,238,013.00	702,553.31					702,553.31			
18-06	Demolition of Unsafe Building & Structures	07/10/18	105,000.00	5,314.01					5,314.01			
18-15	Lifts for Public Work Garage	10/09/18	54,525.00	54,525.00					54,525.00			
18-19	2018 Capital Acquisitions, Improvements and Equipment	11/27/18	6,023,000.00	1,058,774.15	3,809,000.00				531,890.32	3,809,000.00		
18-23	Capital Improvements projects for the joint meeting of Essex & Union C	11/27/18	900,000.00	900,000.00					900,000.00			
19-16	Acquisition of Vehicles and Equipment	08/27/19	1,030,000.00	144,808.00					144,808.00			
20-13	Township's Allocable Share of the Flood Mitigation Project of the Joint Meeting of Essex and Union County	08/25/20	1,815,000.00	1,815,000.00					1,815,000.00			
20-17	Various Public Improvements	12/15/20	1,592,000.00	1,592,000.00					1,515,900.00	76,100.00		
			\$	2,683,075.10	\$	5,603,814.73	\$	531,890.32	\$	1,850,368.78	\$	8,934,714.73
			REF.	C	C	C	C-10	C-5	C-C-3	C-C-8		
	Deferred Charges - Unfunded		C-8			\$	3,330,900.00					
	Capital Improvement Fund		C-9				76,100.00					
						\$	3,407,000.00					

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
19-016	Acquisition of Vehicles and Equipment	10/24/2019	10/24/2019	10/23/2020	1.520%	\$ 980,952.00	\$	980,952.00	\$ 980,952.00
19-016	Acquisition of Vehicles and Equipment	10/24/2019	10/23/2020	10/22/2021	0.650%		980,952.00		980,952.00
						<u>\$ 980,952.00</u>	<u>980,952.00</u>	<u>980,952.00</u>	<u>980,952.00</u>
					<u>REF.</u>	C	C-2	C-2	C

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>LOAN OUTSTANDING DECEMBER 31, 2020</u>	<u>DECREASED</u>			
General Improvement Bonds 2019	6/13/2019	\$ 7,530,000.00	2021	\$ 305,000.00	5.000%		
			2022	610,000.00	5.000%		
			2023	610,000.00	5.000%		
			2024	610,000.00	5.000%		
			2025	570,000.00	5.000%		
			2026	565,000.00	5.000%		
			2027	565,000.00	5.000%		
			2028	565,000.00	2.125%		
			2029	565,000.00	2.250%		
			2030	565,000.00	3.000%		
			2031	565,000.00	3.000%		
			2032	565,000.00	3.000%		
			2033	565,000.00	3.000%		
						\$ 7,530,000.00	\$ 7,225,000.00
						\$ 305,000.00	\$ 305,000.00
						\$ 7,530,000.00	\$ 7,225,000.00

REF.

C

C-4

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2019	C	\$ 803,677.52
Decreased by:		
Loan Paid by Budget	C-4	<u>80,341.32</u>
Balance, December 31, 2020	C	<u><u>\$ 723,336.20</u></u>

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONSTRUCTION OF SALT SHED

REF.

Balance, December 31, 2019 and
December 31, 2020

C

\$ 89,321.76

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF DEMOLITION LOAN RECEIVABLE - STATE OF NEW JERSEY

REF.

Balance, December 31, 2019 and
December 31, 2020

C

\$ 58,564.01

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2020</u>
475	Various Capital Improvements	\$ 800.02
00-018	Various Public Improvements	50.00
02-023	Demolition of Unsafe Buildings and Structures at Various Locations	50,096.40
02-024	Townships Portion of Joint Meeting Capital Improvement Plan	16,303.00
06-016	Townships Portion of Joint Meeting Capital Improvement Plan	15,423.00
0-07-002	Environmental Remediation, Hollywood Ave Firehouse	22,542.00
09-017	Township's Portion of Joint Meeting Capital Improvement Plan	520,000.00
09-019	Various Public Improvement and Acquisition of New, Additional or Replacement Equipment and Machinery	375.00
08-020	Var. Public Improv & Acq of New, Additional or Replacement Equip and Machinery	523.00
09-025	Hillside Ave Stormwater Management System	356,221.00
14-13	Townships Portion of Joint Meeting Capital Improv. Plan	230,659.00
14-16	Acquisition of a Sewer Jet Vacuum Machine	113,325.00
18-06	Demolition of Unsafe Building & Structures	53,314.01
18-19	2018 Capital Acquisitions, Improvements and Equipment	3,809,000.00
20-13	Township's Allocable Share of the Flood Mitigation Project of the Joint Meeting of Essex and Union County	460,000.00
20-17	Various Public Improvements	<u>1,515,900.00</u>
		<u>\$ 7,164,531.43</u>

