

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, 2021

TOWNSHIP OF HILLSIDE

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TOWNSHIP OF HILLSIDE

PART I

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2021 AND
DECEMBER 31, 2020



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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 Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Hillside (the "Township"), as of and for the years ended December 31, 2021 and 2020, 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, 2021, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" 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 as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2021.

Unmodified 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, 2021 and 2020, 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, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

SUPLEE, CLOONEY & COMPANY

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed by the Division, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the regulatory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

SUPLEE, CLOONEY & COMPANY

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, and data listed in the table of contents, as required by the Division 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 13, 2022 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

October 13, 2022



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2021, 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 13, 2022. 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.

SUPLEE, CLOONEY & COMPANY

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township of 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 2021-01 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 2021-01. 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

Township of Hillside
Schedule of Findings
For the Year Ended December 31, 2021

Financial Statement Audit – Reported Findings Under Government Auditing Standards

Compliance Findings

Finding #2021-001

Criteria

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

Condition

During 2021, 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 #2021-002

As discussed in detail in #2021-001, the Township of Hillside has deficiencies in the design and operation of its internal control over financial reporting.

CURRENT FUND

TOWNSHIP OF HILLSIDE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

		BALANCE		BALANCE	
		DECEMBER		DECEMBER	
		31, 2021		31, 2020	
ASSETS					
		REF.			
Current Fund					
Cash - Treasurer	A-4	\$	14,627,069.30	\$	18,272,349.91
Cash - Change Fund	A-6		690.00		690.00
Due From State of New Jersey:					
Senior Citizens and Veterans Deductions	A-8		134,968.46		121,728.73
		\$	14,762,727.76	\$	18,394,768.64
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	A-9	\$	3,897,016.23	\$	4,482,637.13
Tax Title Liens Receivable	A-10		1,145,698.83		1,171,643.80
Sewer Charges Receivable	A-11		229,430.75		277,459.36
Foreclosed Property	A-12		2,280,100.00		2,280,100.00
Revenue Accounts Receivable	A-13		215,207.31		242,428.04
Prepaid School Taxes	A-27		6.00		6.00
Interfunds Receivable	A-28		14,273.05		117,918.18
	A	\$	7,781,732.17	\$	8,572,192.51
Deferred Charges:					
Overexpenditure of 2021 Appropriations	A-29	\$	33,536.80	\$	
Expenditure Without an Appropriation	A-29		77,178.75		
Emergency Authorization 40A: 4-46	A-29		190,991.48		
Special Emergency Appropriation 40A: 4-53	A-34		146,311.58		292,623.14
		\$	448,018.61	\$	292,623.14
		\$	22,992,478.54	\$	27,259,584.29
Grant Fund:					
Grant Aid Receivable	A-20	\$	3,662,580.12	\$	3,273,029.20
Deferred Charge:					
Overexpenditure of Appropriated Grant Reserves	A-38		191,127.76		
Due Current Fund	A-28		169,769.36		89,672.50
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
		\$	4,302,784.74	\$	3,642,009.20

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

"A"
SHEET #2

TOWNSHIP OF HILLSIDE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

REF.	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>		
Liabilities:		
Appropriation Reserves	A-3:A-14 \$ 2,726,259.30	\$ 3,398,921.97
Sewer Overpayments	A-16 7,264.12	5,052.67
Tax Overpayments	A-17 127,662.56	119,162.98
Prepaid Taxes	A-18 366,367.08	280,165.91
Encumbrances Payable	A-19 899,395.63	472,791.79
Accounts Payable	A-31 165,841.21	56,706.12
County Taxes Payable	A-26 1,847.64	1,612.43
Interfunds Payable	A-28 3,823,616.96	6,189,046.78
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 76,810.86	326,810.86
Unallocated Receipts - Net	A-36 49,689.45	49,689.45
	\$ 8,410,839.13	\$ 15,066,045.28
Reserve for Receivables and Other Assets	A 7,781,732.17	8,572,192.51
Fund Balance	A-1 6,799,907.24	3,621,346.50
	\$ 22,992,478.54	\$ 27,259,584.29
Grant Fund:		
Encumbrances Payable	A-19 \$ 462,836.49	\$ 115,309.12
Due State of New Jersey	A-25 25.04	25.04
Reserve for:		
Grants - Appropriated	A-21 3,801,110.67	3,510,052.02
Grants - Unappropriated	A-22 38,812.54	16,623.02
	\$ 4,302,784.74	\$ 3,642,009.20

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2021	YEAR ENDED DECEMBER 31, 2020
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	A-1:A-2	\$ 1,773,500.00	\$ 2,750,000.00
Miscellaneous Revenues Anticipated	A-2	13,527,134.45	11,480,635.77
Receipts From Delinquent Taxes	A-2	2,183,598.66	1,619,632.73
Receipts From Current Taxes	A-2	69,639,242.76	67,377,011.94
Non-Budget Revenue	A-2	178,619.41	369,467.63
Other Credits to Income:			
Interfunds Returned			400,900.90
Unexpended Balance of Appropriation Reserves	A-14	2,687,205.99	1,841,917.78
<u>TOTAL REVENUE AND OTHER INCOME REALIZED</u>		<u>\$ 89,989,301.27</u>	<u>\$ 85,839,566.75</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Municipal Purposes	A-3	\$ 43,550,582.01	\$ 43,133,025.83
County Taxes	A-26	11,063,769.70	10,185,222.36
Local District School Tax	A-27	30,526,495.00	30,526,495.00
Budget Operations			18,704.03
Interfunds Advanced		120,922.10	
<u>TOTAL EXPENDITURES</u>		<u>\$ 85,261,768.81</u>	<u>\$ 83,863,447.22</u>
Excess in Revenue		\$ 4,727,532.46	\$ 1,976,119.53
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year		224,528.28	
Statutory Excess to Fund Balance		\$ 4,952,060.74	\$ 1,976,119.53
Fund Balance, January 1	A	3,621,346.50	4,395,226.97
		<u>\$ 8,573,407.24</u>	<u>\$ 6,371,346.50</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	1,773,500.00	2,750,000.00
Fund Balance, December 31	A	<u>\$ 6,799,907.24</u>	<u>\$ 3,621,346.50</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, 2021

	REF.	ANTICIPATED BUDGET	SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 1,773,500.00	\$	\$ 1,773,500.00	\$
Miscellaneous Revenues:					
Licenses:					
Other	A-2	20,000.00		22,177.50	2,177.50
Fees and Permits:					
Construction Code	A-2	417,000.00		443,541.46	26,541.46
Other	A-2	63,000.00		63,563.09	563.09
Fines and Costs:					
Municipal Court	A-13	378,000.00		278,078.81	(99,921.19)
Interest and Costs on Taxes	A-13	880,000.00		957,337.07	77,337.07
Interest on Investments and Deposits	A-13	177,000.00		2,800.01	(174,199.99)
Joint Sewer User Charges	A-11	2,257,000.00		2,790,374.56	533,374.56
Cable T.V. Franchise Fee	A-13	232,000.00		219,333.06	(12,666.94)
Ambulance Service Fees	A-13	297,000.00		262,510.09	(34,489.91)
Alarm Fees	A-13	47,000.00		47,172.15	172.15
Payment in Lieu of Taxes - Gargiulo	A-2	223,000.00		397,904.94	174,904.94
American Recovery Act	A-13	1,149,627.07		1,149,627.07	
Consolidated Municipal Property Tax Relief Aid	A-13	424,962.00		424,962.00	
Energy Receipts Tax	A-13	3,889,737.00		3,889,737.00	
Clean Communities Program	A-20		33,927.34	33,927.34	
Body Worn Camera Grant	A-20		61,140.00	61,140.00	
Strengthening Local Health Capacity	A-20		291,042.00	291,042.00	
Pedestrian Safety, Enforcement & Education	A-20		15,000.00	15,000.00	
Summer Food Program	A-20		46,833.94	46,833.94	
Union County Heart Grant	A-20	1,000.00		1,000.00	
2021 Infrastructure Municipal Aid	A-20	20,525.06		20,525.06	
Greening Union County	A-20		2,500.00	2,500.00	
Union County Kids Recreation	A-20		43,055.00	43,055.00	
DOT - Street Improvements to Virginia St. & Woodruff Ave.	A-20		398,793.00	398,793.00	
Uniform Fire Safety Act	A-13	77,000.00		37,697.74	(39,302.26)
Capital Surplus	A-13	986,500.00		986,500.00	
Sewer Trunk Surplus	A-13	324,000.00		65,434.33	(258,565.67)
Off-Duty Administrative Fees	A-13	350,000.00		350,000.00	
Interfund - Animal Control Trust Fund	A-28	112,840.78		112,840.78	
Interfund - Net Payroll Account	A-28	111,726.45		111,726.45	
	A-1	\$ 12,438,918.36	\$ 892,291.28	\$ 13,527,134.45	\$ 195,924.81
Receipts From Delinquent Taxes	A-1:A-2	1,619,000.00		2,183,598.66	564,598.66
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-9	28,853,662.69		30,070,646.12	1,216,983.43
Minimum Library Tax	A-9	733,331.94		733,331.94	
	A-2	29,586,994.63		30,803,978.06	1,216,983.43
BUDGET TOTALS		\$ 45,418,412.99	\$ 892,291.28	\$ 48,288,211.17	\$ 1,977,506.90
Non-Budget Revenue	A-1:A-2			178,619.41	178,619.41
		\$ 45,418,412.99	\$ 892,291.28	\$ 48,466,830.58	\$ 2,156,126.31
REF.	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, 2021

	REF.	
ANALYSIS OF REALIZED REVENUE		
Allocation of Current Tax Collections:		
Collected	A-1:A-9	\$ 69,639,242.76
Allocated to:		
School and County Taxes		41,590,264.70
Balance for Support of Municipal Budget Appropriations		\$ 28,048,978.06
Add: Reserve for Uncollected Taxes	A-3	2,755,000.00
Amount for Support of Municipal Budget Appropriations	A-2	\$ 30,803,978.06
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-9	\$ 2,096,330.26
Tax Title Lien Collections	A-10	87,268.40
	A-2	\$ 2,183,598.66
Licenses - Other:		
Township Clerk	A-13	\$ 375.00
Board of Health	A-13	21,802.50
	A-2	\$ 22,177.50
Fees and Permits - Other:		
Township Clerk	A-13	\$ 6,630.00
Tax Assessor	A-13	300.00
Fire Department	A-13	16,283.09
Police Department	A-13	8,921.72
Public Works	A-13	31,428.28
	A-2	\$ 63,563.09

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, 2021

REF.

ANALYSIS OF REALIZED REVENUE

Uniform Construction Code Fees:			
Cash Receipts	A-13	\$	454,301.05
Less: Refunds	A-4		<u>10,759.59</u>
	A-2	\$	<u>443,541.46</u>
Payment in Lieu of Taxes - Gargiulo	A-13	\$	419,612.27
Less: Refunds	A-4		<u>21,707.33</u>
	A-2	\$	<u>397,904.94</u>

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:			
ABC Licenses		\$	12,377.90
Various Refunds			85,677.60
Sale of Assets			10,847.45
Senior Citizen Administrative Fee			1,645.86
Insurance Dividends			21,119.78
Unclaimed Funds			4,858.10
Miscellaneous			<u>15,756.79</u>
	A-4	\$	152,283.48
Animal Control Statutory Excess	A-28		<u>9,195.65</u>
			161,479.13
Tax Collector	A-5		<u>17,140.28</u>
	A-2	\$	<u>178,619.41</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, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
\$	146,800.00	\$ 146,800.00	\$ 141,551.01	\$ 5,248.99	\$	
	39,000.00	39,000.00	19,696.90	19,303.10		
Township Council:						
Salaries and Wages	49,000.00	49,000.00	48,999.72	0.28		
Other Expenses	17,855.60	17,855.60	5,031.00	12,824.60		
Township Clerk:						
Salaries and Wages	213,160.00	223,160.00	222,703.87	456.13		
Other Expenses:						
Miscellaneous	20,000.00	25,000.00	20,254.40	4,745.60		
Advertising	20,000.00	20,000.00	6,054.54	13,945.46		
Elections:						
Other Expenses	45,000.00	55,000.00	24,629.75	30,370.25		
Financial Administration:						
Salaries and Wages	371,000.00	371,000.00	322,339.07	48,660.93		
Other Expenses	216,000.00	216,000.00	149,322.23	66,677.77		
Annual Audit	75,000.00	75,000.00	75,000.00			
Computer Service Department:						
Other Expenses	55,000.00	55,000.00	53,300.73	1,699.27		
Collection of Taxes:						
Salaries and Wages	155,040.00	155,040.00	143,656.50	11,383.50		
Other Expenses	38,500.00	38,500.00	36,772.74	1,727.26		
Assessment of Taxes:						
Salaries and Wages	84,620.00	84,620.00	84,327.12	292.88		
Other Expenses:						
Miscellaneous	10,603.93	10,603.93	3,489.88	7,114.05		
Legal Services and Costs:						
Other Expenses	350,000.00	350,000.00	341,389.54	8,610.46		
Municipal Prosecutor:						
Salaries and Wages	31,000.00	31,000.00	23,899.96	7,100.04		
Other Expenses	7,840.00	7,840.00		7,840.00		
Engineering Services:						
Other Expenses - General	210,000.00	210,000.00	243,536.80			33,536.80
Buildings and Grounds:						
Salaries and Wages	210,000.00	210,000.00	154,293.02	55,706.98		
Other Expenses	100,000.00	110,000.00	72,255.53	37,744.47		
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	5,000.00	5,000.00	3,950.14	1,049.86		

