



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
THOMAS M. FERRY, CPA, RMA, PSA

HEADQUARTERS
401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
(973)-835-7900

NEWTON OFFICE
100B MAIN STREET
NEWTON, NEW JERSEY 07860
(973)-835-7900

July 10, 2020

The Honorable Mayor and
Members of the Borough Council
Borough of Glen Rock
Glen Rock, New Jersey 07452

We have audited the financial statements of the various funds and account group of the Borough of Glen Rock, County of Bergen, for the years ended December 31, 2019 and 2018, and have issued our report thereon dated July 10, 2020. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles or practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Borough of Glen Rock. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Borough of Glen Rock's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests is not to provide an opinion on compliance with such provisions.



The Honorable Mayor and
Members of the Borough Council
July 10, 2020
Page 2.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Borough of Glen Rock are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was:

Management's estimate of the annual budget is based on historical data. We evaluated the key factors and assumptions used to develop the budget in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

The Honorable Mayor and
Members of the Borough Council
July 10, 2020
Page 3.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 10, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with our accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. We had no material findings for the year ended December 31, 2019 audit.

The Honorable Mayor and
Members of the Borough Council
July 10, 2020
Page 4.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles or practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the members of the Borough of Glen Rock and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

BOROUGH OF GLEN ROCK, N.J.
REPORT OF AUDIT ON
FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2019

BOROUGH OF GLEN ROCK, N.J.

TABLE OF CONTENTS

PART I

| <u>Exhibit</u> | | <u>Page</u> |
|--------------------------------------|---|--------------------|
| | Independent Auditor's Report | 1 |
| <u>CURRENT FUND</u> | | |
| A | Comparative Balance Sheet - Regulatory Basis | 5 |
| A-1 | Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis | 7 |
| A-2 | Statement of Revenues - Regulatory Basis | 9 |
| A-3 | Statement of Expenditures - Regulatory Basis | 11 |
| <u>TRUST FUND</u> | | |
| B | Comparative Balance Sheet - Regulatory Basis | 19 |
| <u>GENERAL CAPITAL FUND</u> | | |
| C | Comparative Balance Sheet - Regulatory Basis | 21 |
| C-1 | Statement of Changes in Fund Balance - Regulatory Basis | 22 |
| <u>PUBLIC ASSISTANCE FUND</u> | | |
| D | Balance Sheet- Regulatory Basis | 23 |
| E | Statement of General Fixed Assets - Regulatory Basis | 24 |
| | Notes to Financial Statements | 25 |
| | Supplementary Financial Information | 62 |

Exhibit**Page****CURRENT FUND**

| | | |
|------|--|----|
| A-4 | Schedule of Cash - Collector - Treasurer - Current Fund | 68 |
| A-5 | Schedule of Cash - Change Fund | 69 |
| A-6 | Schedule of Cash - Petty Cash | 69 |
| A-7 | Schedule of Amount Due from State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 73, P.L. 1976 | 70 |
| A-8 | Schedule of Taxes Receivable and Analysis of Property Tax Levy | 71 |
| A-9 | Schedule of Tax Title Liens | 72 |
| A-10 | Schedule of Revenue Accounts Receivable | 73 |
| A-11 | Schedule of Interfunds | 74 |
| A-12 | Schedule of Appropriation Reserves | 75 |
| A-13 | Schedule of Encumbrances Payable | 78 |
| A-14 | Schedule of Accounts Payable | 78 |
| A-15 | Schedule of Prepaid Taxes | 79 |
| A-16 | Schedule of Prepaid Revenue | 80 |
| A-17 | Schedule of Local District School Tax | 81 |
| A-18 | Schedule of County Taxes Payable | 81 |
| A-19 | Schedule of Various Cash Liabilities and Reserves | 82 |
| A-20 | Schedule of Grants Receivable | 83 |
| A-21 | Schedule of Appropriated Reserves for Grants - Federal and State Grant Fund | 84 |
| A-22 | Schedule of Unappropriated Reserves for Grants - Federal and State Grant Fund | 85 |

TRUST FUND

| | | |
|------|--|----|
| B-1 | Schedule of Cash | 86 |
| B-2 | Schedule of Interfunds- Current Funds | 87 |
| B-3 | Reserve for Dog Fund Expenditures | 88 |
| B-4 | Schedule of Due to/from State Department of Health | 89 |
| B-5 | Schedule of Prepaid Licenses | 90 |
| B-6 | Schedule of Various Reserves and Other Trust Funds | 91 |
| B-7 | Schedule of Payroll Deductions Payable | 92 |
| B-8 | Schedule of Net Payroll | 93 |
| B-9 | Statement of Contributions Receivable | 94 |
| B-10 | Statement of Net Assets Available for Benefits | 95 |

Exhibit**Page****GENERAL CAPITAL FUND**

| | | |
|------|--|-----|
| C-2 | Schedule of General Capital Cash | 96 |
| C-3 | Analysis of General Capital Cash | 97 |
| C-4 | Schedule of Various Receivables | 98 |
| C-5 | Schedule of Deferred Charges to Future Taxation - Funded | 99 |
| C-6 | Schedule of Deferred Charges to Future Taxation - Unfunded | 100 |
| C-7 | Schedule of General Serial Bonds Payable | 101 |
| C-8 | Schedule of Bond Anticipation Notes Payable | 102 |
| C-9 | Schedule of Improvement Authorizations | 103 |
| C-10 | Schedule of Capital Improvement Fund | 105 |
| C-11 | Schedule of Various Reserves | 106 |
| C-12 | Schedule of Interfunds | 107 |
| C-13 | Schedule of Bonds and Notes Authorized But Not Issued | 108 |

PUBLIC ASSISTANCE FUND

| | | |
|-----|--------------------------------------|-----|
| D-1 | Schedule of Cash- Treasurer | 109 |
| D-2 | Schedule of Cash- Treasurer | 110 |
| D-3 | Schedule of Cash- Treasurer | 111 |
| D-4 | Schedule of Revenues- Cash Basis | 112 |
| D-5 | Schedule of Expenditures- Cash Basis | 112 |

PART II

| | |
|---|-----|
| Independent Auditor's Report on Internal Control Over Financial Reporting on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 113 |
| General Comments | 115 |
| Recommendations | 117 |
| Status of Prior Years Audit Recommendations | 118 |
| Appreciation | 118 |

BOROUGH OF GLEN ROCK

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2019



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
THOMAS M. FERRY, CPA, RMA, PSA

HEADQUARTERS
401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
(973)-835-7900

NEWTON OFFICE
100B MAIN STREET
NEWTON, NEW JERSEY 07860
(973)-835-7900

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Glen Rock
County of Bergen, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Glen Rock in the County of Bergen, as of December 31, 2019 and 2018, the related statement 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 funds for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Glen Rock as of December 31, 2019 and 2018 or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 15 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,500,224.84 and \$1,304,733.84 for 2019 and 2018, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matters described in the "*Basis for Qualified Opinion on Regulatory Basis of Accounting*" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2019 and 2018, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Glen Rock's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2020 on our consideration of the Borough of Glen Rock's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over

The Honorable Mayor and
Members of the Borough Council
Page 4.

financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Glen Rock's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. 413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 10, 2020

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

| <u>Assets</u> | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|---|-------------|---------------------|---------------------|
| Current Fund: | | | |
| Cash | A-4 | 5,328,466.11 | 5,527,018.69 |
| Change Fund | A-5 | 453.00 | 453.00 |
| | | <u>5,328,919.11</u> | <u>5,527,471.69</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Taxes Receivable | A-8 | 373,105.74 | 389,111.56 |
| Tax Title Liens | A-9 | 8,887.39 | 8,400.47 |
| Revenue Accounts Receivable | A-10 | 6,094.67 | 5,654.71 |
| Due from State of NJ - Marriage Licenses | A-19 | | 325.00 |
| Interfund Receivables: | | | |
| Other Trust - General Trust | A-11 | 899.77 | 1,933.68 |
| Other Trust Fund - Community Development | A-11 | 0.03 | 23.66 |
| Other Trust - Escrow | A-11 | 222.82 | 222.82 |
| Other Trust - Payroll Fund | A-11 | 3,587.16 | 425.83 |
| Public Assistance | A-11 | 4.11 | 4.12 |
| General Capital Fund | A-11 | | 3,073.19 |
| Animal Control Trust Fund | A-11 | 17.65 | 23.65 |
| | | <u>392,819.34</u> | <u>409,198.69</u> |
| | | <u>5,721,738.45</u> | <u>5,936,670.38</u> |
| Federal and State Grant Fund: | | | |
| Cash | A-4 | 88,097.05 | 100,641.56 |
| Grants Receivable | A-20 | 968.84 | 15,000.00 |
| | | <u>89,065.89</u> | <u>115,641.56</u> |
| | | <u>5,810,804.34</u> | <u>6,052,311.94</u> |