"D-2"

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>
Balance, December 31, 2019 and December 31, 2020	D	\$ <u>422.52</u>

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

SWIM POOL
UTILITY
CAPITAL
FUND

Balance, December 31, 2019

nd December 31, 2020

Due From

Due to

<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>CAPITAL FUND</u>	<u>PAYROLL AGENCY</u>	
D	\$ 33,127.07	\$ 33,050.57	\$	\$ 76.50	\$
D	<u>15,104.29</u>	<u></u>	<u>\$ 4,520.23</u>	<u></u>	<u>10,584.06</u>

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF FIXED CAPITAL
AUTHORIZED AND UNCOMPLETED

<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>		<u>BALANCE</u>	<u>BALANCE</u>
	<u>DATE</u>	<u>AMOUNT</u>	<u>DECEMBER 31, 2019</u>	<u>DECEMBER 31, 2020</u>
Rebuild Swim Pool Complex	06/04/84	\$ 3,000.00	\$ 160.94	\$ 160.94
Rehabilitation of Municipal Pool	11/09/88	285,000.00	1,149.82	1,149.82
Various Improvements of Municipal Pool	06/12/12	150,000.00	150,000.00	150,000.00
Various Improvements of Municipal Pool	10/03/12	175,000.00	<u>130,615.63</u>	<u>130,615.63</u>
			<u>\$ 281,926.39</u>	<u>\$ 281,926.39</u>
		<u>REF.</u>	D	D

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>		<u>BALANCE</u> <u>DECEMBER 31, 2019</u> <u>AND DECEMBER 31, 2020</u>	
	<u>DATE</u>	<u>AMOUNT</u>	<u>FUNDED</u>	<u>UNFUNDED</u>
General Improvement:				
Rebuild Swimming Pool Complex	06/04/84	\$ 3,000.00	\$ 160.94	\$
Rehabilitation of Municipal Pool	11/09/88	285,000.00	1,149.82	
Various Improvements of Municipal Pool	06/12/12	150,000.00	963.14	
Various Improvements of Municipal Pool	10/03/12	175,000.00		100,600.00
			<u>\$ 2,273.90</u>	<u>\$ 100,600.00</u>
		<u>REF.</u>	D	D

"D-6"

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2019 and
December 31, 2020

D

\$ 10,250.00

"D-7"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2019 and
December 31, 2020

D

\$ 790,689.24

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>	BALANCE DECEMBER 31, <u>2019</u>	BALANCE DECEMBER 31, <u>2020</u>
Rebuild Swimming Pool Complex	425	\$ 160.94	\$ 160.94
Rehabilitation of Municipal Pool	441	1,149.82	1,149.82
Various Improvements of Municipal Pool	12-011	<u>105,015.63</u>	<u>105,015.63</u>
		<u>\$ 106,326.39</u>	<u>\$ 106,326.39</u>
	<u>REF.</u>	D	D

TOWNSHIP OF HILLSIDE
SWIM POOL UTILITY FUND
SCHEDULE OF FIXED CAPITAL

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2019</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2020</u>
332	Construction of Swimming Pool, Central Avenue Playground	\$ 318,000.00	\$ 318,000.00
423	Improvement of Pool Complex	20,000.00	20,000.00
425	Rebuild Swimming Pool Complex	2,839.06	2,839.06
432	Swimming Pool Facilities	86,000.00	86,000.00
441	Rehabilitation of Municipal Pool	283,850.18	283,850.18
		<u>\$ 710,689.24</u>	<u>\$ 710,689.24</u>
	<u>REF.</u>	D	D

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF INTERFUNDS

<u>REF.</u>	<u>TOTAL</u>	GENERAL CAPITAL FUND	SWIM POOL UTILITY OPERATING FUND	GRANT FUND
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Balance, December 31, 2019
and December 31, 2020

Due from	D	\$ 10,584.06	\$	10,584.06	\$
Due to	D	98,075.79		75,123.29	22,952.50

"D-11"