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, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
Zoning Costs:						
Salaries and Wages	\$ 2,500.00	\$ 2,500.00	\$	2,500.00	\$	
Other Expenses	10,000.00	10,000.00	1,356.00	8,644.00		
Alcohol Beverage Control:						
Other Expenses	7,000.00	7,000.00	5,210.45	1,789.55		
Postage:						
Other Expenses	50,000.00	50,000.00	40,915.76	9,084.24		
Insurance:						
Group Insurance Plan for Employees						
Unemployment Insurance	5,200,000.00	5,200,000.00	4,926,789.45	273,210.55		
Workers Compensation Insurance Trust Fund	120,000.00	120,000.00	398.00	119,602.00		
Other Insurance Premiums	433,000.00	433,000.00	417,262.65	15,737.35		
PUBLIC SAFETY	800,000.00	800,000.00	699,825.54	100,174.46		
Fire:						
Salaries and Wages	5,975,000.00	6,045,000.00	5,988,886.41	56,113.59		
Other Expenses:						
Miscellaneous	300,000.00	337,066.78	285,511.87	51,544.91		
Ambulance Services	38,000.00	38,000.00	12,506.27	25,493.73		
Uniform Fire Safety Act:						
Fire Official:						
Salaries and Wages	130,000.00	130,000.00	130,000.00			
Other Expenses	11,760.00	11,760.00	10,850.89	909.11		
Police:						
Salaries and Wages	7,985,000.00	7,985,000.00	7,908,761.85	76,238.15		
Other Expenses:						
Departmental Expenses	250,000.00	250,000.00	249,108.00	892.00		
Traffic Lights:						
Other Expenses	65,000.00	75,000.00	65,924.57	9,075.43		
School Crossing Guards:						
Salaries and Wages	125,000.00	125,000.00	70,733.17	54,266.83		
PUBLIC SAFETY						
Garage Service and Repair:						
Salaries and Wages	178,500.00	178,500.00	155,466.11	23,033.89		
Other Expenses	125,000.00	145,000.00	130,591.16	14,408.84		
Office of Emergency Management:						
Salaries and Wages	9,000.00	9,000.00	8,435.51	564.49		
Other Expenses	9,406.00	9,406.00		9,408.00		
STREETS AND ROADS						
Road Repairs and Maintenance:						
Salaries and Wages	1,647,000.00	1,647,000.00	1,574,731.95	72,268.05		
Other Expenses	448,200.00	596,400.00	384,344.29	212,055.71		

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, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
SANITATION						
Garbage, Trash, and Recycling Collection:						
Other Expenses						
Sewer System:						
Other Expenses	\$ 2,300,000.00	\$ 2,300,000.00	2,097,823.51	202,176.49	\$	
Sewer Pumping System:						
Other Expenses	83,000.00	83,000.00	35,553.76	47,446.24		
HEALTH AND WELFARE						
Board of Health:	70,000.00	70,000.00	57,862.29	12,137.71		
Salaries and Wages						
Other Expenses	265,200.00	265,200.00	236,845.53	28,354.47		
Dog License Registration:	45,000.00	45,000.00	36,713.93	8,286.07		
Other Expenses	65,000.00	65,000.00	55,582.48	9,417.52		
RECREATION AND EDUCATION						
Community Recreation Commission:						
Salaries and Wages	265,000.00	195,000.00	144,913.92	50,086.08		
Other Expenses	16,232.72	16,232.72	10,244.94	5,987.78		
Senior Citizens:						
Salaries and Wages	176,000.00	176,000.00	123,574.65	52,425.35		
Other Expenses	18,212.32	18,212.32	6,369.25	11,843.07		
Celebration of Public Events:						
Mayor and Administration:						
Other Expenses	10,000.00	10,000.00	3,935.77	6,064.23		
Municipal Court:						
Salaries and Wages	356,965.32	356,965.32	314,665.38	42,299.94		
Other Expenses	36,008.32	36,008.32	37,811.49	196.83		
Public Defender:						
Other Expenses	25,000.00	25,000.00	12,925.00	12,075.00		
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	409,813.56	380,813.56	343,602.30	37,211.26		
Other Expenses	20,000.00	20,000.00	18,263.34	1,736.66		

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
UNCLASSIFIED						
Utilities - All (Includes Gasoline)	\$ 700,000.00	\$ 700,000.00	\$ 503,755.60	\$ 196,244.40	\$	
Street Lighting	320,000.00	320,000.00	319,644.04	455.96		
Fire Hydrant Service	290,000.00	290,000.00	251,146.83	38,853.17		
Temporary and Summer Employees:						
Salaries and Wages	36,000.00					
Group Insurance:						
Health Benefit Waiver	125,000.00	125,000.00	75,138.00	49,862.00		
Accumulated Leave Compensation						
Salaries and Wages	450,000.00	450,000.00	271,865.28	178,134.72		
Salary Adjustment Account	110,000.00	110,000.00		110,000.00		
TOTAL OPERATIONS WITHIN "CAPS"	\$ 32,596,719.77	\$ 32,781,976.55	\$ 30,222,201.64	\$ 2,593,311.71	\$	\$ 33,536.80
CONTINGENT	500.00	500.00		500.00		
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	\$ 32,597,219.77	\$ 32,782,476.55	\$ 30,222,201.64	\$ 2,593,811.71	\$	\$ 33,536.80

DEFERRED CHARGES AND STATUTORY EXPENDITURES -
MUNICIPAL WITHIN "CAPS"

Deferred Charges:						
Overexpenditure of Trust Reserve	\$ 17,637.58	\$ 17,637.58	\$ 17,637.58	\$	\$	\$
Prior Year Bills		5,734.70	5,734.70			
Anticipated Deficit in Swimming Pool Utility Operations	105,015.63	105,015.63	105,015.63			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	\$ 672,506.00	\$ 672,506.00	\$ 667,063.29	\$ 5,422.71	\$	\$
Social Security (O.A.S.I.)	600,000.00	600,000.00	574,055.79	25,944.21		
Consolidated Police and Firemen's Pension Fund	90.00	90.00		90.00		
Police and Firemen's Retirement System of N.J.	3,930,553.00	3,930,553.00	3,930,553.00			
Defined Retirement Contribution Plan	13,000.00	13,000.00	8,412.81	4,587.19		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	\$ 5,338,802.21	\$ 5,344,536.91	\$ 5,308,492.80	\$ 36,044.11	\$	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 37,936,021.98	\$ 38,127,013.46	\$ 35,530,694.44	\$ 2,629,855.82	\$	\$ 33,536.80

GENERAL APPROPRIATIONS-OPERATIONS EXCLUDED FROM "CAPS"

Maintenance of Free Public Library	\$ 733,331.94	\$ 733,331.94	\$ 733,331.94	\$	\$	\$
Joint Trunk Sewer	2,414,716.00	2,414,716.00	2,414,716.00			
Reserve for Tax Appeals	10,000.00	10,000.00	1,462.50	8,537.50		

INTERLOCAL MUNICIPAL SERVICE AGREEMENTS

Union County Fire and EMS Dispatch Services	55,000.00	55,000.00	27,134.02	27,865.98		
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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, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES						
Clean Communities Program (NUSA 40A:4-87 + \$33,927.34)						
2021 Infrastructure Municipal Aid						
HEART Grant	\$ 20,525.06	\$ 33,927.34	33,927.34			
Body-Worn Camera 2021 (NUSA 40A:4-87 + \$61,140.00)	\$ 1,000.00	20,525.06	\$ 20,525.06		\$	\$
Matching Funds for Grants		1,000.00	1,000.00			
Summer Food Program (NUSA 40A:4-87 + \$46,833.94)	60,000.00	61,140.00	61,140.00	60,000.00		
Strengthening Local Health Capacity (NUSA 40A:4-87 + \$291,042.00)		60,000.00				
Pedestrian Safety, Enforcement and Education (NUSA 40A:4-87 + \$15,000.00)		46,833.94	46,833.94			
Greening Union County (NUSA 40A:4-87 + \$2,500.00)		291,042.00	291,042.00			
Union County Kids Recreation Grants (NUSA 40A:4-87 + \$43,055.00)		15,000.00	15,000.00			
DOT - Street Improvements to Virginal St. & Woodruff Ave (NUSA 40A:4-87 + \$398,793.00)		2,500.00	2,500.00			
		43,055.00	43,055.00			
		398,793.00	398,793.00			
TOTAL OPERATIONS-EXCLUDED FROM "CAPS"	\$ 3,294,573.00	\$ 4,186,864.28	\$ 4,090,460.80	\$ 96,403.48	\$	\$
CAPITAL IMPROVEMENT FUND - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 100,000.00	100,000.00	100,000.00			
MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS":						
Payment of Bond Principal	\$ 305,000.00	\$ 305,000.00	\$ 305,000.00		\$	\$
Interest on Bonds	259,693.76	259,693.76	259,693.76		29,600.00	
Interest on Notes	44,666.67	44,666.67	15,066.67			
N.J. Environmental Infrastructure Loan Program:						
Principal	79,745.76	79,745.76	79,745.76			
Interest	12,037.50	12,037.50	11,986.96		50.54	
N.J. Department of Community Affairs - Demolition Loan						
Principal	10,500.00	10,500.00	10,500.00			
Union County Improvement Authority:						
Principal	264,291.12	264,291.12	264,291.12			
Interest	10,571.64	10,571.64	10,571.64			
TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"	\$ 986,506.45	\$ 986,506.45	\$ 956,855.91	\$	\$ 29,650.54	\$

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
DEFERRED CHARGES-EXCLUDED FROM "CAPS":						
Special Emergency Authorizations 5 Years	\$ 146,311.56	\$ 146,311.56	\$ 146,311.56	\$	\$	\$
Judgements	200,000.00	200,000.00			200,000.00	
TOTAL DEFERRED CHARGES-EXCLUDED FROM "CAPS"	\$ 346,311.56	\$ 346,311.56	\$ 146,311.56	\$	\$ 200,000.00	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 4,727,391.01	\$ 5,619,682.29	\$ 5,293,628.27	\$ 96,403.48	\$ 229,650.54	\$
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 42,663,412.99	\$ 43,746,695.75	\$ 40,824,322.71	\$ 2,726,259.30	\$ 229,650.54	\$ 33,536.80
Reserve for Uncollected Taxes	2,755,000.00	2,755,000.00	2,755,000.00			
TOTAL GENERAL APPROPRIATIONS	\$ 45,418,412.99	\$ 46,501,695.75	\$ 43,579,322.71	\$ 2,726,259.30	\$ 229,650.54	\$ 33,536.80

REF.