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|--|-------------|---------------------|---------------------|
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Current Fund: | | | |
| Appropriation Reserves | A-3/A-12 | 667,657.98 | 669,027.71 |
| Due to State of New Jersey: Ch. 73, P.L. Senior Citizens and Veterans Deduction | A-7 | 27,156.00 | 27,198.47 |
| Interfunds Payable: | | | |
| General Capital Fund | A-11 | 14,520.13 | |
| Encumbrances Payable | A-13 | 233,570.22 | 217,660.04 |
| Accounts Payable | A-14 | 56,193.97 | 31,997.00 |
| Prepaid Taxes | A-15 | 359,231.18 | 655,198.16 |
| Prepaid Revenue | A-16 | 150.00 | 49,395.00 |
| County Taxes Payable | A-18 | 22,781.60 | 20,859.92 |
| Due to State of New Jersey - Marriage | A-19 | 150.00 | |
| | | <u>1,381,411.08</u> | <u>1,671,336.30</u> |
| Reserve for Receivables | Contra | 392,819.34 | 409,198.69 |
| Fund Balance | A-1 | <u>3,947,508.03</u> | <u>3,856,135.39</u> |
| | | <u>5,721,738.45</u> | <u>5,936,670.38</u> |
| Federal and State Grant Fund: | | | |
| Appropriated Reserve for Grants | A-21 | 65,271.55 | 91,847.56 |
| Unappropriated Reserves for Grants | A-22 | <u>23,794.34</u> | <u>23,794.00</u> |
| | | <u>89,065.89</u> | <u>115,641.56</u> |
| | | <u>5,810,804.34</u> | <u>6,052,311.94</u> |

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|--|-------------|----------------------|----------------------|
| Revenues and Other Income: | | | |
| Fund Balance Utilized | A-2 | 1,500,000.00 | 1,100,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 2,978,881.66 | 2,958,087.53 |
| Receipts from Delinquent Taxes | A-2 | 389,111.56 | 404,512.14 |
| Receipts from Current Taxes | A-2 | 70,483,255.24 | 68,256,891.20 |
| Non-Budget Revenue | A-2 | 466,102.85 | 535,949.22 |
| Other Credits to Income: | | | |
| Interfunds Returned | A-11 | 5,706.95 | 5,190.32 |
| Unexpended Balance of Appropriation Reserves | A-12 | 241,857.36 | 288,786.68 |
| State Marriage Licenses Overpayment | A-19 | 325.00 | |
| | | <hr/> | <hr/> |
| Total Revenues and Other Income | | 76,065,240.62 | 73,549,417.09 |
| Expenditures: | | | |
| Budget and Emergency Appropriations: | | | |
| Operations: | | | |
| Salaries and Wages | A-3 | 7,349,576.00 | 7,155,613.00 |
| Other Expenses | A-3 | 7,593,930.95 | 7,641,400.80 |
| Capital Improvement Fund | A-3 | 430,000.00 | 250,000.00 |
| Municipal Debt Service | A-3 | 1,930,625.00 | 1,551,643.37 |
| Deferred Charges and Statutory Expenditures - Municipal | A-3 | 1,589,188.00 | 1,480,936.00 |
| Refund of Prior Year's Revenue | | | 4,742.16 |
| Interfund Advances | A-11 | 4,731.54 | 5,706.95 |
| Local District School Tax | A-17 | 49,072,243.00 | 47,272,196.00 |
| County Taxes including Added Taxes | A-18 | 6,503,573.49 | 6,340,871.31 |
| State Marriage Licenses Overpayment | A-19 | 325.00 | 325.00 |
| | | <hr/> | <hr/> |
| Total Expenditures | | 74,473,867.98 | 71,703,434.59 |

Borough of Glen Rock, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Budget</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|---|-------------|----------------------|----------------------|--------------------------------|
| Fund Balance Anticipated | A-1 | 1,500,000.00 | 1,500,000.00 | |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | A-10 | 14,500.00 | 14,670.00 | 170.00 |
| Other | A-2 | 9,100.00 | 8,767.00 | (333.00) |
| Fees and Permits | A-2 | 62,000.00 | 78,691.25 | 16,691.25 |
| Fines and Costs: | | | | |
| Municipal Court | A-10 | 135,000.00 | 105,072.45 | (29,927.55) |
| Interest and Costs on Taxes | A-4 | 49,000.00 | 50,554.43 | 1,554.43 |
| Parking Meters | A-10 | 135,000.00 | 156,106.34 | 21,106.34 |
| Verizon Fios Franchise Fee | A-10 | 92,103.00 | 92,103.00 | |
| Residential Parking Fees | A-10 | 115,000.00 | 103,430.06 | (11,569.94) |
| Cell Tower Revenue | A-10 | 247,000.00 | 244,296.11 | (2,703.89) |
| Swim Team | A-10 | 5,700.00 | 6,750.00 | 1,050.00 |
| Recycling Programs Sales | A-10 | 20,000.00 | 15,354.28 | (4,645.72) |
| Sewer Rental Fee - Hawthorne | A-10 | 18,500.00 | 19,434.00 | 934.00 |
| Cable T.V. | A-10 | 79,858.00 | 79,858.00 | |
| Shack Program | A-10 | 4,000.00 | 5,900.00 | 1,900.00 |
| Swimming Pool Badges | A-10 | 333,000.00 | 361,578.00 | 28,578.00 |
| Pavilion Rental | A-10 | 2,500.00 | 2,150.00 | (350.00) |
| Swimming Pool Concession Stand Rental | A-10 | 12,600.00 | 19,881.00 | 7,281.00 |
| Rent of Municipal Property | A-10 | 19,000.00 | 19,298.74 | 298.74 |
| Senior Transportation - Taxi Books | A-10 | 1,000.00 | 418.00 | (582.00) |
| Energy Receipts Tax | A-10 | 996,572.00 | 996,572.00 | |
| Uniform Construction Code Fees | A-10 | 500,000.00 | 479,642.00 | (20,358.00) |
| Interlocal Agreements | | | | |
| Municipal Court-Wyckoff | A-10 | 41,325.00 | 52,200.00 | 10,875.00 |
| Public and Private Revenues: | | | | |
| Recycling Tonnage Grant | A-20 | 12,002.00 | 12,002.00 | |
| Distracted Driving Statewide Crackdown Grant | A-20 | 5,280.00 | 5,280.00 | |
| ANJEC Open Space Stewardship | A-20 | 1,500.00 | 1,500.00 | |
| Alcohol Rehab/Education Fund | A-20 | 1,848.62 | 1,848.62 | |
| Clean Communities Program | A-20 | 22,355.33 | 22,355.33 | |
| Click It or Ticket | A-20 | 5,280.00 | 5,280.00 | |
| Body Armor Fund | A-20 | 2,593.00 | 2,593.00 | |
| BCUA Recycling Grant | A-20 | 3,000.00 | 3,000.00 | |
| Other Special Items: | | | | |
| Uniform Fire Safety Act | A-10 | 13,070.00 | 12,296.05 | (773.95) |
| Total Miscellaneous Revenues | A-1 | 2,959,686.95 | 2,978,881.66 | 19,194.71 |
| Receipts from Delinquent Taxes | A-1/A-2 | 390,000.00 | 389,111.56 | (888.44) |
| Subtotal General Revenues | | 4,849,686.95 | 4,867,993.22 | 18,306.27 |
| Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes | A-2/A-8 | 15,077,243.00 | 15,936,548.75 | 859,305.75 |
| Budget Totals | | 19,926,929.95 | 20,804,541.97 | 877,612.02 |
| Non-Budget Revenue | A-1/A-2 | | 466,102.85 | 466,102.85 |
| | | 19,926,929.95 | 21,270,644.82 | 1,343,714.87 |
| Adopted Budget | A-3 | 19,890,666.00 | | |
| Appropriated by N.J.S. 40A:4-87 | A-3 | 36,263.95 | | |
| | | 19,926,929.95 | | |