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2020</u>
12-018	Various Improvements of Municipal Pool	\$ <u>100,600.00</u>
		\$ <u><u>100,600.00</u></u>

PART II

TOWNSHIP OF HILLSIDE

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

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

	<u>DECEMBER 31, 2020</u>		<u>DECEMBER 31, 2019</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance	\$ 2,750,000.00	3.20%	\$ 5,303,980.00	6.02%
Miscellaneous - From Other Than Local Property				
Tax Levies	14,092,922.08	16.42%	13,681,317.96	15.53%
Collection of Delinquent Taxes and				
Tax Title Liens	1,619,632.73	1.89%	2,518,089.87	2.86%
Collection of Current Tax Levy	<u>67,377,011.94</u>	<u>78.49%</u>	<u>66,597,764.70</u>	<u>75.59%</u>
<u>TOTAL INCOME</u>	<u>\$ 85,839,566.75</u>	<u>100.00%</u>	<u>\$ 88,101,152.53</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 43,133,025.83	51.43%	\$ 44,154,401.89	52.11%
County Taxes	10,185,222.36	12.15%	9,734,523.78	11.49%
Local School Taxes	30,526,495.00	36.40%	30,526,495.00	36.03%
Other Expenditures	<u>18,704.03</u>	<u>0.02%</u>	<u>311,417.01</u>	<u>0.37%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 83,863,447.22</u>	<u>100.00%</u>	<u>\$ 84,726,837.68</u>	<u>100.00%</u>
<u>Excess in Revenue</u>	<u>\$ 1,976,119.53</u>		<u>\$ 3,374,314.85</u>	
Adjustment to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budgets of Succeeding Years			<u>180,801.13</u>	
Statutory Excess to Fund Balance	\$ 1,976,119.53		\$ 3,555,115.98	
Fund Balance, January 1	<u>4,395,226.97</u>		<u>6,144,090.99</u>	
	<u>\$ 6,371,346.50</u>		<u>\$ 9,699,206.97</u>	
Less: Utilization as Anticipated Revenue	<u>2,750,000.00</u>		<u>5,303,980.00</u>	
Fund Balance, December 31	<u>\$ 3,621,346.50</u>		<u>\$ 4,395,226.97</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - SWIM POOL UTILITY FUND

	DECEMBER 31, 2020		DECEMBER 31, 2019	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Miscellaneous Revenues	\$		\$ 5,521.47	20.88%
Deficit (General Budget)			20,921.61	79.12%
<u>TOTAL INCOME</u>	\$		\$ 26,443.08	100.00%
<u>EXPENDITURES</u>				
Debt Service	\$		\$ 4,887.00	18.48%
Deferred Charges and Statutory Expenditures			21,556.08	81.52%
<u>TOTAL EXPENDITURES</u>	\$		\$ 26,443.08	100.00%
Excess/(Deficit) in Revenue	\$		\$	
Fund Balance, January 1		18,445.30		18,445.30
Fund Balance, December 31	\$	<u>18,445.30</u>	\$	<u>18,445.30</u>

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>7.841</u>	<u>7.689</u>	<u>7.612</u>
Apportionment of Tax Rate:			
Local Municipal	3.214	3.115	3.114
Municipal Library	0.075	0.069	0.065
County	1.105	1.058	1.020
County Open Space	0.033	0.031	0.029
Local School	3.414	3.416	3.384

ASSESSED VALUATION:

2020	<u>\$894,310,573.00</u>		
2019		<u>\$893,607,653.00</u>	
2018			<u>\$893,334,601.00</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>CASH COLLECTION</u>	<u>CURRENTLY PERCENTAGE OF COLLECTIONS</u>
2020	\$70,122,892.03	\$67,377,011.94	96.08%
2019	\$68,709,492.44	\$66,597,764.70	96.93%
2018	\$68,059,952.58	\$65,402,985.17	96.10%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, 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>
2020	\$1,171,643.80	\$4,482,637.13	\$5,654,280.93	8.06%
2019	\$917,491.39	\$3,559,924.89	\$4,477,416.28	6.52%
2018	\$1,348,330.51	\$3,681,962.48	\$5,030,292.99	7.39%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2020	\$2,280,100.00
2019	\$2,280,100.00
2018	\$2,280,100.00