A-1-A-29

Budget
Emergency Appropriation by 40A-4-46
Appropriations by 40A-4-87

A-2
A-3
A-29
A-2

A-A-1

Reserve for Uncollected Taxes
Encumbrances Payable
Reserve for Grants Appropriated
Deferred Charges:
Trust Other Fund
Special Emergency Authorization 40A 4-53
Disbursed - Net

A-2
A-19
A-21

A-28
A-34
A-4

\$

2,755,000.00
899,395.63
913,816.34

17,637.58
146,311.56
38,847,161.60

\$ 43,579,322.71

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

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TRUST FUND

TOWNSHIP OF HILLSIDE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 27,022.45	\$ 133,971.73
		<u>\$ 27,022.45</u>	<u>\$ 133,971.73</u>
Other Trust Funds:			
Cash	B-1	\$ 7,194,382.90	\$ 3,961,512.12
Community Development Block Grants Receivable	B-4	191,388.01	191,974.60
Reserve for Payroll Deductions (Receivable)	B-21	38,638.67	0.00
Interfunds Receivable	B-19	2,461,997.61	4,134,938.25
Deferred Charges - Overexpenditure of Reserve	B-22	0.00	17,637.58
		<u>\$ 9,886,407.19</u>	<u>\$ 8,306,062.55</u>
		<u>\$ 9,913,429.64</u>	<u>\$ 8,440,034.28</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$ 10,669.60	\$ 14,021.15
Due State of New Jersey	B-3	79.80	32.40
Interfunds Payable	B-20	16,273.05	119,918.18
		<u>\$ 27,022.45</u>	<u>\$ 133,971.73</u>
Other Trust Funds:			
Reserve for:			
Community Development Block Grants	B-5	\$ 180,866.77	\$ 182,546.82
Facade Loan Repayment	B-6	35,134.28	35,134.28
Tax Sale Redemption	B-7	192,719.29	281,727.17
Retiree Prescription Account	B-8	36,357.96	36,355.58
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	759,965.89	759,855.04
UEZ Revolving Loan Escrow	B-12	7,293.46	7,286.16
Police Off-Duty Escrow	B-13	444,206.71	336,693.46
Local Law Enforcement Block Grant	B-14	628.02	628.02
Special Law Enforcement	B-15	10,855.76	9,985.45
Miscellaneous Trust Deposits	B-16	7,315,760.76	5,721,756.40
Federal Law Enforcement Trust	B-17	32,718.55	48,862.12
Building Department Escrow	B-18	491,541.93	506,015.11
Payroll Deductions Payable	B-21	0.00	859.13
Interfunds Payable	B-19	256,431.50	256,431.50
Due County of Union		617.18	617.18
		<u>\$ 9,886,407.19</u>	<u>\$ 8,306,062.55</u>
		<u>\$ 9,913,429.64</u>	<u>\$ 8,440,034.28</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

	REF.	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
ASSETS			
Cash	C-2:C-3	\$ 3,178,470.42	\$ 473,725.71
Deferred Charges to Future Taxation:			
Funded	C-4	7,578,796.30	7,973,772.19
Unfunded	C-8	11,659,290.71	10,400,483.43
Grants Receivable	C-5	92,000.00	92,000.00
New Jersey Infrastructure Bank Receivable	C	1,250,000.00	1,250,000.00
Demolition Loan Receivable (State of NJ)	C-16	58,564.01	58,564.01
Interfunds Receivable	C-6	1,150,968.89	2,028,570.56
		\$ 24,968,090.33	\$ 22,277,115.90
LIABILITIES, RESERVES AND FUND BALANCES			
Interfunds Payable	C-6	\$ 32,679.40	\$ 32,679.40
Demolition Loan Payable (State of NJ)	C-7	73,500.00	84,000.00
Capital Improvement Fund	C-9	217,714.46	215,714.46
Contracts Payable	C-10	2,095,911.35	845,715.26
Bond Anticipation Note	C-12	4,452,352.00	980,952.00
Bond Anticipation Note - NJ Infrastructure Bank	C	1,250,000.00	1,250,000.00
General Serial Bonds Payable	C-13	6,920,000.00	7,225,000.00
Infrastructure Loan Payable	C-14	643,860.31	723,336.20
Reserve for Construction of Salt Shed	C-15	89,321.76	89,321.76
Improvement Authorizations:			
Funded	C-11	405,377.10	1,850,368.78
Unfunded	C-11	8,532,052.36	8,934,714.73
Fund Balance	C-1	255,321.59	45,313.31
		\$ 24,968,090.33	\$ 22,277,115.90

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

"C-1"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2020	C	\$	45,313.31
Increased by:			
Improvement Authorizations Cancelled		\$	1,187,609.95
Premium on Bond Anticipation Note Issued	C-2	<u>8,898.33</u>	
			<u>1,196,508.28</u>
		\$	1,241,821.59
Decreased by:			
2021 Current Fund Budget Revenue	C-2	<u>986,500.00</u>	
Balance, December 31, 2021	C	\$	<u><u>255,321.59</u></u>

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

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SWIM POOL UTILITY FUND

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
ASSETS			
Operating Fund:			
Cash	D-2	\$ 422.52	\$ 422.52
Interfunds Receivable	D-3	33,127.07	33,127.07
		\$ 33,549.59	\$ 33,549.59
Capital Fund:			
Interfunds Receivable	D-10	\$ 115,599.69	\$ 10,584.06
Deferred Charge - Grant Receivable Cancelled			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
		\$ 1,108,215.32	\$ 1,108,215.32
		\$ 1,141,764.91	\$ 1,141,764.91
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Interfunds Payable	D-3	\$ 15,104.29	\$ 15,104.29
		\$ 15,104.29	\$ 15,104.29
Fund Balance	D-1	18,445.30	18,445.30
		\$ 33,549.59	\$ 33,549.59
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
		\$ 1,108,215.32	\$ 1,108,215.32
		\$ 1,141,764.91	\$ 1,141,764.91

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, 2021</u>	YEAR ENDED DECEMBER <u>31, 2020</u>
Fund Balance, January 1	D	<u>18,445.30</u>	<u>18,445.30</u>
Fund Balance, December 31	D	\$ <u><u>18,445.30</u></u>	\$ <u><u>18,445.30</u></u>

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

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PUBLIC ASSISTANCE TRUST FUND

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

	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
<u>ASSETS</u>		
Due Current Fund	\$ 17,137.82	\$ 17,137.82
	\$ 17,137.82	\$ 17,137.82
<u>LIABILITIES AND RESERVES</u>		
Due State of New Jersey	\$ 17,137.82	\$ 17,137.82
	\$ 17,137.82	\$ 17,137.82

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

GENERAL FIXED ASSETS ACCOUNT GROUP

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

	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
<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	8,319,602.00	8,066,098.00
<u>TOTAL FIXED ASSETS</u>	<u>\$ 18,831,002.00</u>	<u>\$ 18,577,498.00</u>
<u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 18,831,002.00</u>	<u>\$ 18,577,498.00</u>

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HILLSIDE

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021 AND 2020

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.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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:

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

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 Pensions & Benefits' reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

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.

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, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The Township of Hillside had the following cash and cash equivalents at December 31, 2021:

<u>Fund</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Change Funds</u>	<u>Total</u>
Checking Accounts	\$25,141,396.38	(\$114,028.79)		\$25,027,367.59
Change Funds			\$690.00	690.00
Total Cash and Cash Equivalents	<u>\$25,141,396.38</u>	<u>(\$114,028.79)</u>	<u>\$690.00</u>	<u>\$25,028,057.59</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The 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, 2021, 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 \$25,141,396.38, \$250,000.00 was covered by Federal Depository Insurance, \$24,891,396.38 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.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of 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, 2021, the Township had no investments.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Township is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: GOVERNMENTAL DEBT

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>2021</u>	<u>2020</u>	<u>2019</u>
Issued:			
General:			
Bonds, Notes and Loans	<u>\$12,089,712.31</u>	<u>\$11,268,288.20</u>	<u>\$9,409,129.52</u>
Total Issued	<u>\$12,089,712.31</u>	<u>\$11,268,288.20</u>	<u>\$9,409,129.52</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	7,206,938.71	7,164,531.43	6,088,631.43
Swim Pool Utility:			
Bonds and Notes	<u>100,600.00</u>	<u>100,600.00</u>	<u>100,600.00</u>
Total Authorized But Not Issued	<u>7,307,538.71</u>	<u>7,164,531.43</u>	<u>6,189,231.43</u>
Net Bonds and Notes Issued and and Authorized But Not Issued	<u>\$19,397,251.02</u>	<u>\$18,432,819.63</u>	<u>\$15,598,360.95</u>

SUMMARY OF REGULATORY DEBT CONDITION
(ANNUAL DEBT STATEMENT AS OF DECEMBER 31, 2021)

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 .878%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Swim Pool Debt	\$100,600.00	\$100,600.00	
General Debt	<u>19,296,651.02</u>	<u>-0-</u>	<u>\$19,296,651.02</u>
	<u>\$19,397,251.02</u>	<u>\$100,600.00</u>	<u>\$19,296,651.02</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

NET DEBT \$19,296,651.02 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$2,196,660,423.00 EQUALS .878%.

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

Equalized Valuation Basis* - December 31, 2021	\$2,196,660,423.00
3-1/2 of Equalized Valuation Basis	76,883,114.81
Net Debt	<u>19,296,651.02</u>
Remaining Borrowing Power	<u>\$57,586,463.79</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.

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2021, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$ 7,206,938.71</u>
Swim Pool Capital Fund	<u>\$ 100,600.00</u>

General Serial Bonds:	OUTSTANDING BALANCE DECEMBER 31, 2021
\$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>\$6,920,000.00</u>
	<u>\$6,920,000.00</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR
BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2021

YEAR	GENERAL CAPITAL		TOTAL
	PRINCIPAL	INTEREST	
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	565,000.00	117,943.76	682,943.76
2027-2031	2,825,000.00	360,540.64	3,185,540.64
2030-2033	1,130,000.00	33,900.00	1,163,900.00
	<u>\$6,920,000.00</u>	<u>\$1,277,659.44</u>	<u>\$8,197,659.44</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%.

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

Year	Trust Loan 2002A		Fund Loan	Total
	Principal	Interest	Principal	
2022	<u>\$15,000.00</u>	<u>\$712.50</u>	<u>\$10,177.77</u>	<u>\$25,890.27</u>
	<u>\$15,000.00</u>	<u>\$712.50</u>	<u>\$10,177.77</u>	<u>\$25,890.27</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS (CONTINUED)

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>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
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>\$35,000.00</u>	<u>\$5,206.26</u>	<u>\$76,317.69</u>	<u>\$116,523.95</u>

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>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
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>\$70,000.00</u>	<u>\$13,550.00</u>	<u>\$50,003.85</u>	<u>\$133,553.85</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	
	Principal	Interest	Principal	Total
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>\$130,000.00</u>	<u>\$37,900.00</u>	<u>\$257,361.00</u>	<u>\$425,261.00</u>

NEW JERSEY DEMOLITION LOAN

The Township has entered into A Demolition Loan Agreement 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, 2021 was \$73,500.00

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, 2021</u>
19-016	10/24/19	10/22/21	05/27/22	0.320%	\$980,952.00
20-17	05/27/21	05/27/21	05/27/22	1.000%	1,515,900.00
21-19	12/22/21	12/22/21	05/27/22	0.460%	1,955,500.00
					<u>\$4,452,352.00</u>

At December 31, 2021 the Township's Capital Fund also reflects a New Jersey Infrastructure Bank (I-Bank) Note of \$1,250,000.00. The Note charges interest on funds drawn on short-term loans. The effective interest rate is set monthly to reflect costs associated with the I-Bank's borrowed funds blended with 0% interest funds appropriated to the I-Bank by the State for the Water Bank's Construction Financing Program. Loans may be structured to include all or part of construction period interest costs allowing borrowers to defer interest cost repayments for up to 36 months.

NOTE 4: FUND BALANCE APPROPRIATED

Fund balances, at December 31, 2021, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2022 were as follows:

Current Fund	<u>\$3,075,000.00</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.

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

	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
Prepaid Taxes	\$366,367.08	\$280,165.91

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/annrpts.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.

NOTE 6: PENSION PLANS (CONTINUED)

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.

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 alter 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%.

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2021, 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 2021, PERS provides for employee contributions of 7.50% of employees' base salary.

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 2021, the State contributed an amount less than the actuarially determined amount. During 2021, 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 \$4,597,636.29 for 2021, \$3,998,945.60 for 2020 and \$3,747,545.87 for 2019.

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, 2021. 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, 2021.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS)

At June 30, 2021, the State reported a net pension liability of \$6,840,133.00 for the Borough 's proportionate share of the total net pension liability. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Borough's proportion was 0.0577397004 percent, which was an increase of 0.0011964720 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the State recognized an actuarially determined pension benefit of \$680,142.00 for the Borough 's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2021 billing was \$644,732.00.

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 107,878.00	\$ 48,967.00
Changes of assumptions		2,435,132.00
Net difference between projected and actual earnings on pension plan investments	35,623.00	1,801,871.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,236,553.00	356,412.00
	\$ 1,380,054.00	\$ 4,642,382.00

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the Borough’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 June 30,	Amount
2022	(\$1,437,945.80)
2023	(976,344.80)
2024	(609,693.80)
2025	(414,600.80)
2026	176,257.20
	(\$3,262,328.00)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. These actuarial valuations used the following assumptions:

	June 30, 2021
Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.00-6.00%
Thereafter	3.00-7.00%
Based on Years of Service	
Investment Rate of Return	7.00%

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 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% at both June 30, 2021 and June 30, 2020) 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.

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 (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2021 and June 30, 2020. 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 based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2021 respectively, calculated using the discount rate as disclosed above as well as what the Borough'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, 2021		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Township's proportionate share of the pension liability	\$9,314,874.00	\$6,840,133.00	\$4,739,965.00

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2021, the State reported a net pension liability of \$22,888,206.00 for the Borough 's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2021, the Borough's proportion was 0.03131444700 percent, which was an decrease of 0.00115697754 percent from its proportion measured as of June 30, 2020.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

For the year ended June 30, 2021, the State recognized an actuarially determined pension benefit of \$4,275,466.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2021 billing was \$3,745,008.00.