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2019

Analysis of Realized Revenues

| | <u>Ref.</u> | | |
|--|-------------|-------------------|----------------------|
| Revenue from Collections | A-1/A-8 | | 70,483,255.24 |
| Allocated to School and County Taxes | A-8 | | <u>55,575,816.49</u> |
| Balance for Support of Municipal Budget Appropriations | | | 14,907,438.75 |
| Add : Appropriation - Reserve for Uncollected Taxes | A-3 | | <u>1,029,110.00</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | | <u>15,936,548.75</u> |
| Receipts from Delinquent Taxes: | | | |
| Delinquent Taxes | A-8 | <u>389,111.56</u> | |
| | A-2 | | <u>389,111.56</u> |
| Licenses - Other: | | | |
| Clerk | A-10 | 1,310.00 | |
| Board of Health / Registrar | A-10 | <u>7,457.00</u> | |
| | A-2 | | <u>8,767.00</u> |
| Fees and Permits - Other: | | | |
| Planning / Zoning | A-10 | 17,470.00 | |
| Construction Code | A-10 | 4,970.00 | |
| Police | A-10 | 34,357.25 | |
| Fire Prevention | A-10 | 21,039.00 | |
| Board of Health / Registrar | A-10 | <u>855.00</u> | |
| | A-2 | | <u>78,691.25</u> |

Analysis of Non-budget Revenues

| | <u>Ref.</u> | | |
|---|-------------|-------------------|-------------------|
| Miscellaneous Revenues Not Anticipated: | | | |
| Miscellaneous Sales | | 936.07 | |
| Bounced Check Fees | | 800.00 | |
| Spectrum Donation | | 7,402.20 | |
| Sewer Charges | | 1,342.98 | |
| Midland Park Shared Service | | 3,750.00 | |
| Ridgewood Shared Court | | 12,500.00 | |
| Senior Citizens & Vets Admin Fee | | 1,154.15 | |
| Sale of Assets | | 34,158.40 | |
| Miscellaneous Fees | | 805.00 | |
| Kindergarten Swim | | 3,450.00 | |
| Off Duty Police | | 74,415.91 | |
| Interest on Investments | | 157,920.10 | |
| DMV Inspections | | 8,400.00 | |
| Property Owner Lists | | 360.00 | |
| Void Checks | | 45.00 | |
| Refund of Prior Year Expenditures | | 4,622.00 | |
| LOSAP Forfeitures | | 11,472.38 | |
| Miscellaneous Refunds & Reimbursements | | 39,068.47 | |
| FEMA | | <u>103,500.19</u> | |
| | A-2, A-4 | | <u>466,102.85</u> |

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Unexpended Balance</u> <u>Cancelled</u> |
|--|-------------|---------------|----------------------------------|------------------------|-----------------|---|
| <u>General Appropriations</u> | | | | | | |
| Operations - within "CAPS" | | | | | | |
| General Administration | | 98,834.00 | 98,834.00 | 98,833.98 | 0.02 | |
| Salaries and Wages Mayor and Council | | | | | | |
| Salaries and Wages Municipal Clerk | | 21,958.00 | 21,958.00 | 21,958.00 | | |
| Salaries and Wages Other Expenses | | 166,339.00 | 166,339.00 | 157,474.49 | 8,864.51 | |
| Financial Administration | | 270,500.00 | 245,242.00 | 243,949.80 | 1,292.20 | |
| Salaries and Wages | | 163,541.00 | 163,541.00 | 163,540.86 | 0.14 | |
| Other Expenses | | 23,500.00 | 26,300.00 | 25,797.16 | 502.84 | |
| Audit Services Elections | | 34,000.00 | 40,650.00 | 40,650.00 | | |
| Salaries and Wages Other Expenses | | 2,210.00 | 3,010.00 | 2,968.80 | 41.20 | |
| Legal Services (Legal Department) Other Expenses | | 12,500.00 | 12,500.00 | 12,500.00 | | |
| Revenue Administration (Tax Collection) | | 132,000.00 | 110,800.00 | 89,812.32 | 20,987.68 | |
| Salaries and Wages | | 84,424.00 | 84,424.00 | 83,295.67 | 1,128.33 | |
| Other Expenses | | 10,600.00 | 13,600.00 | 12,925.92 | 674.08 | |
| Tax Assessment Administration | | | | | | |
| Salaries and Wages | | 40,284.00 | 40,284.00 | 40,283.88 | 0.12 | |
| Other Expenses | | 5,850.00 | 5,850.00 | 4,915.37 | 934.63 | |
| Liquidation of Tax Title Liens | | | | | | |
| Other Expenses | | 100.00 | 100.00 | | 100.00 | |
| Engineering Services and Costs | | | | | | |
| Other Expenses | | 65,000.00 | 65,000.00 | 45,175.41 | 19,824.59 | |

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Unexpended Balance Cancelled</u> |
|--------------------------------------|-------------|---------------|----------------------------------|------------------------|-----------------|-------------------------------------|
| <u>General Appropriations</u> | | | | | | |
| Planning Board | | | | | | |
| Salaries and Wages | | 30,805.00 | 30,813.00 | 30,812.16 | 0.84 | |
| Other Expenses | | 35,400.00 | 35,400.00 | 29,555.58 | 5,844.42 | |
| Zoning Board | | | | | | |
| Salaries and Wages | | 32,784.00 | 34,784.00 | 34,773.76 | 10.24 | |
| Other Expenses | | 9,200.00 | 13,700.00 | 13,302.99 | 397.01 | |
| Insurance: | | | | | | |
| Other Insurance | | 604,922.00 | 604,922.00 | 588,967.91 | 15,954.09 | |
| Employee Group Insurance | | 1,875,500.00 | 1,875,500.00 | 1,744,514.64 | 130,985.36 | |
| Health Benefit Waiver | | 32,000.00 | 32,000.00 | 18,062.79 | 13,937.21 | |
| Unemployment Insurance | | 5,000.00 | 5,000.00 | 5,000.00 | | |
| Police | | | | | | |
| Salaries and Wages | | 3,327,478.00 | 3,333,478.00 | 3,333,082.07 | 395.93 | |
| Other Expenses | | 240,895.00 | 240,895.00 | 238,347.40 | 2,547.60 | |
| Building and Grounds | | | | | | |
| Other Expenses | | 140,350.00 | 140,350.00 | 107,640.96 | 32,709.04 | |
| Office of Emergency Management | | | | | | |
| Salaries and Wages | | 12,486.00 | 12,486.00 | 12,486.00 | | |
| Other Expenses | | 23,100.00 | 23,100.00 | 15,889.56 | 7,210.44 | |
| Fire Department | | | | | | |
| Other Expenses | | 90,500.00 | 103,900.00 | 103,689.56 | 210.44 | |
| Other Expenses - Clothing Allowance | | 36,000.00 | 36,300.00 | 36,300.00 | | |
| Aid to Volunteer Ambulance Companies | | | | | | |
| Other Expenses | | 109,496.00 | 109,496.00 | 84,496.00 | 25,000.00 | |

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Unexpended Balance Cancelled</u> |
|---|-------------|---------------|----------------------------------|------------------------|-----------------|-------------------------------------|
| <u>General Appropriations</u> | | | | | | |
| Fire Prevention | | | | | | |
| Salaries and Wages | | 41,303.00 | 39,903.00 | 39,197.10 | 705.90 | |
| Other Expenses | | 6,100.00 | 5,800.00 | 5,063.62 | 736.38 | |
| Municipal Prosecutor | | | | | | |
| Other Expenses | | 20,000.00 | 20,000.00 | 11,305.00 | 8,695.00 | |
| Streets and Road Maintenance | | | | | | |
| Salaries and Wages | | 1,424,727.00 | 1,459,727.00 | 1,453,982.49 | 5,744.51 | |
| Other Expenses | | 369,200.00 | 369,200.00 | 330,911.25 | 38,288.75 | |
| Solid Waste Collection | | | | | | |
| Salaries and Wages | | 840,000.00 | 756,200.00 | 736,290.70 | 19,909.30 | |
| Other Expenses | | 60,100.00 | 60,100.00 | 32,478.10 | 27,621.90 | |
| Recycling | | | | | | |
| Salaries and Wages | | 365,000.00 | 365,000.00 | 343,125.48 | 21,874.52 | |
| Other Expenses | | 204,200.00 | 204,200.00 | 203,281.11 | 918.89 | |
| Fire Hydrant Service | | | | | | |
| Other Expenses | | 31,000.00 | 31,000.00 | | 31,000.00 | |
| Electricity | | | | | | |
| Other Expenses | | 180,000.00 | 193,500.00 | 193,060.05 | 439.95 | |
| Street Lighting | | | | | | |
| Other Expenses | | 140,000.00 | 131,500.00 | 118,532.56 | 12,967.44 | |
| Telephone (Excluding Equipment Acquisition) | | | | | | |
| Other Expenses | | 85,000.00 | 85,500.00 | 85,484.44 | 15.56 | |
| Water | | | | | | |
| Other Expenses | | 50,000.00 | 50,000.00 | 48,123.61 | 1,876.39 | |
| Natural Gas | | | | | | |
| Other Expenses | | 58,000.00 | 58,000.00 | 44,806.69 | 13,193.31 | |