COMPARISON OF SWIM POOL UTILITY MEMBERSHIP FEES

<u>YEAR ENDED</u>	<u>BUDGET ANTICIPATION</u>	<u>REALIZED</u>
December 31, 2020	N/A	N/A
December 31, 2019	N/A	N/A
December 31, 2018	\$7,870.00	\$10,025.00

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	December 31, 2020	\$3,621,346.50	\$1,773,500.00
	December 31, 2019	\$4,203,750.66	\$2,750,000.00
	December 31, 2018	\$6,144,090.99	\$5,303,980.00
	December 31, 2017	\$7,596,697.00	\$3,738,800.00
	December 31, 2016	\$9,294,499.66	\$3,858,553.00

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Swim Pool Utility Operating Fund	December 31, 2020	\$18,445.30	-0-
	December 31, 2019	\$18,445.30	-0-
	December 31, 2018	\$18,445.30	-0-
	December 31, 2017	\$18,445.30	-0-
	December 31, 2016	\$18,445.30	-0-

EQUALIZED VALUATIONS - REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2020	\$2,199,237,755.00
2019	\$1,993,718,361.00
2018	\$1,864,779,307.00

OFFICIALS IN OFFICE

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Dahlia O. Vertreese	Mayor	*
Gerald Pateesh Freedman	Council President	*
Nancy Mondella	Councilwoman	*
George Cook, III	Councilman	*
Craig Epps	Councilman	*
Andrea Hyatt	Councilwoman	*
Christopher Mobley	Councilman	*
Donald DeAugustine	Councilman	*
Beverly Harris	Acting Township Clerk	*
Glynn Jones	Chief Financial Officer	*
Sonya Wingate	Tax Collector/Tax Search Officer	*
Marvin Braker	Municipal Judge	*
Seth Dombeck	Chief Municipal Judge	*
Jessica Ciuia	Court Administrator	*
Veronica Acosta	Deputy Court Administrator	*
Rhea Moore	Township Attorney	*
Arthur Figuenredo	Construction Code Official	*
Robin Kaufman	Health Administrator	*
Vincent Ricciardi	Chief of Police	*
Dominick Naples	Fire Chief	*
Moshood Muftan	Municipal Prosecutor	*

*These employees that are statutorily required to be bonded are covered under the Statewide Insurance Fund for \$2,000,000.00

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENT 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, material 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.189 (C.40A:11-3), except by contract or agreements.

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Township of Hillside has not appointed a Qualified Purchasing Agent and therefore their bid threshold remains at \$17,500.00

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

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

Resurfacing of New York Place (Long Ave to Harvard Ave) & John St.
Roof Replacement at William H. Buie Community Center
Infrastructure Improvements to Orchard Terrance

In as much 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.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 as follows:

Auditing and Accounting Services
Legal Services
Engineering Services
Consultant Services
Insurance Broker
Financial and Accounting Services

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 18, 2020.

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

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 taxpaying basis.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2020	33
2019	34
2018	31

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	<u>NUMBER MAILED</u>
Payments of 2020 Taxes	50
Delinquent Taxes	50

OTHER COMMENTS

Interfunds

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

OTHER COMMENTS (CONTINUED)

Chief Financial Officer

General Ledger

The records maintained in the Finance Office were not maintained in an accurate condition during 2020. General Ledgers, as required by N.J.A.C. 5:30-5.7, were not completely maintained for any funds.

Bank Reconciliations

The Bank Reconciliation for the Current bank account did not agree to the General Ledger.

The reconciliation was also missing a material deposit in transit and a transfer in transit related to the Tax Collector's office. This was the result of not accurately reconciling the Collector receipts to the Finance department records.

Appropriations Ledgers

Our analysis of the Township's various appropriation ledgers revealed the following:

Trust Other Reserves:

- The Public Defender Trust was overexpended by \$11,101.00
- The Police Off-Duty Trust reserve was not reconciled to a detail analysis.

Grant Fund:

- There are many inactive grant receivable and reserves balance at December 31, 2020.
- These balances should be reviewed for validity and proper disposition.

Encumbrance Accounting System

The Township has not maintained a complete encumbrance accounting system in accordance with the N.J.A.C. 5:30-5.2. A significant number of purchase orders tested were determined to be confirming orders; that is, purchases were made for goods or services without providing a written purchase order to the Chief Financial Officer to encumber on a timely basis. In effect, the controls that minimize the possibility of overexpenditures and unauthorized purchases are not in operation.