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 261,127.00	\$ 2,741,771.00
Changes of assumptions	121,790.00	6,859,490.00
Net difference between projected and actual earnings on pension plan investments		9,753,409.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	2,106,038.00	5,241,980.00
	\$ 2,488,955.00	\$ 24,596,650.00

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	
June 30	Amount
2022	\$ (6,700,770.40)
2023	(5,186,283.40)
2024	(4,539,211.40)
2025	(4,484,918.40)
2026	(1,113,789.40)
Thereafter	(82,722.00)
	\$ (22,107,695.00)

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions:

	<u>June 30, 2021</u>
Inflation:	
Price	2.75%
Salary Increases	
Through all future years	3.25-15.25%
	Based on years of Service
Investment Rate of Return	7.00%

Employee mortality rates were based on the Pubs-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females For healthy annuitants, mortality rates were based on the Pubs-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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, 2021 and June 30, 2020) 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 weighing 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, 2021 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2021 and June 30, 2020, respectively. 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 based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Sensitivity of the Borough’s proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough’s proportionate share of the net pension liability of the participating employers as of June 30, 2021 respectively, calculated using the discount rate as disclosed above as well as what the Borough’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, 2021		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Township's proportionate share of the PFRS pension liability	\$34,755,024.00	\$22,888,206.00	\$13,010,361.00

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, 2021 and 2020, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$6,437,303.00 and \$6,722,316.00, respectively.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

At June 30, 2021, the Borough'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	\$22,888,206.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>6,437,303.00</u>
	<u>\$29,325,509.00</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 <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, 2021, the current cost of such unpaid compensation was \$5,648,966.41. 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's letter did not indicate any litigation, claims or contingent liabilities that are 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, 2021, 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.

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, 2021, 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>		
2021	-0-	-0-	-0-	\$120,084.13
2020	-0-	-0-	-0-	120,084.13
2019	-0-	-0-	-0-	120,084.13

In 2021, the Township did not transfer the Budget Appropriation to the Trust Fund. Instead, unemployment expenditures, totaling \$398.00, were charged directly to the 2021 Appropriations and \$32,136.27 was charged to the Appropriation Reserves.

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, 2021, the following deferred charges are shown on the Balance Sheets of the Township:

	BALANCE DECEMBER 31 2021	2022 BUDGET APPROPRIATION
Current Fund:		
Emergency Authorization 40A:4-46	\$190,991.48	\$190,991.48
Special Emergency Authorization 40A:4-53	146,311.58	146,311.58
Expenditure without an Appropriation	77,178.75	77,178.75
Overexpenditure of Appropriations	33,536.80	33,536.80
Overexpenditure of Grant Appropriation Reserves	191,127.76	191,127.76
	<u>\$639,146.37</u>	<u>\$639,146.37</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, 2021:

	Interfund Receivable	Interfund Payable
Current Fund	\$ 14,273.05	3,823,616.96
Grant Fund	449,076.86	
Animal Control Trust Fund		16,273.05
Trust Other Fund	2,461,997.61	256,431.50
General Capital Fund	1,150,968.89	32,679.40
Swim Pool Operating Fund	33,127.07	15,104.29
Swim Pool Capital Fund	115,599.69	98,075.79
Public Assistance Trust Fund II	17,137.82	
	\$ 4,242,180.99	\$ 4,242,180.99

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

NOTE 15: 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”. 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 Township is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

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.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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

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

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

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

Contributions

The Township's contributions to the Plan for the years ended December 31, 2021, and 2020 were \$1,927,945.63 and \$1,865,458.48, respectively, which equaled the required contributions for each year.

Total Net OPEB Liability

At June 30, 2020, the Plan reported a liability of \$54,597,904.00 for the Township's proportionate share of the collective net OPEB liability. The total Net OPEB Liability measured as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The Township's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020.

At June 30, 2020, the Township's proportion was 0.304224 percent. For the year ended June 30, 2020, the State reported OPEB expense of \$9,051,027.00. This OPEB benefit was based on the OPEB plans June 30, 2020 measurement date.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$1,438,067	\$10,167,148
Changes of assumptions	8,166,128	12,141,730
Net difference between projected and actual earnings on OPEB plan investments	34,673	-
Changes in proportion	59,212,966	
	<u>\$68,851,834</u>	<u>\$22,308,878</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 OPEB will be recognized in the State’s actuarially calculated OPEB (benefit)/expense as follows:

Year Ended	
June 30,	Amount
2021	\$8,907,683
2022	8,905,022
2023	8,900,721
2024	8,896,791
2025	9,833,930
Total Thereafter	<u>1,098,808</u>
	<u>\$46,542,956</u>

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (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:

	<u>2020</u>	<u>2019</u>
Inflation rate	2.50%	2.50%
Salary Increases:		
Public Employees Retirement System (PERS):		
Initial fiscal Year Applied		
Rate through 2026	2.00% to 6.00%	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%	3.00% to 7.00%
Police and Firemen’s Retirement System (PFRS):		
Rate for all future years	3.25% to 15.25%	3.25% to 15.25%

Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020

*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, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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.

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the Township as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the Net OPEB 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		
	1.00% Decrease (1.21%)	At Discount Rate (2.21%)	1.00% Increase (3.21%)
Township's proportionate share of the Net OPEB Liability	\$64,546,258	\$54,597,904	\$46,722,877

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Township as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Township's proportionate share of the Net OPEB Liability	\$45,179,822	\$54,597,904	\$66,931,011

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

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.

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 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.

At June 30, 2020 the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is \$224,828.00.

At June 30, 2020, the Township's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

Township's proportionate share of the Net OPEB Liability	\$54,597,904
State of New Jersey's proportionate share of Net OPEB Liability associated with the Township	<u>224,828</u>
	<u>\$54,822,732</u>

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

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

NOTE 16: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2021:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Land	\$ 5,050,100.00	\$	\$	\$ 5,050,100.00
Buildings	5,461,300.00			5,461,300.00
Machinery and Equipment	8,066,098.00	809,059.00	555,555.00	8,319,602.00
	<u>\$ 18,577,498.00</u>	<u>\$ 809,059.00</u>	<u>\$ 555,555.00</u>	<u>\$ 18,831,002.00</u>

NOTE 17: SUBSEQUENT EVENTS

The Township has evaluated material subsequent events occurring after the financial statement date through October 13, 2022 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.

Issuance of Debt:

The Township issued \$9,860,000.00 General Obligation Bonds, Series 2022, payable in annual installments ranging between \$510,000.00 to \$830,000.00, with interest rates payable between 2.00% to 3.80%. The bonds are dated May 26, 2022 with a final maturity date of May 1, 2037.

NOTE 17: SUBSEQUENT EVENTS

Authorization of Debt:

The Township authorized by the following debt subsequent to December 31, 2021:

<u>Date</u>	<u>Ordinance Number</u>	<u>Description</u>	<u>Amount Authorized</u>
3/22/2022	22-05	Pump Station Rehabilitation	\$2,465,000.00
3/22/2022	22-06	Street Sweeper	355,000.00
4/5/2022	22-08	Various Capital Acquistions	799,000.00
6/29/2022	22-19	Flood Mitigation	2,700,000.00
9/13/2022	22-26	Reconstruction of Margret Roche Pool	<u>3,761,000.00</u>
			<u><u>\$7,615,000.00</u></u>

TOWNSHIP OF HILLSIDE
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	REF.	GRANT FUND		CURRENT FUND	
		\$	\$	\$	\$
Balance, December 31, 2020	A		-0-		18,272,349.91
Increased by Receipts:					
Collector	A-5			76,055,648.33	
Miscellaneous Revenue Not Anticipated	A-2			152,283.48	
Senior Citizens and Veterans Deductions	A-8			82,293.15	
Appropriation Reserves - Refunds	A-14			16,171.28	
Revenue Accounts Receivable	A-13			8,253,893.90	
Grants Receivable	A-20	524,265.42			
Reserve for:					
Grants - Unappropriated	A-22	22,189.52			
Interfunds Returned	A-28	466,358.08		1,568,248.10	
			1,012,813.02		86,128,538.24
		\$	1,012,813.02	\$	104,400,888.15
Decreased by Disbursements:					
2021 Appropriations	A-3			38,847,161.60	
Appropriation Reserves	A-14			1,091,543.96	
Interfunds Advanced	A-28	546,454.94		3,838,474.72	
Refund of Tax Overpayments	A-17			46,963.41	
Reserve for:					
Grants Appropriated	A-21	466,358.08			
Insurance Damages	A-35			250,000.00	
County Taxes	A-26			11,063,534.49	
Local District School Tax	A-27			30,526,495.00	
Tax Anticipation Note	A-37			4,000,000.00	
Deferred Charge - Expenditure without Appropriation	A-29			77,178.75	
Refund of:					
Uniform Construction Code Fees	A-2			10,759.59	
Payment In Lieu of Taxes - Gargiulo	A-2		1,012,813.02	21,707.33	89,773,818.85
			1,012,813.02		89,773,818.85
		\$	-0-	\$	14,627,069.30
Balance, December 31, 2021	A				

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

REF.

Increased by:			
Revenue Accounts Receivable	A-13	\$ 1,376,949.34	
Taxes Receivable	A-9	71,310,934.85	
Tax Title Liens	A-10	87,268.40	
Sewer Charges Receivable	A-11	2,785,321.89	
Sewer Overpayments	A-16	7,264.12	
Tax Overpayments	A-17	104,402.37	
Prepaid Taxes	A-18	366,367.08	
Miscellaneous Revenue Not Anticipated	A-2	17,140.28	
			\$ 76,055,648.33
			76,055,648.33
Decreased by:			
Payment to Treasurer	A-4		\$ 76,055,648.33

"A-6"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance, December 31, 2020 and December 31, 2021	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, 2020 and December 31, 2021	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

	REF.		
Balance, December 31, 2020 (Due From)	A	\$	121,728.73
Increased by:			
Senior Citizens' and Veterans' Deductions Per Tax Billings	A-8	\$	93,750.00
Senior Citizens' and Veterans' Deductions Granted by Tax Collector:			
Prior Year Taxes	A-8		<u>2,000.00</u>
			95,750.00
		\$	<u>217,478.73</u>
Decreased by:			
Cash Receipts	A-4	\$	82,293.15
Senior Citizens' Deductions Disallowed by Tax Collector:			
2020 Taxes	A-8		<u>217.12</u>
		\$	<u>82,510.27</u>
Balance, December 31, 2021 (Due From)	A	\$	<u><u>134,968.46</u></u>

ANALYSIS OF REALIZED REVENUE

Senior Citizens' and Veterans' Deductions Per Tax Billings	A-8	\$	93,750.00
Senior Citizens' and Veterans' Deductions Granted by Tax Collector	A-8		<u>2,000.00</u>
		\$	<u>95,750.00</u>
Less: Senior Citizens' Deductions Disallowed by Tax Collector	A-8		<u>217.12</u>
	A-9	\$	<u><u>95,532.88</u></u>

"A-10"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	REF.		
Balance, December 31, 2020	A		\$ 1,171,643.80
Increased by:			
Transferred from Property Taxes Receivable	A-9	\$ 56,832.65	
Year End Penalties		4,490.78	
			61,323.43
			\$ 1,232,967.23
Decreased by:			
Collections	A-2:A-5		87,268.40
Balance, December 31, 2021	A		\$ 1,145,698.83

"A-11"

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

Balance, December 31, 2020	A		\$ 277,459.36
Increased by:			
Levy			2,742,345.95
			\$ 3,019,805.31
Decreased by:			
Collections	A-2:A-5	\$ 2,785,321.89	
Overpayments Applied	A-2:A-16	5,052.67	
			2,790,374.56
Balance, December 31, 2021	A		\$ 229,430.75

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF FORECLOSED PROPERTY

BLOCK	LOT	BALANCE DECEMBER 31, 2020	BALANCE DECEMBER 31, 2021
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
		\$ 2,280,100.00	\$ 2,280,100.00
REF.		A	A

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	NET PAID OR CHARGED	UNEXPENDED BALANCE LAPSED
SALARIES AND WAGES:				
Administrative and Executive	\$ 12,639.20	\$ 12,639.20	\$ 11,989.71	\$ 649.49
Township Council	0.28	0.28	-	0.28
Township Clerk	7,507.63	7,507.63	-	7,507.63
Financial Administration	50.99	50.99	-	50.99
Collection of Taxes	7,869.73	7,869.73	-	7,869.73
Assessment of Taxes	6,257.06	6,257.06	-	6,257.06
Buildings and Grounds	68,937.41	68,937.41	-	68,937.41
Planning Board	2,500.00	2,500.00	-	2,500.00
Zoning Costs	2,500.00	2,500.00	-	2,500.00
Police	121,110.15	121,110.15	-	121,110.15
Fire	105,016.82	105,016.82	-	105,016.82
School Crossing Guards	34,333.76	34,333.76	-	34,333.76
Garage Service and Repairs	15,769.45	15,769.45	-	15,769.45
Road Repair & Maintenance	71,259.42	71,259.42	-	71,259.42
Community Recreation Commission	13,570.15	13,570.15	(2,077.00)	15,647.15
Senior Citizens	12,167.63	12,167.63	(1,580.08)	13,747.71
Municipal Court	28,192.10	28,192.10	-	28,192.10
Board of Health	16,543.86	16,543.86	(6,693.75)	23,237.61
Building Inspector	37,801.65	37,801.65	(5,718.75)	43,520.40
Accumulated Absences	24,045.44	24,045.44	-	24,045.44
Salary Adjustment Account	110,000.00	110,000.00	-	110,000.00
Sub-Total Salaries and Wages	\$ 698,072.73	\$ 698,072.73	\$ (4,079.87)	\$ 702,152.60