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Unexpended Balance Cancelled</u> |
|--|-------------|---------------|----------------------------------|------------------------|-----------------|-------------------------------------|
| <u>General Appropriations</u> | | | | | | |
| Fuel Oil | | 125,000.00 | 119,500.00 | 88,754.10 | 30,745.90 | |
| Other Expenses | | | | | | |
| Landfill/Solid Waste Disposal Costs | | 260,000.00 | 260,000.00 | 234,166.82 | 25,833.18 | |
| Other Expenses | | | | | | |
| Community Services Act (Condominium Community Costs) | | 1,800.00 | 1,800.00 | 540.00 | 1,260.00 | |
| Other Expenses | | | | | | |
| Public Health Services (Board of Health) | | 1,530.00 | 1,530.00 | 1,530.00 | | |
| Salaries and Wages | | 68,650.00 | 68,650.00 | 56,056.82 | 12,593.18 | |
| Other Expenses | | | | | | |
| Recreation Commission RS 40:12-1 | | 81,424.00 | 81,424.00 | 77,074.53 | 4,349.47 | |
| Salaries and Wages | | 38,860.00 | 32,760.00 | 32,263.46 | 496.54 | |
| Other Expenses | | | | | | |
| Municipal Court | | 106,621.00 | 123,621.00 | 122,472.21 | 1,148.79 | |
| Salaries and Wages | | 6,660.00 | 8,460.00 | 8,292.51 | 167.49 | |
| Other Expenses | | | | | | |
| Construction Code Official | | 302,395.00 | 309,595.00 | 309,556.34 | 38.66 | |
| Salaries and Wages | | 21,800.00 | 23,300.00 | 23,157.11 | 142.89 | |
| Other Expenses | | | | | | |
| Unclassified: | | | | | | |
| Swimming Pool | | 138,700.00 | 145,800.00 | 145,707.46 | 92.54 | |
| Salaries and Wages | | 98,500.00 | 98,500.00 | 96,805.48 | 1,694.52 | |
| Other Expenses | | | | | | |
| Recreation Services and Programs - Senior Citizens | | 8,250.00 | 7,250.00 | 668.00 | 6,582.00 | |
| Other Expenses | | | | | | |

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Unexpended Balance Cancelled</u> |
|---|-------------|---------------|----------------------------------|------------------------|-----------------|-------------------------------------|
| <u>General Appropriations</u> | | | | | | |
| Recreation Services and Programs - Shuttle Bus Program | | | | | | |
| Salaries and Wages | | 35,500.00 | 35,500.00 | 33,368.34 | 2,131.66 | |
| Other Expenses | | 2,500.00 | 2,500.00 | 828.46 | 1,671.54 | |
| Health Services | | | | | | |
| Hepatitis B | | | | | | |
| Contingent | | 4,000.00 | 4,000.00 | 3,608.92 | 391.08 | |
| Total Operations within "CAPS" | | 12,914,376.00 | 12,884,376.00 | 12,321,495.80 | 562,880.20 | |
| Detail: | | | | | | |
| Salaries and Wages | A-1 | 7,318,343.00 | 7,308,251.00 | 7,241,814.32 | 66,436.68 | |
| Other Expenses | A-1 | 5,596,033.00 | 5,576,125.00 | 5,079,681.48 | 496,443.52 | |
| Deferred Charges and Statutory Expenditures - Municipal within "CAPS" | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to: | | | | | | |
| Public Employees' Retirement System | | 516,144.00 | 516,144.00 | 516,144.00 | | |
| Police and Firemen's Retirement System | | 645,544.00 | 645,544.00 | 645,544.00 | | |
| Social Security System (O.A.S.I.) | | 415,000.00 | 415,000.00 | 413,993.44 | 1,006.56 | |
| Defined Contribution Retirement Plan | | 12,500.00 | 12,500.00 | 10,725.58 | 1,774.42 | |
| Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS" | A-1 | 1,589,188.00 | 1,589,188.00 | 1,586,407.02 | 2,780.98 | |
| Total General Appropriations for Municipal Purposes within "CAPS" | | 14,503,564.00 | 14,473,564.00 | 13,907,902.82 | 565,661.18 | |

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Unexpended Balance Cancelled</u> |
|--|-------------|---------------|----------------------------------|------------------------|-----------------|-------------------------------------|
| <u>General Appropriations</u> | | | | | | |
| Operations - Excluded from "CAPS" | | | | | | |
| Municipal Library | | 930,000.00 | 930,000.00 | 906,176.30 | 23,823.70 | |
| Other Expense | | 7,500.00 | 7,500.00 | 1,299.43 | 6,200.57 | |
| Reserve for Tax Appeals | | | | | | |
| LOSAP | | | | | | |
| Other Expenses | | 65,000.00 | 65,000.00 | | 65,000.00 | |
| Recycling Tax | | | | | | |
| Other Expenses | | 12,000.00 | 12,000.00 | 11,217.53 | 782.47 | |
| Police Dispatch | | | | | | |
| Other Expenses | | 403,315.00 | 403,315.00 | 403,314.64 | 0.36 | |
| Sewerage Processing and Disposal | | | | | | |
| Other Expenses | | 546,132.00 | 546,132.00 | 546,131.88 | 0.12 | |
| Municipal Court-Wyckoff | | | | | | |
| Salaries and Wages | | 41,325.00 | 41,325.00 | 35,135.42 | 6,189.58 | |
| Public and Private Programs Offset by Revenues | | | | | | |
| Body Armor Grant | | 2,593.00 | 2,593.00 | 2,593.00 | | |
| Recycling Tonnage | | 12,002.00 | 12,002.00 | 12,002.00 | | |
| BCUA Recycling Grant | | 3,000.00 | 3,000.00 | 3,000.00 | | |
| Clean Communities Program | | 22,355.33 | 22,355.33 | 22,355.33 | | |
| Alcohol Rehab/Education Fund | | 1,848.62 | 1,848.62 | 1,848.62 | | |
| Click It or Ticket | | 5,280.00 | 5,280.00 | 5,280.00 | | |

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Unexpended Balance</u> |
|--|-------------|---------------|----------------------------------|------------------------|-----------------|---------------------------|
| | | | | | | Cancelled |
| <u>General Appropriations</u> | | | | | | |
| Public and Private Programs Offset by Revenues (cont.) | | | | | | |
| Distracted Driving Statewide Crackdown Grant | | 5,280.00 | 5,280.00 | 5,280.00 | | |
| ANJEC Open Space Stewardship | | 1,500.00 | 1,500.00 | 1,500.00 | | |
| Total Operations - Excluded from "CAPS" | | 2,059,130.95 | 2,059,130.95 | 1,957,134.15 | 101,996.80 | |
| Detail: | | | | | | |
| Other Expenses | A-1 | 2,017,805.95 | 2,017,805.95 | 1,921,998.73 | 95,807.22 | |
| Capital Improvements: | | | | | | |
| Capital Improvement Fund | | 400,000.00 | 430,000.00 | 430,000.00 | | |
| Total Capital Improvements Excluded from "CAPS" | A-1 | 400,000.00 | 430,000.00 | 430,000.00 | | |
| Municipal Debt Service: | | | | | | |
| Payment of Bond Principal | | 1,550,000.00 | 1,550,000.00 | 1,550,000.00 | | |
| Payment of Bond Anticipation Notes | | | | | | |
| Interest on Bonds | | 385,125.00 | 385,125.00 | 380,625.00 | | 4,500.00 |
| Interest on Notes | | | | | | |
| Total Municipal Debt Service-Excluded from "CAPS" | A-1 | 1,935,125.00 | 1,935,125.00 | 1,930,625.00 | | 4,500.00 |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | | 4,394,255.95 | 4,424,255.95 | 4,317,759.15 | 101,996.80 | 4,500.00 |