Approval of Claims

During the course of our audit we discovered two payments made without approval of the Township Council as required by N.J.A.C. 40A:5-17. In addition, three bills were approved after they had been paid

Tax Collector

The detailed analysis of Outside Liens and Tax Sale Premiums at December 31, 2020 were not reconciled to the cash on deposit.

OTHER COMMENTS (CONTINUED)

Purchasing

In accordance with N.J.A.C. 40A: 11-3 the Township has established their bid threshold at \$17,500.00. Our examination of the Township's financial records revealed three vendors that were paid in excess of \$17,500.00 without proper approval of the governing body.

We also noted that the Township attorney was paid as a contractor. Per section 4-15 of the Township Administrative code the Attorney is to be treated as an employee and is to be "compensated as provided by the annual salary ordinance".

Payroll

Our audit of the Net Payroll and Payroll Agency Accounts disclosed that a detailed analysis of the account balances were not maintained during 2020.

It was noted that State taxes were not withheld on the portion of the employees salary related to employee health benefit contributions as required by law.

Other Departments

The meeting minutes of the Township Council were not available for audit.

The Building and Fire Departments are not remitting receipts to the Finance Department on a monthly basis.

It was noted that departmental receipts are generally remitted to the finance office which, in turn, deposits the receipts into the bank. The cash receipt record of the finance department however does not record the receipt on the date received, instead it is recorded on the date of deposit. As a result, we were unable to determine if deposits were made within 48 hours as required by law.

Community Development Block Grant

Our examination of the financial records for the Community Development Block Grant Program revealed that the current year grant awards were not properly established on the system.

We also noted that expenditures that were charged to the Community Development Block Grants on the Township accounting records did not agree to amounts submitted for reimbursement.

Other

Per Local Finance Notice 2017-15, the New Jersey Division of Local Government Services requires the auditor to submit a dedicated UCC Enforcement Fee Report along with the annual audit. We were unable to complete this report as the Township's Annual Uniform Construction Code Report, from which this report would be prepared, had not been completed.

Per Local Finance Notice 1997-16 municipalities are required to prepare a corrective action plan, have the plan approved by the governing body and to file a copy of the plan with the Division of Local Government Services within 60 days of the receipt of the audit. The Corrective Action Plan related to the 2019 audit has not been approved by the governing body or filed with the Division of Local Government Services as of the date of this report.

RECOMMENDATIONS

*That General Ledgers for all funds be currently and completely maintained and proven to subsidiary records on a monthly basis.

*That sufficient appropriation balances be available prior to the commitment or payment of funds.

*That the Township maintain a complete encumbrance accounting system in compliance with N.J.A.C 5:30-5.2.

*That all inactive Grant Receivable and Reserve accounts be examined for validity.

*That a detailed analysis of the balances in the Net Payroll and Payroll Agency Account be prepared on a monthly basis.

That State taxes be withheld from Employees' salaries for the portion related to Employee Health Benefits Contributions.

*That the detailed analysis of Outside Liens and Tax Sale Premiums be reconciled to the Cash on Deposit on a monthly basis.

*That Community Development Block Grant awards and costs be properly recorded on the Township's financial records and that grant drawdown be reconciled to those accounting records.

*That the Current Bank Account bank reconciliation be accurately prepared and reconciled to the cash in the General Ledger on a monthly basis.

*That the Tax Collector's cash receipts be reconciled with the Finance Departments records on a monthly basis.

That the balance in the Police Off-Duty Trust be analyzed and reconciled to the Trust Other General Ledger on a monthly basis.

That all claims be approved by the Township Council prior to payment in accordance with the N.J.S.A. 40A: 5-17.

The all contracts in excess of the bid threshold be awarded by resolution of the governing body in accordance with N.J.S.A 40A: 11-3.

That the Township Attorney be compensated as a salaried employee in accordance with the Township Administrative code.

That all meeting minutes of the Township Council be made available for audit.

That receipts received by the Finance department be recorded promptly and the date of receipt be reflected properly in the books of original entry.

That all receipts for the Building and Fire department be remitted to the Finance Office on a monthly basis.

RECOMMENDATIONS

That the Township prepare and file the Annual Uniform Construction Code Report.

That the Township file a Corrective Action Plan for the 2019 Audit Report which has been approved by the governing body with the Division of Local Government Services as required by Local Finance Notice 1997-16.

*Unresolved 2019 Audit Recommendations