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	NET PAID OR CHARGED	UNEXPENDED BALANCE LAPSED
OTHER EXPENSES:				
Administrative and Executive:				
Departmental Expenses	\$ 330.38	\$ 3,212.40	\$ 2,882.02	\$ 330.38
Photocopy and Film	12,952.23	13,835.79	3,698.56	10,137.23
Townwide Repair and Maintenance Contracts	11,639.60	11,879.60	1,302.14	10,577.46
Township Council	10,744.07	12,425.07	10,326.00	2,099.07
Township Clerk:				
Misc.	935.19	5,565.15	4,595.06	970.09
Advertising	13,748.09	14,695.12	1,167.14	13,527.98
Elections	9,905.10	9,905.10	-	9,905.10
Financial Administration	37,938.29	51,811.79	49,162.43	2,649.36
Annual Audit	6,050.00	65,000.00	58,950.00	6,050.00
Computer Service Department: (Data Processing)	12,790.80	12,790.80	31.41	12,759.39
Collection of Taxes	1,563.14	10,505.13	9,044.55	1,460.58
Assessment of Taxes	9,561.37	9,711.76	242.91	9,468.85
Legal/Professional Services and Costs	134,170.89	158,783.93	90,324.66	68,459.27
Municipal Prosecutor	9,800.00	9,800.00	-	9,800.00
Engineering Services - General	67,000.00	94,282.66	27,282.66	67,000.00
Public Buildings and Grounds	50,016.08	63,238.11	20,655.83	42,582.28
Planning Board	4,147.06	4,441.06	294.00	4,147.06
Zoning Costs	17,538.79	17,832.79	294.00	17,538.79
Alcohol Beverage Control	-	500.00	500.00	-
Postage	12,516.62	12,578.83	2,742.72	9,836.11
Group Insurance Plan for Employees	1,072,421.24	1,074,971.24	109,987.80	964,983.44
Unemployment Compensation Insurance	85,997.20	100,000.00	32,136.27	67,863.73
Workers Compensation Insurance Trust Fund	-	32,681.78	32,681.78	-

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	NET PAID OR CHARGED	UNEXPENDED BALANCE LAPSED
OTHER EXPENSES (CONTINUED):	\$	87.06 \$	- \$	87.06
Other Insurance Premiums				
Fire:				
Miscellaneous	41,940.52	48,550.24	13,996.29	34,553.95
Ambulance Services	22,940.32	22,940.32	3,573.60	19,366.72
Fire Official	7,502.53	9,002.53	1,500.00	7,502.53
Police Department	33,396.97	55,211.58	51,418.57	3,793.01
Traffic Lights	42,850.82	49,777.04	8,900.23	40,876.81
Garage Service and Repairs	38,518.69	56,524.71	19,659.21	36,865.50
Emergency Management	4,275.56	4,275.56	3,361.50	914.06
Roads Repair & Maintenance	111,965.87	187,043.70	76,543.45	110,500.25
Garbage, Trash and Recycling Collection	335,680.71	398,488.42	353,608.05	44,880.37
Sewer System	48,288.79	48,288.79	14,398.93	33,889.86
Sewer Pumping System	15,621.06	26,716.06	20,008.80	6,707.26
Board of Health	20,209.89	42,956.89	23,253.54	19,703.35
Dog License Regulation	9,152.72	14,735.20	11,164.96	3,570.24
Community Recreation Commission	11,247.75	12,597.75	1,579.64	11,018.11
Senior Citizens	14,073.56	16,523.56	3,076.30	13,447.26
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	27,118.65	27,363.60	3,037.20	24,326.40
Public Defender	9,175.00	9,175.00	-	9,175.00
Cable TV & Community Public Access	10,000.00	10,000.00	-	10,000.00
Building Inspector (Code Enforcement)	3,529.42	4,298.71	-	2,068.81
Utilities- All	21,357.88	24,462.23	2,229.90	-
Street Lighting	45,270.30	45,270.30	24,462.23	5,236.10
Fire Hydrant Service	77,063.32	101,087.96	40,034.20	51,030.86
			50,057.10	

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	NET PAID OR CHARGED	UNEXPENDED BALANCE LAPSED
OTHER EXPENSES (CONTINUED):				
Health Benefit Waiver	\$ 41,250.00	\$ 41,250.00	\$ -	41,250.00
Contingent	500.00	500.00	-	500.00
Public Employees Retirement System (PERS)	249.14	249.14	-	249.14
Social Security (O.A.S.I.)	83,055.23	83,055.23	-	83,055.23
Consolidated Police and Firemen's Pension Fund	0.08	0.08	-	0.08
Union County Fire & EMS Dispatch Services	4,422.00	4,422.00	4,422.00	-
Police and Firemen's Retirement System of NJ	339.26	339.26	-	339.26
Defined Retirement Contribution Plan	13,000.00	13,000.00	-	13,000.00
Matching Funds for Grants	5,000.00	5,000.00	-	5,000.00
Sub-Total Other Expenses	2,700,849.24	3,173,641.03	1,188,587.64	1,985,053.39
	\$ 3,398,921.97	\$ 3,871,713.76	\$ 1,184,507.77	\$ 2,687,205.99
REF.	A			A-1
Appropriation Reserves				
Transferred from Encumbrances	\$	3,398,921.97		
		472,791.79		
	\$	3,871,713.76		
Cash Disbursements - Net				
Transferred to Accounts Payable	\$	1,091,543.96		
		109,135.09		
	\$	1,200,679.05		
Less: Refunds				
		16,171.28		
	\$	1,184,507.77		

"A-15"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF RESERVE FOR RETIREMENT

	REF.	
Balance, December 31, 2020 and December 31, 2021	A	\$ 53,001.99

"A-16"

SCHEDULE OF SEWER OVERPAYMENTS

Balance, December 31, 2020	A	\$ 5,052.67
Increased by:		
Cash Receipts	A-5	7,264.12
		\$ 12,316.79
Decreased by:		
Applied	A-11	5,052.67
Balance, December 31, 2021	A	\$ 7,264.12

"A-17"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

REF.

Balance, December 31, 2020	A		\$	119,162.98
Increased by:				
Overpayments	A-5			<u>104,402.37</u>
			\$	<u>223,565.35</u>
Decreased by:				
Refunded	A-4	\$	46,963.41	
Applied	A-9		<u>48,939.38</u>	
				<u>95,902.79</u>
Balance, December 31, 2021	A		\$	<u><u>127,662.56</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2020	A		\$	280,165.91
Increased by:				
Collection of 2022 Taxes	A-5			<u>366,367.08</u>
			\$	<u>646,532.99</u>
Decreased by:				
Applied to 2021 Taxes	A-9			<u>280,165.91</u>
Balance, December 31, 2021	A		\$	<u><u>366,367.08</u></u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	REF.			
Balance, December 31, 2020:				
Current Fund	A	\$	472,791.79	
Grant Fund	A		<u>115,309.12</u>	
				\$ 588,100.91
Increased by:				
2021 Appropriations	A-3	\$	899,395.63	
Reserve for Grants Appropriated	A-21		<u>462,836.49</u>	
				<u>1,362,232.12</u>
				\$ 1,950,333.03
Decreased by:				
Transferred to Appropriation Reserves	A-14	\$	472,791.79	
Transferred to Grants Appropriated	A-21		<u>115,309.12</u>	
				<u>588,100.91</u>
Balance, December 31, 2021				\$ <u><u>1,362,232.12</u></u>
Current Fund	A			\$ 899,395.63
Grant Fund	A		<u>462,836.49</u>	
				<u><u>1,362,232.12</u></u>

TOWNSHIP OF HILLSIDE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2020	2021 BUDGET	AMENDMENTS	CASH RECEIPTS	BALANCE DECEMBER 31, 2021
	\$	\$	\$	\$	
Clean Communities Program	8,663.69				8,663.69
Body Armor Replacement Fund	353.84				353.84
Mayor's Advisory Council on Drug & Alcohol Abuse	575.03				575.03
FY2015	6.87				
FY2016	20,800.00				20,800.00
FY2017	27,319.33				27,319.33
FY2020	31,544.64				31,544.64
Summer Food Service Program - 2013	40,973.90				40,973.90
Summer Food Service Program - 2016	8,832.99				8,832.99
Summer Food Service Program - 2017	11,329.02				11,329.02
Summer Food Service Program - 2018	31,128.58				31,128.58
Summer Food Service Program - 2019					
Summer Food Feeding Program					
2020 Summer Feeding Program					
Summer Food Service Program - 2021			46,833.94	21,630.97	25,202.97
County of Union - Field of Dreams Grant	50,000.00				50,000.00
County of Union - Green the Streets	125,000.00				125,000.00
County of Union - Open Space Grant	20,000.00				20,000.00
Kids Recreation Trust Fund 2018	9,666.58				9,666.58
Greening Union County	15,000.00				15,000.00
Greening Union County	11,000.00				11,000.00
Greening Union County - 2018	2,100.00				2,100.00
Edward Byrne Memorial Justice Assistance Grant	37,604.40				37,604.40
Edward Byrne Memorial Justice Assistance Grant	14,067.90				14,067.90
Neighborhood Stabilization Program (ARRA)	100,000.00				100,000.00
NJ DOT - Highway Safety Grant	12,413.93				12,413.93
NJ DOT - Distracted Driving Grant	6,600.00				6,600.00
DOT - Burnett Street - 2014	51,967.80				51,967.80
DOT - Hollywood Ave Section II	31,898.70				31,898.70
DOT - Westminster Ave	10,662.21				10,662.21
DOT - Bloy Street	254,056.00			190,542.00	63,514.00
DOT - Urban Aid 2017	51,367.00			51,367.00	
DOT - Urban Aid 2018	48,281.67			48,281.67	
NJDOT - Plymouth Rd	147,946.00				
NJDOT - Williamson Ave	350,000.00				147,946.00
Evans Terminal Storm Water Replacement	250,000.00				350,000.00
UEZ - Streets & Roads Summer Work Program	57,000.00				250,000.00
FEMA - OEM Hazard Mitigation	198,580.00				57,000.00
					198,580.00

TOWNSHIP OF HILLSIDE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2020	2021 BUDGET	AMENDMENTS	CASH RECEIPTS	BALANCE DECEMBER 31, 2021
NJ DOT - Safe Corridor - 2015	\$ 64,096.19	\$	\$	\$	64,096.19
NJ DOT - Safe Corridor - 2018	19,171.44				19,171.44
Infrastructure & Municipal Aid Grant - 2015	5,776.37				5,776.37
Infrastructure & Municipal Aid Grant - 2017	6,332.50				6,332.50
Infrastructure & Municipal Aid Grant - 2018	475.00				475.00
2019 Infrastructure Municipal Aid	2,565.62				2,565.62
2020 Infrastructure Municipal Aid	55,000.00			50,622.44	4,377.56
2021 Infrastructure Municipal Aid		20,525.06			20,525.06
2019 Union County Kids Trust	8,121.00				8,121.00
NJDEP Green Acres	912,515.00			20,000.00	912,515.00
NJ Heroes Too Grant	20,000.00			107,394.00	
Strengthening L.P.Health.CPCT	142,236.00				
Strengthening L.P. Health, CPCT - 2021			291,042.00		34,842.00
Pedestrian Safety, Enforcement and Education			15,000.00		291,042.00
Greening Union County			2,500.00		15,000.00
Body-Worn Camera 2021			61,140.00		2,500.00
Union County Kids Recreation Grants			43,055.00		61,140.00
DOT - Street Improvements to Virginia St. & Woodruff Ave			398,793.00		43,055.00
HEART Grant		1,000.00		500.00	398,793.00
					500.00
	3,273,029.20	21,525.06	892,291.28	524,265.42	3,662,573.25
REF.	A	A-2	A-2	A-4	A

TOWNSHIP OF HILLSIDE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2020	MODIFIED	2021 BUDGET	Paid or Charged	BALANCE DECEMBER 31, 2021	OVEREXPENDITURE
	\$			\$		
Alcohol Education & Rehabilitation Program	4,251.97	4,251.97			4,251.97	
Clean Communities Program	91,798.52	91,798.52			108,434.03	
Drunk Driving Enforcement Fund	1,148.20	1,148.20		17,291.83	1,148.20	
Recycling Tonnage Grant	29,517.99	29,517.99			28,011.99	
Body Armor Replacement Grant	13,667.20	13,667.20		3,506.00	10,314.24	
Solid Waste Grant	32,823.14	32,823.14		3,352.96	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			1,023.00	
Local Match	115.00	115.00			115.00	
FY2019 Grant(07/01/18-06/30/19)						
County Share	20,800.00	20,800.00		1,023.00	19,777.00	
Local Match	5,200.00	5,200.00		115.00	5,085.00	
FY2020 Grant(07/01/19-06/30/20)						
County Share	20,800.00	20,800.00			20,800.00	
Local Match	5,200.00	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		413,633.76	137,409.41	
NJDOT - Plymouth Rd	147,946.00	147,946.00		10,536.59	10,536.59	
NJDOT - Williamson Ave	350,000.00	350,000.00		14,214.57	335,785.43	
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		7,500.00	25.00	
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			12,406.59	
Summer Food Service Program 2021			46,833.94	34,427.35	200,000.00	
UEZ Green the Streets	200,000.00	200,000.00			200,000.00	
UEZ Liberty Avenue	12,159.53	12,633.90			12,633.90	
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-UNAPPROPRIATED

	BALANCE DECEMBER 31, 2020	CASH RECEIPTS	BALANCE DECEMBER 31, 2021
Recycling Tonnage Grant	\$ 16,623.02	\$	\$ 16,623.02
Body Armor Fund		4,489.88	4,489.88
Recycling Tonnage Grant		17,699.64	17,699.64
	<u>\$ 16,623.02</u>	<u>\$ 22,189.52</u>	<u>\$ 38,812.54</u>
REF.	A	A-4	A

"A-23"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF RESERVE FOR FIRE PENALTIES AND ASSESSMENTS

REF.