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

| <u>General Appropriations</u> | <u>Ref.</u> | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Unexpended Balance Cancelled</u> |
|--------------------------------------|-------------|---------------|----------------------------------|------------------------|-----------------|-------------------------------------|
| Subtotal General Appropriations | | 18,897,819.95 | 18,897,819.95 | 18,225,661.97 | 667,657.98 | 4,500.00 |
| Reserve for Uncollected Taxes | | 1,029,110.00 | 1,029,110.00 | 1,029,110.00 | | |
| Total General Appropriations | | 19,926,929.95 | 19,926,929.95 | 19,254,771.97 | 667,657.98 | 4,500.00 |
| Adopted Budget | A-2 | | 19,890,666.00 | | | |
| Appropriated by N.J.S. 40A:4-87 | A-2 | | 36,263.95 | | | |
| | | | <u>19,926,929.95</u> | | <u>A</u> | |
| <u>Analysis of Paid or Charged</u> | | | | | | |
| Reserve for Uncollected Taxes | A-2 | | | 1,029,110.00 | | |
| Cash Disbursed | A-4 | | | 17,938,232.80 | | |
| Encumbrances Payable | A-13 | | | 233,570.22 | | |
| Reserve for Federal and State Grants | A-21 | | | 53,858.95 | | |
| | | | | <u>19,254,771.97</u> | | |

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|---|-------------|---------------------|---------------------|
| <u>Assets</u> | | | |
| Animal Control Trust: | | | |
| Cash - Treasurer | B-1 | 15,693.65 | 14,230.43 |
| Due from State Department of Health | B-4 | | 21.00 |
| | | <u>15,693.65</u> | <u>14,251.43</u> |
| Other Trust Funds: | | | |
| Cash - Treasurer | B-1 | 938,092.23 | 1,241,435.19 |
| | | <u>938,092.23</u> | <u>1,241,435.19</u> |
| Emergency Services Volunteer Length of Service Award Program (Unaudited) | | | |
| Cash in Plan | B-1 | 1,445,019.73 | 1,243,055.58 |
| Contributions Receivable | B-9 | 55,205.11 | 61,678.26 |
| | | <u>1,500,224.84</u> | <u>1,304,733.84</u> |
| | | <u>2,454,010.72</u> | <u>2,560,420.46</u> |

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statement

Borough of Glen Rock, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|---|-------------|--------------|--------------|
| <u>Liabilities, Reserves & Fund Balance</u> | | | |
| Animal Control Trust: | | | |
| Interfund - Current Fund | B-2 | 17.65 | 23.65 |
| Reserve for Dog Fund Expenditures | B-3 | 14,434.80 | 11,422.78 |
| Due to State Department of Health | B-4 | 1.20 | |
| Prepaid Licenses | B-5 | 1,240.00 | 2,805.00 |
| | | 15,693.65 | 14,251.43 |
| Other Trust Fund: | | | |
| Interfund - Current Fund | B-2 | 4,709.78 | 2,605.99 |
| Various Reserves | B-6 | 874,383.18 | 1,171,695.42 |
| Payroll Deductions Payable | B-7 | 58,999.27 | 67,133.78 |
| | | 938,092.23 | 1,241,435.19 |
| Emergency Services Volunteer Length of Service Award Program (Unaudited) | | | |
| Net Assets Available for Benefits | B-10 | 1,500,224.84 | 1,304,733.84 |
| | | 1,500,224.84 | 1,304,733.84 |
| | | 2,454,010.72 | 2,560,420.46 |

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statement

Borough of Glen Rock, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|---|-------------|----------------------|----------------------|
| <u>Assets</u> | | | |
| Cash | C-2/C-3 | 2,365,588.87 | 1,440,287.02 |
| Various Receivables | C-4 | 1,347,626.89 | 812,323.55 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-5 | 13,495,000.00 | 15,045,000.00 |
| Unfunded | C-6 | 3,177,970.00 | 1,672,470.00 |
| Interfund - Current Fund | C-12 | 14,520.13 | |
| | | <u>20,400,705.89</u> | <u>18,970,080.57</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Serial Bonds Payable | C-7 | 13,495,000.00 | 15,045,000.00 |
| Bond Anticipation Notes | C-8 | 3,175,500.00 | |
| Improvement Authorizations: | | | |
| Funded | C-9 | 1,749,367.73 | 2,463,315.79 |
| Unfunded | C-9 | 1,678,589.08 | 1,099,067.51 |
| Capital Improvement Fund | C-10 | 1,166.00 | 76,166.00 |
| Reserve for: | | | |
| Municipal Improvements | C-11 | 193,524.00 | 193,524.00 |
| Apron Assessments | C-11 | 1,083.00 | 1,083.00 |
| Debt Service | C-11 | 6,943.75 | 6,943.75 |
| Interfund - Current Fund | C-12 | | 3,073.19 |
| Fund Balance | C-1 | 99,532.33 | 81,907.33 |
| | | <u>20,400,705.89</u> | <u>18,970,080.57</u> |

Footnote: There was Authorized but not Issued Debt at December 31, 2019 and 2018 of \$2,470.00 and \$1,672,470.00 respectively per Exhibit C-13.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Comparative Statement of Fund Balance - Regulatory Basis

December 31,

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|--------------------------|-------------|------------------|------------------|
| Balance - January 1, | C | 81,907.33 | 59,563.73 |
| Increased by: | | | |
| Premium on Sale of Bonds | C-1 | <u>17,625.00</u> | <u>22,343.60</u> |
| Balance - December 31, | C/C-3 | <u>99,532.33</u> | <u>81,907.33</u> |

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.
Balance Sheet - Regulatory Basis
Public Assistance Fund
December 31, 2019
With Comparative Figures for 2018

| | <u>Ref.</u> | <u>2019</u> | <u>2018</u> |
|--------------------------|-------------|-------------|-------------|
| <u>Assets</u> | | | |
| Cash - Public Assistance | D-1 | 4.11 | 4.12 |
| | | 4.11 | 4.12 |
| <u>Liabilities</u> | | | |
| Interfund - Current Fund | | 4.11 | 4.12 |
| | | 4.11 | 4.12 |

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2019

With Comparative Figures for 2018

| | <u>2019</u> | <u>2018</u> |
|-------------------------------------|----------------------|----------------------|
| General Fixed Assets: | | |
| Land | 4,960,300.00 | 4,960,300.00 |
| Buildings and Building Improvements | 3,449,502.00 | 3,449,502.00 |
| Machinery and Equipment | <u>8,502,080.00</u> | <u>8,109,503.00</u> |
| | <u>16,911,882.00</u> | <u>16,519,305.00</u> |
| | | |
| Investment in Fixed Assets | <u>16,911,882.00</u> | <u>16,519,305.00</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Borough of Glen Rock have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Glen Rock (the "Borough") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Free Public Library, Volunteer Fire Department and the First Aid Squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the participant's length of service awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective August 9, 2011, the Borough transferred the financial and operational responsibility for the administration of general public assistance to the Bergen County Board of Social Services.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

General Fixed Asset Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Glen Rock. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2019, the Borough Council increased the original budget by \$36,263.95 for additional aid allotted the Borough. In addition, several budget transfers were approved by the governing body.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

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

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Glen Rock has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. 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.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

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.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data has not been presented in all statements and notes to financial statements because their inclusion would make certain statements and notes to financial statements unduly complex and difficult to understand.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Borough adopted Government Accounting Standards Board GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. As a result of adopting this Statement, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Borough.

For the year ended December 31, 2019, the Borough adopted GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

C. Basic Financial Statements

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

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statute 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2019, \$-0- of the Borough's bank balance of \$9,288,524.92 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statute 40A:5-15.1(a) limits the length of time for most investments to 397 days.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Credit Risk

New Jersey Statute 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are: Bonds of the United States of America, bonds or other obligations of the towns, or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

Unaudited Investments

As more fully described in Note 14, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Variable Annuity Life Insurance Company, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2019 and 2018 amounted to \$1,445,019.73 and \$1,243,055.58, respectively.

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Company on December 31, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|--------------|-----------------------|-----------------------|
| Fixed Income | \$297,767.91 | \$290,890.30 |
| Growth Funds | 286,904.37 | 227,502.16 |
| Index Funds | 644,068.35 | 519,125.05 |
| Value Funds | 91,525.56 | 76,216.36 |
| All Others | <u>124,753.54</u> | <u>129,322.01</u> |
| Total | <u>\$1,445,019.73</u> | <u>\$1,243,055.88</u> |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2019 consisted of the following:

| | <u>Balance</u> <u>Dec. 31, 2018</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending</u> <u>Balance</u> | <u>Amounts Due</u> <u>Within</u> <u>One Year</u> |
|-------------------------|--|-----------------------------|-----------------------|---------------------------------|--|
| Compensated Absences | \$624,925.50 | \$73,397.65 | \$65,231.04 | \$633,092.11 | \$ |
| Bonds Payable - General | | | | | |
| Obligation Debt | <u>15,045,000.00</u> | <u> </u> | <u>1,550,000.00</u> | <u>13,495,000.00</u> | <u>1,550,000.00</u> |
| | <u>\$15,669,925.50</u> | <u>\$73,397.65</u> | <u>\$1,615,231.04</u> | <u>\$14,128,092.11</u> | <u>\$1,550,000.00</u> |

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|------------------------|------------------------|-----------------------------|
| <u>ISSUED</u> | | | |
| General - Bonds, Loans and Notes | \$16,670,500.00 | \$15,045,000.00 | \$16,321,470.00 |
| Less: Funds Temporarily Held to Pay | | | |
| Bonds and Notes: | | | |
| General | <u>6,943.75</u> | <u>6,943.75</u> | <u> </u> |
| Net Debt Issued | 16,663,556.25 | 15,038,056.25 | 16,321,470.00 |
| <u>AUTHORIZED BUT NOT ISSUED</u> | | | |
| General - Bonds and Notes | <u>2,470.00</u> | <u>1,672,470.00</u> | <u> </u> |
| Net Bonds and Notes Issued and Authorized But Not Issued | <u>\$16,666,026.25</u> | <u>\$16,710,526.25</u> | <u>\$16,321,470.00</u> |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a net debt of .634%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------------|------------------------|------------------------|------------------------|
| Local School District Debt | \$31,280,000.00 | \$31,280,000.00 | \$0.00 |
| General Debt | <u>16,672,970.00</u> | <u>6,943.75</u> | <u>16,666,026.25</u> |
| | <u>\$47,952,970.00</u> | <u>\$31,286,943.75</u> | <u>\$16,666,026.25</u> |

Net Debt \$16,666,026.25 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,628,677,256.67 = .634%.

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

| | |
|---|------------------------|
| 3-1/2% of equalized valuation basis (municipal) | \$92,003,703.98 |
| Less net debt | <u>16,666,026.25</u> |
| Remaining Borrowing Power | <u>\$75,337,677.73</u> |

The Borough's long term debt consisted of the following at December 31, 2018:

Paid by Current Fund:

| | <u>Amount Outstanding</u> |
|---|-------------------------------|
| \$9,550,000.00 General Improvement Bonds - issued January 15, 2014, due through January 15, 2024 with an interest rate of 1.50%-3.00% | \$5,575,000.00 |
| \$8,370,000.00 General Improvement Bonds - issued July 15, 2018, due through July 15, 2030 with an interest rate of 2.50%-3.00% | <u>7,920,000.00</u> |
| Total Serial Bonds | <u>\$13,495,000.00</u> |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

General capital serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough.

In addition to the above, the Borough had authorized but not issued debt, as follows:

| | |
|-----------------|-------------------|
| General Capital | <u>\$2,470.00</u> |
|-----------------|-------------------|

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING

| <u>Calendar</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------|------------------------|-----------------------|------------------------|
| 2020 | \$1,550,000.00 | \$347,375.00 | \$1,897,375.00 |
| 2021 | 1,550,000.00 | 312,750.00 | 1,862,750.00 |
| 2022 | 1,585,000.00 | 275,062.50 | 1,860,062.50 |
| 2023 | 1,585,000.00 | 232,625.00 | 1,817,625.00 |
| 2024 | 1,925,000.00 | 187,375.00 | 2,112,375.00 |
| 2025-2029 | 4,400,000.00 | 524,000.00 | 4,924,000.00 |
| 2030 | <u>900,000.00</u> | <u>27,000.00</u> | <u>927,000.00</u> |
| | <u>\$13,495,000.00</u> | <u>\$1,906,187.50</u> | <u>\$15,401,187.50</u> |

NOTE 4. BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2019, the Borough had \$3,175,500.00 in outstanding general capital bond anticipation notes maturing on October 23, 2020 at an interest rate of 2.00%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2019:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|-------------------------------------|------------------------------|-----------------------|-------------------|---------------------------|
| Notes Payable: Oppenheimer & Co. | \$ _____ | <u>\$3,175,500.00</u> | \$ _____ | <u>\$3,175,500.00</u> |

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019, the Borough did not have any deferred charges on the balance sheets of any of the various funds.

NOTE 6. LOCAL SCHOOL TAXES

Local school taxes have been raised on a calendar year basis and there is no deferred liability at December 31, 2019.

NOTE 7. PENSION PLANS

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

| <u>Tier</u> | <u>Definition</u> |
|-------------|--|
| 1 | Members who were enrolled prior to July 1, 2007 |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3 | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |
| 4 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 5 | Members who were eligible to enroll on or after June 28, 2011 |

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

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

| <u>Tier</u> | <u>Definition</u> |
|-------------|---|
| 1 | Members who were enrolled prior to May 22, 2010 |
| 2 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 3 | Members who were eligible to enroll on or after June 28, 2011 |

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

| <u>Year</u> | <u>PERS</u> | <u>PFRS</u> | <u>DCRP</u> |
|-------------|--------------|--------------|-------------|
| 2019 | \$515,163.00 | \$645,544.00 | \$10,725.58 |
| 2018 | 469,598.00 | 567,657.00 | 7,106.00 |
| 2017 | 429,173.00 | 598,758.00 | 5,680.00 |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Contribution Requirements, (continued)

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

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

Public Employees Retirement System (PERS)

At December 31, 2019, the Borough had a liability of \$9,248,948 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 governmental entities, actuarially determined. At June 30, 2019, the Borough's proportion was .0513303392 percent, which was a decrease of .0004616508 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Borough recognized pension expense of \$515,163.00. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$166,007 | \$40,858 |
| Changes of assumptions | 923,541 | 3,210,281 |
| Net difference between projected and actual earnings on pension plan investments | | 145,998 |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | <u>366,320</u> | <u>399,624</u> |
| Total | <u>\$1,455,868</u> | <u>\$3,796,761</u> |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|-------------|
| 2020 | \$(267,067) |
| 2021 | (866,362) |
| 2022 | (773,611) |
| 2023 | (363,250) |
| 2024 | (37,299) |

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

| | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|---|----------------------|----------------------|
| Collective deferred outflows of resources | \$3,149,522,616 | \$4,684,852,302 |
| Collective deferred inflows of resources | 7,645,087,574 | 7,646,736,226 |
| Collective net pension liability | 18,018,482,972 | 19,689,501,539 |
| Borough's Proportion | .0513303392% | .0517919900% |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

| | |
|---------------------------|--|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through 2026 | 2.00-6.00% (based on years of service) |
| Thereafter | 3.00-7.00% (based on years of service) |
| | |
| Investment Rate of Return | 7.00 Percent |

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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 based on Scale MP-2019.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 3.00% | 4.67% |
| Cash equivalents | 5.00% | 2.00% |
| U.S. Treasuries | 5.00% | 2.68% |
| Investment grade credit | 10.00% | 4.25% |
| High yield | 2.00% | 5.37% |
| Private credit | 6.00% | 7.92% |
| Real assets | 2.50% | 9.31% |
| Real estate | 7.50% | 8.33% |
| U.S. equity | 28.00% | 8.26% |
| Non-U.S. developed markets equity | 12.50% | 9.00% |
| Emerging markets equity | 6.50% | 11.37% |
| Private equity | 12.00% | 10.85% |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