Balance, December 31, 2020 and December 31, 2021	A	\$ 30,256.65
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"A-24"

SCHEDULE OF RESERVE FOR CODIFICATION OF ORDINANCES

Balance, December 31, 2020 and December 31, 2021	A	\$ 189.38
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"A-25"

GRANT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - SUMMER FOOD

Balance, December 31, 2020 and December 31, 2021	A	\$ 25.04
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"A-26"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

REF.

Balance, December 31, 2020	A		\$	1,612.43
Increased by:				
Tax Levy	A-9	\$	10,966,788.83	
Added Taxes	A-9		<u>96,980.87</u>	
				11,063,769.70
			\$	<u>11,065,382.13</u>
Decreased by:				
Payments	A-4			<u>11,063,534.49</u>
Balance, December 31, 2021	A		\$	<u><u>1,847.64</u></u>

"A-27"

SCHEDULE OF SCHOOL TAXES PAYABLE

Balance December 31, 2020 (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, 2021 (Prepaid)	A		\$	<u><u>(6.00)</u></u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF INTERFUNDS

		ANIMAL		TRUST		GENERAL		SWIM POOL		SWIM POOL		PUBLIC	
		CONTROL		OTHER FUND		CAPITAL		UTILITY		UTILITY		ASSISTANCE	
		TRUST FUND		FUND		FUND		FUND		FUND		TRUST FUND II	
REF.	TOTAL												
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
Receipts:													
A-4		1,568,248.10		112,840.78		695,038.42		108,898.33		105,015.63		546,454.94	
A-3		17,637.58		17,637.58									
Deferred Charges Raised in Budget													
A-4		3,838,474.72		2,385,616.64		986,500.00						466,358.08	
A-2		9,195.65		9,195.65									
Disbursements													
Statutory Excess													
Balance, December 31, 2021													
A	\$	14,273.05	\$	14,273.05	\$	\$	\$	\$	\$	\$	\$	\$	\$
A		3,823,616.96		2,427,318.21		1,071,325.37		33,050.57		105,015.63		169,769.36	17,137.82

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	ADDED IN <u>2021</u>	BALANCE DECEMBER 31, <u>2021</u>
Emergency Authorization - 40A:4-46	\$ 190,991.48	\$ 190,991.48
Overexpenditure of Appropriations	33,536.80	33,536.80
Expenditure without an Appropriation	<u>77,178.75</u>	<u>77,178.75</u>
	<u>\$ 301,707.03</u>	<u>\$ 301,707.03</u>
<u>REF.</u>	A-3;A-4	A

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

REF.

Balance, December 31, 2020 and
December 31, 2021

A

\$ 10,500.00

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

REF.

Balance, December 31, 2020	A	\$ 56,706.12
Increased by:		
Transferred from Appropriation Reserves	A-14	<u>109,135.09</u>
Balance, December 31, 2021	A	<u><u>\$ 165,841.21</u></u>

"A-32"

TOWNSHIP OF HILLSIDE

GRANT FUND

SCHEDULE OF DUE TRUST OTHER FUND

REF.

Balance, December 31, 2020 and December 31, 2021 (Due from)	A	\$ <u>256,355.00</u>
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"A-33"

SCHEDULE OF DUE SWIM POOL CAPITAL FUND

Balance, December 31, 2020 and December 31, 2021	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</u> <u>AUTHORIZED</u>	<u>PURPOSE</u>	<u>NET AMOUNT</u> <u>AUTHORIZED</u>	<u>1/5 OF NET AMOUNT</u> <u>AUTHORIZED</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2020</u>	<u>RAISED IN</u> <u>2021 BUDGET</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2021</u>
12/19/2017	Contractually Required Severance Liabilities	\$ 731,557.80	\$ 146,311.56	\$ 292,623.14	\$ 146,311.56	\$ 146,311.58
				\$ 292,623.14	\$ 146,311.56	\$ 146,311.58
			<u>REF.</u>	A	A-3	A

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF RESERVE FOR INSURANCE DAMAGES

	REF.	
Balance, December 31, 2020	A	\$ 326,810.86
Decreased by:		
Cash Disbursements	A-4	<u>250,000.00</u>
Balance, December 31, 2021	A	<u>\$ 76,810.86</u>

SCHEDULE OF RESERVE FOR UNALLOCATED RECEIPTS

Balance, December 31, 2020 and December 31, 2021	A	<u>\$ 49,689.45</u>
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TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF TAX ANTICIPATION NOTE PAYABLE

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

TOWNSHIP OF HILLSIDE

GRANT FUND

SCHEDULE OF DEFERRED CHARGES

	ADDED IN 2021	BALANCE DECEMBER 31, 2021
Overexpenditure of Grant Reserves	\$ 191,127.76	\$ 191,127.76
	\$ 191,127.76	\$ 191,127.76
REF.	A-21	A

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF CASH - TREASURER

REF.	ANIMAL CONTROL		OTHER	
	\$	\$	\$	\$
Balance, December 31, 2020		133,971.73		3,961,512.12
Increased by Receipts:				
Animal Control Fees	5,857.30			
Dog Registration Fees - Due State of New Jersey	1,229.40			
Community Development Block Grant Receivable			218,105.23	
Reserve for:				
Tax Sale Redemption			2,017,016.41	
Retiree Prescription Account			2.38	
UEZ 2nd Generation Fund			110.85	
UEZ Revolving Loan Escrow			7.30	
Police Off Duty Escrow			1,782,180.74	
Special Law Enforcement Trust			870.31	
Miscellaneous Trust Deposits			3,169,643.00	
Federal Law Enforcement Trust			16.31	
Building Department Escrow			86,218.28	
Interfunds Receivable			12,907,510.68	
Payroll Deductions Payable			22,824,964.31	
		7,086.70		43,006,645.80
	\$	141,058.43	\$	46,968,157.92
Decreased by Disbursements:				
Animal Control Expenditures	13.20			
New Jersey State Board of Health	1,182.00			
Reserve for:				
Community Development Block Grant			219,198.69	
Tax Sale Redemption			2,106,024.29	
Police Off Duty Escrow			1,674,667.49	
Miscellaneous Trust Deposits			1,575,638.64	
Federal Law Enforcement Trust			16,159.88	
Building Department Escrow			100,691.46	
Due Current Fund	112,840.78		11,216,932.46	
Payroll Deductions Payable			22,864,462.11	
		114,035.98		39,773,775.02
	\$	27,022.45	\$	7,194,382.90
Balance, December 31, 2021				

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	REF.		
Balance, December 31, 2020	B		\$ 14,021.15
Increased by:			
Dog License Fees	B-1	\$ 4,923.00	
Miscellaneous	B-1	934.30	
			5,857.30
			\$ 19,878.45
Decreased by:			
Cash Disbursements	B-1	\$ 13.20	
Statutory Excess Due Current Fund	B-20	9,195.65	
			9,208.85
Balance, December 31, 2021	B		\$ 10,669.60

LICENSE FEES COLLECTED	
YEAR	AMOUNT
2019	5,746.60
2020	4,923.00
	\$ 10,669.60

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

Balance, December 31, 2020	B	\$ 32.40
Increased by:		
Cash Receipts	B-1	1,229.40
		\$ 1,261.80
Decreased by:		
Cash Disbursements	B-1	1,182.00
Balance, December 31, 2021	B	\$ 79.80

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

PROGRAM DESCRIPTION	BALANCE DECEMBER 31, 2020	GRANTS APPROVED BY COUNTY OF UNION	CASH RECEIPTS	CANCELED	BALANCE DECEMBER 31, 2021
Program Year 45:					
Buie Center Youth Recreation	\$ 1,444.60	\$		\$	\$ 1,444.60
Road Resurfacing	140,000.00		139,413.41		
Buie Center Roof Replacement	50,530.00			586.59	50,530.00
Program Year 46:					
Senior Citizens Health Care Program		12,500.00	12,500.00		
Senior Citizens Program		10,747.22	10,747.22		
Buie Center Youth Recreation		14,444.60	14,444.60		
Maternal Child Health Care		18,000.00	18,000.00		
Code Enforcement		23,000.00	23,000.00		
Road Resurfacing		139,413.41			139,413.41
	<u>\$ 191,974.60</u>	<u>\$ 218,105.23</u>	<u>\$ 218,105.23</u>	<u>\$ 586.59</u>	<u>\$ 191,388.01</u>
REF.	B	B-5	B-1	B-5	B

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT

PROGRAM DESCRIPTION	BALANCE DECEMBER 31, 2020	GRANTS APPROVED BY COUNTY OF UNION	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2021
Program Year 45:					
Senior Citizens Program	\$ 2,959.99	\$	2,959.99	\$	
Buie Center Youth Recreation	6,445.94		5,001.34		1,444.60
Road Resurfacing	134,114.89		133,528.30	586.59	
Buie Center Roof Replacement	39,026.00		11,361.00		27,665.00
Program Year 46:					
Senior Citizens Health Care Program		12,500.00	12,500.00		
Senior Citizens Program		10,747.22	10,747.22		
Buie Center Youth Recreation		14,444.60	6,284.00		8,160.60
Maternal Child Health Care		18,000.00	8,614.00		9,386.00
Code Enforcement		23,000.00	13,081.25		9,918.75
Road Resurfacing		139,413.41	15,121.59		124,291.82
	<u>\$ 182,546.82</u>	<u>\$ 218,105.23</u>	<u>\$ 219,198.89</u>	<u>\$ 586.59</u>	<u>\$ 180,866.77</u>
REE:	B	B-4	B-1	B-4	B

"B-6"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR FACADE LOAN REPAYMENTS

REF.

Balance, December 31, 2020		
December 31, 2021	B	\$ <u>35,134.28</u>

"B-7"

SCHEDULE OF RESERVE FOR TAX SALE REDEMPTION

Balance, December 31, 2020	B	\$ 281,727.17
Increased by:		
Cash Receipts	B-1	<u>2,017,016.41</u>
		\$ <u>2,298,743.58</u>
Decreased by:		
Cash Disbursements	B-1	<u>2,106,024.29</u>
Balance, December 31, 2021	B	\$ <u>192,719.29</u>

"B-8"

SCHEDULE OF RESERVE FOR RETIREE PRESCRIPTION ACCOUNT

Balance, December 31, 2020	B	\$ 36,355.58
Increased by:		
Cash Receipts	B-1	<u>2.38</u>
Balance, December 31, 2021	B	\$ <u>36,357.96</u>

"B-9"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

REF.

Balance, December 31, 2020 and December 31, 2021	B	\$ <u>120,084.13</u>
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"B-10"

SCHEDULE OF RESERVE FOR FLEXIBLE SPENDING ACCOUNT

Balance, December 31, 2020 and December 31, 2021	B	\$ <u>1,225.00</u>
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"B-11"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR UEZ 2ND GENERATION FUND

REF.

Balance, December 31, 2020	B	\$	759,855.04
Increased by:			
Cash Receipts	B-1		<u>110.85</u>
Balance, December 31, 2021	B	\$	<u><u>759,965.89</u></u>

"B-12"

SCHEDULE OF RESERVE FOR UEZ REVOLVING LOAN ESCROW

Balance, December 31, 2020	B	\$	7,286.16
Increased by:			
Cash Receipts	B-1		<u>7.30</u>
Balance, December 31, 2021	B	\$	<u><u>7,293.46</u></u>

"B-13"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF POLICE OFF-DUTY ESCROW

REF.