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

| | <u>June 30, 2019</u> | | |
|--|--|---|--|
| | <u>1%</u> <u>Decrease</u> <u>5.28%</u> | <u>At Current</u> <u>Discount Rate</u> <u>6.28%</u> | <u>1%</u> <u>Increase</u> <u>7.28%</u> |
| Borough's proportionate share of the pension liability | \$11,764,199 | \$9,248,948 | \$7,248,053 |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2019, the Borough had a liability of \$8,473,544 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 governmental entities, actuarially determined. At June 30, 2019, the Borough's proportion was .0692406359 percent, which was an increase of .0032102814 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Borough recognized pension expense of \$645,544.00. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference in actual and expected experience | \$71,528 | \$53,648 |
| Changes of assumptions | 290,350 | 2,738,572 |
| Net difference between projected and actual earnings on pension plan investments | | 114,814 |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | <u>652,319</u> | <u>912,063</u> |
| Total | <u>\$1,014,197</u> | <u>\$3,819,097</u> |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|-------------|
| 2020 | \$(444,231) |
| 2021 | (932,511) |
| 2022 | (660,413) |
| 2023 | (325,539) |
| 2024 | (182,462) |

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2019 and June 30, 2018 are as follows:

| | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|---|----------------------|----------------------|
| Collective deferred outflows of resources | \$1,198,936,924 | \$1,988,215,695 |
| Collective deferred inflows of resources | 4,874,748,912 | 4,286,994,294 |
| Collective net pension liability | 12,237,818,793 | 13,531,648,591 |
| Borough's Proportion | .0692406359% | .0660303545% |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Actuarial Assumptions

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

| | |
|---------------------------|---|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through all Future Years | 3.25-15.25% (based on years of service) |
| Investment Rate of Return | 7.00% |

Mortality Rates

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

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

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 3.00% | 4.67% |
| Cash equivalents | 5.00% | 2.00% |
| U.S. Treasuries | 5.00% | 2.68% |
| Investment grade credit | 10.00% | 4.25% |
| High yield | 2.00% | 5.37% |
| Private credit | 6.00% | 7.92% |
| Real assets | 2.50% | 9.31% |
| Real estate | 7.50% | 8.33% |
| U.S. equity | 28.00% | 8.26% |
| Non-U.S. developed markets equity | 12.50% | 9.00% |
| Emerging markets equity | 6.50% | 11.37% |
| Private equity | 12.00% | 10.85% |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

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

| | <u>June 30, 2019</u> | | |
|--|--|---|--|
| | <u>1%</u> <u>Decrease</u> <u>5.85%</u> | <u>At Current</u> <u>Discount Rate</u> <u>6.85%</u> | <u>1%</u> <u>Increase</u> <u>7.85%</u> |
| Borough's proportionate share of the pension liability | \$13,261,616 | \$8,473,544 | \$6,956,091 |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State 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. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2019 and 2018, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,337,989 and \$1,213,671, respectively. For the years ended December 31, 2019 and 2018, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$155,463 and \$143,757, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$90,153 and \$71,879, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

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 financial report may be accessed at www.state.nj.us/treasury/pensions.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 7, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

General Information about the OPEB Plan

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* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the 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.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), continued

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provides 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.

Total OPEB Liability

At December 31, 2019, the Borough had a liability of \$16,958,191 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2019 the Borough's proportion was .125189 percent.

For the year ended December 31, 2019, the Borough recognized OPEB expense of \$599,858. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Difference between expected and actual experience | \$ | \$4,959,236 |
| Changes of assumptions | | 6,009,606 |
| Net difference between projected and actual earnings on OPEB plan investments | 13,969 | |
| Changes in proportion | <u>131,034</u> | <u>2,072,580</u> |
| Total | <u>\$145,003</u> | <u>\$13,041,422</u> |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), continued

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

| | |
|---------------------|---------------|
| Year ended June 30: | |
| 2020 | \$(1,784,196) |
| 2021 | (1,784,196) |
| 2022 | (1,785,291) |
| 2023 | (1,787,060) |
| 2024 | (1,788,678) |
| Thereafter | (2,025,453) |

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for 2019, 2018 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2018. 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.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), continued

| | |
|---|--|
| Inflation rate | 2.50% |
| | |
| Salary increases*: | |
| Public Employees' Retirement System (PERS) | |
| Initial fiscal year applied | |
| Rate through 2026 | 2.00% to 6.00% |
| Rate thereafter | 3.00% to 7.00% |
| Police and Firemen's Retirement System (PFRS) | |
| Rate for all future years | 3.25% to 15.25% |
| | |
| Mortality: | |
| PERS | Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |
| PFRS | Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |

* Salary increases are based on years of service within the respective plan.

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the Division. 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.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), continued

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

| | June 30, 2019 | | |
|--|---------------|---------------|--------------|
| | 1% | At Current | 1% |
| | Decrease | Discount Rate | Increase |
| | <u>2.50%</u> | <u>3.50%</u> | <u>4.50%</u> |
| Borough's proportionate share of Net OPEB liability | \$19,607,983 | \$16,958,191 | \$14,804,885 |

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

| | June 30, 2019 | | |
|--|-----------------|-------------------|-----------------|
| | % | Healthcare Cost | % |
| | <u>Decrease</u> | <u>Trend Rate</u> | <u>Increase</u> |
| | | | |
| Borough's proportionate share of Net OPEB liability | \$14,310,623 | \$16,958,191 | \$20,335,609 |

NOTE 9. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2019 and 2018 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2020 and 2019 were as follows:

| | Anticipated <u>2020</u> | Anticipated <u>2019</u> |
|-------------|----------------------------|----------------------------|
| Current Fun | <u>\$1,650,000.00</u> | <u>\$1,500,000.00</u> |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 10. FIXED ASSETS

The balance as of December 31, 2019 and December 31, 2018 are as follows:

| | <u>Balance</u> <u>Dec. 31, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>Dec. 31, 2019</u> |
|------------------------------------|--|---------------------|--------------------|--|
| Land | \$4,960,300.00 | \$ | \$ | \$4,960,300.00 |
| Building and Building Improvements | 3,449,502.00 | | | 3,449,502.00 |
| Machinery and Equipment | <u>8,109,503.00</u> | <u>418,077.00</u> | <u>25,500.00</u> | <u>8,502,080.00</u> |
| | <u>\$16,519,305.00</u> | <u>\$418,077.00</u> | <u>\$25,500.00</u> | <u>\$16,911,882.00</u> |

NOTE 11. ACCRUED SICK AND VACATION BENEFITS

The Chief Financial Officer has advised our office that the accrued sick and vacation benefits policies of the Borough of Glen Rock are as follows:

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$633,092.11 and \$624,925.50 at December 31, 2019 and 2018, respectively. These amounts, which are considered material to the financial statements, are not reported either as an expenditure or liability.

NOTE 12. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2019 consist of the following:

| | |
|--------------------|--|
| \$17.65 | Due to Current Fund from Animal Control Trust Fund for interest earned in Animal Control Trust Fund. |
| 4.11 | Due to Current Fund from Public Assistance Fund for interest earned. |
| 1,122.62 | Due to Current Fund from Other Trust Fund for interest earned. |
| 3,587.16 | Due to Current Fund from Payroll Fund for Current Fund receipts deposited in Payroll Fund. |
| <u>14,520.13</u> | Due to General Capital Fund from Current Fund for General Capital Fund receipts deposited in Current Fund. |
| <u>\$19,251.67</u> | |

It is anticipated that all interfunds will be liquidated during the fiscal year.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 13. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

| | <u>Balance</u> <u>Dec 31, 2019</u> | <u>Balance</u> <u>Dec 31, 2018</u> |
|--|---------------------------------------|---------------------------------------|
| Prepaid Taxes | <u>\$359,231.18</u> | <u>\$655,198.16</u> |
| Cash Liability for Taxes Collected in Advance | <u>\$359,231.18</u> | <u>\$655,198.16</u> |

NOTE 14. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED

The Borough of Glen Rock Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on July 25, 2001 pursuant to 457(e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Glen Rock approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2002. The tax deferred income benefits for emergency services volunteers, consisting of the Glen Rock Volunteer Fire Department and the Volunteer Ambulance Corps. Inc., come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Glen Rock has contributed \$1,468.53 and \$1,468.53 for 2019 and 2018, respectively, for each eligible Glen Rock Volunteer Fire Department and Volunteer Corps. Inc. member into the Plan. The total Borough contributions were \$55,205.11 and \$61,678.26 for 2019 and 2018, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 14. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED, (continued)

Lincoln Financial Group is the administer of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Service. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Funds.