Balance, December 31, 2020	B	\$	336,693.46
Increased by:			
Cash Receipts	B-1		<u>1,782,180.74</u>
		\$	2,118,874.20
Decreased by:			
Cash Disbursements	B-1		<u>1,674,667.49</u>
Balance, December 31, 2021	B	\$	<u><u>444,206.71</u></u>

"B-14"

SCHEDULE OF RESERVE FOR LOCAL LAW ENFORCEMENT BLOCK GRANT

Balance, December 31, 2020 and December 31, 2021	B	\$	<u><u>628.02</u></u>
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"B-15"

SCHEDULE OF RESERVE FOR SPECIAL LAW ENFORCEMENT TRUST

Balance, December 31, 2020	B	\$	9,985.45
Increased by:			
Cash Receipts	B-1		<u>870.31</u>
Balance, December 31, 2021	B	\$	<u><u>10,855.76</u></u>

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

DESCRIPTION	BALANCE		RECEIPTS	EXPENDED	BALANCE
	DECEMBER	DECEMBER			
	31, 2020	31, 2021			
Tax Sale Premium	\$ 3,684,950.17	\$ 5,302,150.17			
Zoning and Planning Escrow	4,480.00	4,480.00			
D.C.A. Fees Due State of New Jersey	36,970.00		3,120,500.00	1,503,300.00	\$
Electrical Inspection Fees	2,030.00		21,491.00	51,429.00	
Elevator Inspection Fees	15,666.00				
Police Department Donations	1,391.24				
Fire Fines and Penalties (UFC Fees)	66,516.00		6,616.00	2,650.96	
Fire Department Donations	6,760.46		1,000.00		
UFC Training	14,285.00				
National Night Out	202.34				
Hillside Street Fair	3,566.34				
Marriage License Fees Due State of New Jersey	1,800.00		4,676.00	4,200.00	
Board of Health	6,774.46		600.00	3,311.72	
Burial Permit Fees Due State of New Jersey	515.00				
Medicare	3,158.56				
Senior Citizens Funds	639.84		130.00		
Recreation Trust	29,549.30		8,266.00	7,050.00	
Parking Offence Adjudication Act	32,238.86		1,640.00	2,321.96	
Public Defender			4,724.00	1,375.00	
UEZ Funds Unappropriated	1,702,958.13				
Environmental Health Commission	2,970.43				
Street Opening Deposits	4,935.60				
Entranceway Signage Project	1,950.00				
Musicfest	3,575.00				
Hardware Escrow - Deposit on Sale of Property	89,936.21				
Home Festival	701.84				
DWI	160.75				
Miscellaneous Deposits	3,074.87				
Total Miscellaneous	\$ 5,721,756.40	\$ 7,315,760.76	\$ 3,169,643.00	\$ 1,575,638.64	
	B		B-1	B-1	B

REF.

"B-17"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR FEDERAL LAW ENFORCEMENT TRUST FUND

	REF.	
Balance, December 31, 2020	B	\$ 48,862.12
Increased by:		
Cash Receipts	B-1	16.31
		\$ 48,878.43
Decreased by:		
Cash Disbursements	B-1	16,159.88
Balance, December 31, 2021	B	\$ 32,718.55

"B-18"

SCHEDULE OF RESERVE FOR BUILDING DEPARTMENT ESCROW

Balance, December 31, 2020	B	\$ 506,015.11
Increased by:		
Cash Receipts	B-1	86,218.28
		\$ 592,233.39
Decreased by:		
Cash Disbursements	B-1	100,691.46
Balance, December 31, 2021	B	\$ 491,541.93

TOWNSHIP OF HILLSIDE

TRUST OTHER FUND

SCHEDULE OF INTERFUNDS

		REF.	TOTAL	CURRENT FUND	ANIMAL CONTROL TRUST FUND	GENERAL CAPITAL FUND	GRANT FUND	SWIM POOL OPERATING	
Balance, December 31, 2020									
Due From	B	\$	4,134,938.25	\$ 4,100,258.85	\$ 2,000.00	\$ 32,679.40	\$		
Due To	B		256,431.50				256,355.00	76.50	
Receipts	B-1		12,907,510.68	12,907,510.68					
Disbursements	B-1		11,216,932.46	11,216,932.46					
Deferred Charge	B-22		17,637.58	17,637.58					
Balance, December 31, 2021									
Due From	B	\$	2,461,997.61	\$ 2,427,318.21	\$ 2,000.00	\$ 32,679.40	\$		
Due To	B		256,431.50				256,355.00	76.50	

TOWNSHIP OF HILLSIDE

ANIMAL CONTROL TRUST FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	CURRENT FUND	TRUST OTHER FUND
Balance, December 31, 2020				
Due To	B	\$ 119,918.18	\$ 117,918.18	\$ 2,000.00
Statutory Excess	B-2	9,195.65	9,195.65	
Balance, December 31, 2021				
Due To	B	\$ 16,273.05	\$ 14,273.05	\$ 2,000.00

"B-21"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF PAYROLL DEDUCTIONS (RECEIVABLE)/PAYABLE

REF.

Balance, December 31, 2020 (Payable)	B	\$	859.13
Increased by:			
Cash Receipts	B-1		<u>22,824,964.31</u>
		\$	22,825,823.44
Decreased by:			
Cash Disbursements	B-1		<u>22,864,462.11</u>
Balance, December 31, 2021 (Receivable)	B	\$	<u><u>(38,638.67)</u></u>

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF DEFERRED CHARGES

DESCRIPTION	BALANCE DECEMBER 31, 2020	RAISED IN CURRENT BUDGET
Overexpenditure of: Miscellaneous Trust Reserves	\$ 17,637.58	\$ 17,637.58
	\$ 17,637.58	\$ 17,637.58
REF.	B	B-19

"C-2"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

REF.

Balance, December 31, 2020	C		\$	473,725.71
Increased by:				
Capital Improvement Fund	C-9	\$	100,000.00	
Interfunds Returned	C-6		986,500.00	
Bond Anticipation Note	C-12		4,452,352.00	
Premium on Bond Anticipation Note Issued	C-1		<u>8,898.33</u>	
				<u>5,547,750.33</u>
			\$	6,021,476.04
Decreased by:				
Contracts Payable	C-10	\$	766,655.29	
Interfunds Advanced	C-6		108,898.33	
Bond Anticipation Note	C-12		980,952.00	
Fund Balance	C-1		<u>986,500.00</u>	
				<u>2,843,005.62</u>
Balance, December 31, 2021	C		\$	<u><u>3,178,470.42</u></u>

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND
ANALYSIS OF CASH

DESCRIPTION	BALANCE DECEMBER 31, 2021	
Capital Improvement Fund	\$	217,714.46
Contracts Payable		2,095,911.35
Reserve for Construction of Salt Shed		89,321.76
Grants Receivable		(92,000.00)
Improvement Authorizations Funded (Set Forth on Exhibit "C-11")		405,377.10
Improvement Authorizations Expended (Set Forth on Exhibit "C-8")		(629,624.70)
Unexpended Proceeds of Bond Anticipation Notes		1,954,738.35
Interfunds Receivable		(1,150,968.89)
Interfunds Payable		32,679.40
Fund Balance		<u>255,321.59</u>
	\$	<u><u>3,178,470.42</u></u>
REF.		C

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	REF.		
Balance, December 31, 2020	C	\$	7,973,772.19
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		79,475.89
			<u>394,975.89</u>
Balance, December 31, 2021	C	\$	<u>7,578,796.30</u>

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

REF.

Balance, December 31, 2020 and December 31, 2021	C	\$ 92,000.00
<u>Analysis of Balance</u>		
Community Development Block Grant		\$ 92,000.00
		\$ 92,000.00

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

		CURRENT		TRUST	SWIM POOL		SWIM POOL	
		TOTAL	FUND	OTHER FUND	UTILITY	OPERATING	UTILITY	CAPITAL
REF.					FUND	FUND	FUND	FUND
Balance, December 31, 2020								
C	Due from	\$ 2,028,570.56	\$ 1,948,927.04	\$		\$ 4,520.23	\$	75,123.29
C	Due to	32,679.40		32,679.40				
C-2	Receipts	986,500.00	986,500.00					
C-2	Disbursements	108,898.33	108,898.33					
Balance, December 31, 2021								
C	Due from	\$ 1,150,968.89	\$ 1,071,325.37	\$		\$ 4,520.23	\$	75,123.29
C	Due to	32,679.40		32,679.40				

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

ECONOMIC DEVELOPMENT AUTHORITY

SCHEDULE OF DEMOLITION LOAN PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF		INTEREST RATE	BALANCE DECEMBER 31, 2020	DECREASED	BALANCE DECEMBER 31, 2021
			LOAN OUTSTANDING					
			DATE	AMOUNT				
Underground Storage Tank Loan	2018	\$	2018	\$	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%			
						\$ 84,000.00	\$ 10,500.00	\$ 73,500.00
					\$ 84,000.00	\$ 10,500.00	\$ 73,500.00	

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2020	2021 AUTHORIZATIONS	CANCELLED	BALANCE DECEMBER 31, 2021	ANALYSIS OF BALANCE, DECEMBER 31, 2021		
		\$	\$	\$	\$	BOND ANTICIPATION NOTES	EXPENDITURES	UNFUNDED IMPROVEMENT AUTHORIZATIONS
475	Various Capital Improvements	800.02		800.02				
00-018	Various Public Improvements	50.00		50.00				
02-023	Demolition of Unsafe Buildings and Structures at Various Localions	50,096.40		34,192.40	15,914.00		15,914.00	
02-024	Township's Portion of Joint Meeting Capital Improvement Plan	16,303.00		14,232.43	2,070.57		2,070.57	
06-016	Townships Portion of Joint Meeting Capital Improvement Plan	15,423.00		5,735.87	9,687.13		9,687.13	
0-07-002	Environmental Remediation, Hollywood Ave Firehouse	22,542.00		22,542.00				
09-017	Township's Portion of Joint Meeting Capital Improvement Plan	520,000.00		26,221.00	493,779.00		493,779.00	
09-019	Various Public Improvements and Acquisition of New, Additional or Replacement Equipment and Machinery	375.00		375.00				
08-020	Various Public Improvements and Acquisition of New, Additional or Replacement Equipment and Machinery	523.00		523.00				
09-025	Hillside Ave Stormwater Management System	356,221.00		356,221.00				
14-13	Townships Portion of Joint Meeting Capital Improv. Plan	230,659.00		230,659.00				
14-16	Acquisition of a Sewer Jet Vacuum Machine	113,325.00		5,151.00	108,174.00		108,174.00	
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		
21-19	Various Public Improvements & Acquisitions		1,955,500.00		1,955,500.00	1,955,500.00		
		\$ 10,400,483.43	\$ 1,955,500.00	\$ 686,692.72	\$ 11,659,290.71	\$ 4,452,352.00	\$ 629,824.70	\$ 6,577,314.01
REF.		C	C-11	C-11	C	C-12	C-3	
Unexpended Improvement Authorizations-Unfunded							\$ 8,532,052.36	
Less: Unexpended Proceeds of Bond Anticipation Notes							1,954,738.35	
							\$ 6,577,314.01	

"C-9"

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	REF.	
Balance, December 31, 2020	C	\$ 215,714.46
Increased by:		
Budget Appropriation	C-2	100,000.00
		\$ 315,714.46
Decreased by:		
Improvement Authorizations	C-11	98,000.00
Balance, December 31, 2021	C	\$ 217,714.46

"C-10"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2020	C	\$ 845,715.26
Increased by:		
Contracts Payable:		
Improvement Authorizations	C-11	2,016,851.38
		\$ 2,862,566.64
Decreased by:		
Cash Disbursements	C-2	766,655.29
Balance, December 31, 2021	C	\$ 2,095,911.35

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2020		2021 AUTHORIZATIONS	CONTRACTS PAYABLE	IMPROVEMENT AUTHORIZATION CANCELLED	BALANCE DECEMBER 31, 2021	
		DATE	AMOUNT	FUNDED	UNFUNDED				FUNDED	UNFUNDED
475	Various Improvements to Public Property and Buildings and the Acquisition of Equipment and Machinery	06/25/96	\$ 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	09/28/98	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			2,026.27		
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	05/11/02	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	26,000.00	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	06/27/06	420,820.00		5,735.87			5,735.87		
07-002	Environmental Remediation, Hollywood Ave Firehouse	04/15/07	100,000.00	3,601.66				26,143.86		
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	205,146.51	375.00			205,523.51		
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			89,595.32		
09-025	Hillside Ave Stormwater Management System	10/27/09	860,000.00	481,834.00	356,221.00			848,055.00		
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	325,637.31				325,637.31		
18-06	Demolition of Unsafe Building & Structures	07/10/18	105,000.00	5,250.00	53,314.01			5,250.00	53,314.01	
18-15	Lifts for Public Work Garage	10/09/18	94,525.00	54,525.00				54,525.00		
18-19	2018 Capital Acquisitions, Improvements and Equipment	11/27/18	6,023,000.00	526,863.83	3,809,000.00		181,281.73		3,809,000.00	
18-23	Capital Improvements projects for the joint meeting of Essex & Union Co	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		(528,201.00)		673,009.00	
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	76,100.00	1,515,900.00		1,559,824.23		32,175.77	
21-19	Various Public Improvements & Acquisitions	10/13/21	2,053,500.00			2,053,500.00	803,946.42		1,249,553.58	
			\$	1,850,368.78	\$ 8,934,714.73	\$ 2,053,500.00	2,016,851.38	\$ 1,884,302.67	405,377.10	\$ 8,532,052.36
		REF.		C	C		C-10		C-C-3	C-C-8
	Deferred Charges - Unfunded Capital Improvement Fund					\$ 1,965,500.00				
		C-8				98,000.00				
		C-9								
						\$ 2,053,500.00				
	Deferred Charges Unfunded Fund Balance							\$ 696,692.72		
		C-8						1,187,609.95		
		C-1						1,884,302.67		

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2020	INCREASED	DECREASED	BALANCE DECEMBER 31, 2021
19-016	Acquisition of Vehicles and Equipment	10/24/2019	10/23/2020	10/22/2021	0.650%	\$ 980,952.00	\$	980,952.00	\$ 980,952.00
19-016	Acquisition of Vehicles and Equipment	10/24/2019	10/23/2020	5/27/2022	0.320%		980,952.00		980,952.00
20-17	Various Public Improvements	5/27/2021	5/27/2021	5/27/2022	1.000%		1,515,900.00		1,515,900.00
21-19	Various Public Improvements & Acquisitions	12/22/2021	12/22/2021	5/27/2022	0.460%		1,955,500.00		1,955,500.00
						<u>980,952.00</u>	<u>4,452,352.00</u>	<u>980,952.00</u>	<u>4,452,352.00</u>
						C	C-2	C-2	C
					REF.				

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF		INTEREST RATE	BALANCE DECEMBER 31, 2020	DECREASED	BALANCE DECEMBER 31, 2021
			LOAN OUTSTANDING					
			DATE	AMOUNT				
General Improvement Bonds 2019	6/13/2019	\$ 7,530,000.00	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%			
						\$ 7,225,000.00	\$ 305,000.00	\$ 6,920,000.00
						\$ 7,225,000.00	\$ 305,000.00	\$ 6,920,000.00
			REF.	C	C-4	C		

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF INFRASTRUCTURE LOAN PAYABLE

	REF.	
Balance, December 31, 2020	C	\$ 723,336.20
Decreased by:		
Loan Paid by Budget	C-4	<u>79,475.89</u>
Balance, December 31, 2021	C	<u>\$ 643,860.31</u>

"C-15"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONSTRUCTION OF SALT SHED

REF.

Balance, December 31, 2020 and December 31, 2021	C	\$ <u>89,321.76</u>
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"C-16"

SCHEDULE OF DEMOLITION LOAN RECEIVABLE - STATE OF NEW JERSEY

REF.

Balance, December 31, 2020 and December 31, 2021	C	\$ <u>58,564.01</u>
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TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2021
02-023	Demolition of Unsafe Buildings and Structures at Various Locations	\$ 15,914.00
02-024	Townships Portion of Joint Meeting Capital Improvement Plan	2,070.57
06-016	Townships Portion of Joint Meeting Capital Improvement Plan	9,687.13
09-017	Township's Portion of Joint Meeting Capital Improvement Plan	493,779.00
14-16	Acquisition of a Sewer Jet Vacuum Machine	108,174.00
18-06	Demolition of Unsafe Building & Structures	53,314.01
18-19	2018 Capital Acquisitions, Improvements and Equipment	3,809,000.00
18-23	Capital Improvements projects for the joint meeting of Essex & Union County	900,000.00
20-13	Township's Allocable Share of the Flood Mitigation Project of the Joint Meeting of Essex and Union County	<u>1,815,000.00</u>
		\$ <u><u>7,206,938.71</u></u>

"D-2"

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

SCHEDULE OF CASH - TREASURER

REF.

OPERATING

Balance, December 31, 2020
and December 31, 2021

D

\$ 422.52

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	CURRENT		GENERAL		PAYROLL		SWIM POOL	
		FUND		CAPITAL		AGENCY		UTILITY	
			</						

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,</u> <u>2020</u>	<u>DECEMBER 31,</u> <u>2021</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

IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2020 AND DECEMBER 31, 2021	
	DATE	AMOUNT	FUNDED	UNFUNDED
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
			\$ 2,273.90	\$ 100,600.00
		REF.	D	D

"D-6"

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2020 and
December 31, 2021

D

\$ 10,250.00

"D-7"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2020 and
December 31, 2021

D

\$ 790,689.24

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

IMPROVEMENT DESCRIPTION	ORDINANCE	BALANCE	
		DECEMBER 31, 2020	DECEMBER 31, 2021
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	105,015.63	105,015.63
		\$ 106,326.39	\$ 106,326.39
	REF.	D	D

"D-9"

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

SCHEDULE OF FIXED CAPITAL

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2020	BALANCE DECEMBER 31, 2021
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
		\$ 710,689.24	\$ 710,689.24
	REF.	D	D

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF INTERFUNDS

		TOTAL		CURRENT	GENERAL	SWIM POOL	GRANT
		FUND		FUND	CAPITAL	UTILITY	FUND
		FUND		FUND	FUND	OPERATING	FUND
REF.							
Balance, December 31, 2020							
	Due from	\$	10,584.06	\$	\$	\$	\$
D							
D	Due to		98,075.79		75,123.29	10,584.06	22,952.50
Deferred Charge - Grants Receivable Canceled							
			105,015.63	105,015.63			
Balance, December 31, 2021							
	Due from	\$	115,599.69	\$	\$	\$	\$
D							
D	Due to		98,075.79		75,123.29	10,584.06	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, 2021</u>
12-018	Various Improvements of Municipal Pool	\$ <u>100,600.00</u>
		\$ <u><u>100,600.00</u></u>

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PART II

TOWNSHIP OF HILLSIDE

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

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

	DECEMBER 31, 2021		DECEMBER 31, 2020	
	AMOUNT	%	AMOUNT	%
REVENUE AND OTHER INCOME REALIZED				
Fund Balance	\$ 1,773,500.00	1.97%	\$ 2,750,000.00	3.20%
Miscellaneous - From Other Than Local Property				
Tax Levies	16,392,959.85	18.22%	14,092,922.08	16.42%
Collection of Delinquent Taxes and				
Tax Title Liens	2,183,598.66	2.43%	1,619,632.73	1.89%
Collection of Current Tax Levy	69,639,242.76	77.39%	67,377,011.94	78.49%
TOTAL INCOME	\$ 89,989,301.27	100.00%	\$ 85,839,566.75	100.00%
EXPENDITURES				
Budget Expenditures:				
Municipal Purposes	\$ 43,550,582.01	51.08%	\$ 43,133,025.83	51.43%
County Taxes	11,063,769.70	12.98%	10,185,222.36	12.15%
Local School Taxes	30,526,495.00	35.80%	30,526,495.00	36.40%
Other Expenditures	120,922.10	0.14%	18,704.03	0.02%
TOTAL EXPENDITURES	\$ 85,261,768.81	100.00%	\$ 83,863,447.22	100.00%
Excess in Revenue	\$ 4,727,532.46		\$ 1,976,119.53	
Adjustment to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budgets of Succeeding Years	224,528.28			
Statutory Excess to Fund Balance	\$ 4,952,060.74		\$ 1,976,119.53	
Fund Balance, January 1	3,621,346.50		4,395,226.97	
	\$ 8,573,407.24		\$ 6,371,346.50	
Less: Utilization as Anticipated Revenue	1,773,500.00		2,750,000.00	
Fund Balance, December 31	\$ 6,799,907.24		\$ 3,621,346.50	

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

	DECEMBER 31, 2021		DECEMBER 31, 2020	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Miscellaneous Revenues	\$		\$	
Deficit (General Budget)				
<u>TOTAL INCOME</u>	\$		\$	
<u>EXPENDITURES</u>				
Debt Service	\$		\$	
Deferred Charges and Statutory Expenditures				
<u>TOTAL EXPENDITURES</u>	\$		\$	
Excess/(Deficit) in Revenue	\$		\$	
Fund Balance, January 1	18,445.30		18,445.30	
Fund Balance, December 31	\$ 18,445.30		\$ 18,445.30	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>7.887</u>	<u>7.841</u>	<u>7.689</u>
Apportionment of Tax Rate:			
Local Municipal	3.202	3.214	3.115
Municipal Library	0.082	0.075	0.069
County	1.179	1.105	1.058
County Open Space	0.037	0.033	0.031
Local School	3.387	3.414	3.416

ASSESSED VALUATION:

2021	<u>\$901,258,405.00</u>		
2020		<u>\$894,310,573.00</u>	
2019			<u>\$893,607,653.00</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</u> <u>COLLECTION</u>	<u>CURRENTLY</u> <u>PERCENTAGE OF</u> <u>COLLECTIONS</u>
2021	\$71,739,798.85	\$69,639,242.76	97.07%
2020	\$70,122,892.03	\$67,377,011.94	96.08%
2019	\$68,709,492.44	\$66,597,764.70	96.93%

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>
2021	\$1,145,698.83	\$3,897,016.23	\$5,042,715.06	7.03%
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%

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>
2021	\$2,280,100.00
2020	\$2,280,100.00
2019	\$2,280,100.00

COMPARISON OF SWIM POOL UTILITY MEMBERSHIP FEES

<u>YEAR ENDED</u>	<u>BUDGET ANTICIPATION</u>	<u>REALIZED</u>
December 31, 2021	N/A	N/A
December 31, 2020	N/A	N/A
December 31, 2019	N/A	N/A

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED IN</u> <u>BUDGET OF</u> <u>SUCCEEDING YEAR</u>
Current Fund	December 31, 2021	\$6,799,907.24	\$3,075,000.00
	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

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED IN</u> <u>BUDGET OF</u> <u>SUCCEEDING YEAR</u>
Swim Pool Utility Operating Fund	December 31, 2021	\$18,445.30	-0-
	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-

EQUALIZED VALUATIONS - REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2021	\$2,397,025,153.00
2020	\$2,199,237,755.00
2019	\$1,993,718,361.00

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	*
Ellen M. Harris	Township Attorney	*
Arthur Figuenredo	Construction Code Official	*
Robin Kaufman	Health Administrator	*
Vincent Ricciardi	Chief of Police	*
Doug Ferrigno	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 various roadways

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

In addition, purchases utilizing state contracts were made for the following:

Police Vehicles
911 Emergency Call System
Various Fire Department Equipment

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 10, 2021.

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>
2021	26
2020	33
2019	34

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 2021 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 2021. 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.

Appropriations Ledgers

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

Current Fund:

- The 2021 Appropriation included a line item that was over expended by \$33,536.80. This was the result of charges being reclassified by the Chief Financial Officer from grant appropriations.
- There was an expenditure without an appropriation in the amount of \$77,178.75. This was the result of an underfunding of the Net Payroll account.
- We noted postings in the Current Appropriations for engineering costs totaling \$146,552.50 that were not in compliance with the Flexible Chart of Accounts issued by the New Jersey Division of Local Government Services. These charges were reclassified, to the grant fund at the direction of the Chief Financial Officer. This reclassification contributed to the over expenditure in the Grant Fund as noted below.

Trust Other Reserves:

- 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, 2021. These balances should be reviewed for validity and proper disposition.
- There were two grant reserves over expended by a total of \$191,127.76

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 over expenditures and unauthorized purchases are not in operation.

OTHER COMMENTS (CONTINUED)

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.

Tax Collector

The detailed analysis of Outside Liens and Tax Sale Premiums at December 31, 2021 were not reconciled to the cash on deposit.

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 five vendors that were paid in excess of \$17,500.00 without proper approval of the governing body.

In accordance with N.J.S.A. 40A:11-5, Professional Service contracts and supporting documentation of contracts awarded during the year were not provided for audit.

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 2021. While this comment has been in the Township audit for several years it is important to note that at December 31, 2021 balance of the Payroll Agency Account for Payroll Deductions Payable was in a deficit (receivable) position.

The third-party service contract with the Township's payroll provider PrimePoint expired during September 2021. A contract renewal for a period of one year, retroactive to September 2021, was not approved until June 2022 in accordance with N.J.A.C. 5:30-17.3.

Other Departments

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

Fire Department receipts were not provided for review for January through June 2021. This is due, in part, to staff turnover within the department.

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.

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 2020 audit was not approved by the governing body within 60 days of receipt, nor was it 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 a contract with the Township's third party payroll service provider be on file in accordance with N.J.A.C. 5:30-17.3.

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

*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.

*That 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 all Professional Service contracts be available for audit in accordance with N.J.S.A. 40A:11-5.

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

*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.

That all department receipts be available for review for the entire period under audit.

RECOMMENDATIONS

- *That the Township prepare and file the Annual Uniform Construction Code Report.
- *That the Township file a Corrective Action Plan for the 2020 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 2020 Audit Recommendations