NOTE 15. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2018 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Glen Rock 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 Borough of Glen Rock is a member of the Bergen County Municipal Joint Insurance Fund and Municipal Excess Liability Joint Insurance Fund. These funds are both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 15. RISK MANAGEMENT, (continued)

The following coverages are offered by these funds to its members:

- a. Workers' Compensation and Employer's Liability
- b. Liability Other Than Motor Vehicles
- c. Property Damage Other Than Motor Vehicles
- d. Motor Vehicle

The Municipal Excess Liability Joint Insurance Fund also offers Public Officials' Liability Coverage.

Members of the Bergen County Municipal Joint Insurance Fund are also members of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance for each of the coverages noted above, except for excess property coverage which is purchased by the Bergen County Municipal Joint Insurance Fund from a commercial carrier.

As a member of these Funds, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

These Funds can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

New Jersey Unemployment Compensation Insurance

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

| <u>Year ended</u> <u>December 31</u> | <u>Borough</u> <u>Contributions</u> | <u>Interest</u> <u>Earned</u> | <u>Employee</u> <u>Contributions</u> | <u>Amount</u> <u>Reimbursed</u> | <u>Ending</u> <u>Balance</u> |
|---|--|----------------------------------|---|------------------------------------|---------------------------------|
| 2019 | \$5,000.00 | \$350.39 | \$10,338.43 | \$14,744.78 | \$36,192.85 |
| 2018 | 15,000.00 | 619.28 | 10,011.96 | 18,586.60 | 35,248.81 |
| 2017 | | | 18,474.00 | 29,240.00 | 28,204.17 |

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the Borough Counsel that the Borough is not involved in any litigation that would materially affect the financial statements.

NOTE 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through July 10, 2020, the date which the financial statements were available to be issued, and besides the item described below, no other items were noted for disclosure.

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Glen Rock. The Borough has identified several risks as a result of this pandemic, including a possible delay in collection of real estate taxes and cash flow shortages as the result of these delayed collection. The Borough will continue to monitor the situation closely.

SUPPLEMENTARY FINANCIAL INFORMATION

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|----------------------------------|--------------|--------------|--------------|
| Tax Rate | <u>2.969</u> | <u>2.887</u> | <u>2.831</u> |
| Apportionment of Tax Rate: | | | |
| Municipal (includes Library Tax) | .634 | .627 | .622 |
| County | .272 | .266 | .273 |
| Local School | 2.063 | 1.994 | 1.936 |

Assessed Valuations:

| | | | |
|------|--------------------|--------------------|--------------------|
| 2019 | \$2,379,216,455.00 | | |
| 2018 | | \$2,370,627,238.00 | |
| 2017 | | | \$2,342,203,238.00 |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

| <u>Year</u> | <u>Tax Levy</u> | <u>Currently</u> | |
|-------------|-----------------|-------------------------|----------------------------------|
| | | <u>Cash Collections</u> | <u>Percentage of Collections</u> |
| 2019 | \$70,887,609.44 | \$70,483,255.24 | 99.43% |
| 2018 | 68,665,995.29 | 68,256,891.20 | 99.40 |
| 2017 | 67,235,711.00 | 66,560,822.00 | 98.99 |

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> |
|-------------|----------------------------------|-----------------------------------|-------------------------|-------------------------------|
| 2019 | \$8,887.39 | \$373,105.74 | \$381,993.13 | .54% |
| 2018 | 8,400.47 | 389,111.56 | 397,512.03 | .58 |
| 2017 | 7,927.00 | 432,040.00 | 439,967.00 | .65 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| <u>Year</u> | <u>Current Fund</u> | |
|-------------|---------------------|--|
| | <u>Balance</u> | <u>Utilized in Budget of Succeeding Year</u> |
| 2019 | \$3,947,508.03 | \$1,650,000.00 |
| 2018 | 3,856,135.39 | 1,500,000.00 |
| 2017 | 3,110,152.89 | 1,100,000.00 |
| 2016 | 2,613,807.00 | 1,100,000.00 |
| 2015 | 2,036,510.00 | 575,000.00 |

OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>Name</u> | <u>Title</u> | <u>Amount of Bond *</u> |
|---------------------|---|-------------------------|
| Bruce Packer | Mayor | |
| Kristine Morieko | Council President | |
| Amy Martin | Council Member | |
| Michael O'Hagan | Council Member | |
| Mary Barchetto | Council Member | |
| William Leonard | Council Member to 06/12/19 | |
| Michelle Torpey | Council Member from 07/08/19 | |
| Arati Kreibich | Council Member | |
| Lenora Benjamin | Borough Administrator/Chief Financial Officer | |
| Jacqueline Scalia | Borough Clerk | |
| Partica Miller | Tax Collector | |
| William Yirce | Tax Assessor | |
| Dean Ackermann | Police Chief | |
| Greg Toro | Director of Public Works | |
| Anthony Suarez | Attorney | |
| Warren Clark | Magistrate | |
| Kimberly McWilliams | Court Administrator | |

* Covered through the Municipal Excess Liability Joint Insurance Fund.

Borough of Glen Rock

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

| Federal Grantor/Pass-Through Grantor/Program | Federal CFDA Number | Pass-Through Entity ID Number | Grant Year | Grant Award | Balance Jan. 1, 2019 | Receipts/Revenues | Expended | Balance Dec. 31, 2019 | Cumulative Expenditures |
|--|---------------------|-------------------------------|------------|-------------|----------------------|-------------------|------------|-----------------------|-------------------------|
| Current Fund | | | | | | | | | |
| <u>U.S. Department of Homeland Security</u> | | | | | | | | | |
| Pass Through NJ Department of Law & Public Safety: | | | | | | | | | |
| Public Assistance Grant Program | 97-036 | 066-1200-100-C27 | 2019 | 103,500.19 | | 103,500.19 | 103,500.19 | | 103,500.19 |
| Total Current Fund | | | | | | | | | |
| <u>Federal and State Grant Fund</u> | | | | | | | | | |
| <u>U.S. Department of Transportation:</u> | | | | | | | | | |
| Pass Through NJ Department of Law & Public Safety: | | | | | | | | | |
| Distracted Driving Incentive | 20-616 | 066-1160-100-158 | 2019 | 5,280.00 | | 5,280.00 | 5,280.00 | 5,280.00 | |
| Distracted Driving Incentive | 20-616 | 066-1160-100-158 | 2018 | 6,600.00 | 6,600.00 | | | 6,600.00 | 3,267.00 |
| Click It or Tick It | 20-600 | 066-1160-100-119 | 2019 | 5,280.00 | 2,013.00 | 5,280.00 | | 2,013.00 | 3,267.00 |
| Click It or Tick It | 20-600 | 066-1160-100-155 | 2017 | 5,280.00 | 8,613.00 | 10,560.00 | 10,560.00 | 13,893.00 | |
| Total Federal and State Grant Fund | | | | | 8,613.00 | 10,560.00 | 10,560.00 | 13,893.00 | |
| <u>General Capital Fund</u> | | | | | | | | | |
| <u>U.S. Department of HUD:</u> | | | | | | | | | |
| Pass Through County of Bergen: | | | | | | | | | |
| Community Development Block Grant | 14-218 | | 2019 | 432,000.00 | | | 397,421.18 | (397,421.18) | 397,421.18 |
| | 14-218 | | 2019 | 40,000.00 | | | | | |
| | 14-218 | | 2016 | 30,000.00 | | | | | 12,901.45 |
| | 14-218 | | 2015 | 25,487.00 | | | | | |
| | 14-218 | | 2013 | 80,000.00 | | | | | 38,000.00 |
| Total General Capital Fund | | | | | | | 397,421.18 | (397,421.18) | |
| Total Federal Awards | | | | | 8,613.00 | 114,060.19 | 511,481.37 | (383,528.18) | |

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance

Borough of Glen Rock

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2019

| State Grantor/Pass-Through Grantor/Program | Pass-Through Entity ID Number | Grant Year | Grant Award | Balance Jan. 1, 2019 | Receipts/Revenues | Expended | Balance Dec. 31, 2019 | MEMO Cumulative Expenditures |
|---|-------------------------------|------------|-------------|----------------------|-------------------|-----------|-----------------------|------------------------------|
| <u>Federal and State Grant Fund</u> | | | | | | | | |
| <u>NJ Department of Environmental Protection:</u> | | | | | | | | |
| Clean Communities | 4900-765-004 | 2019 | 22,355.33 | | 22,355.33 | | 22,355.33 | |
| | | 2018 | 20,029.92 | 20,029.92 | | | 20,029.92 | |
| | | 2017 | 20,935.00 | 20,935.00 | 13,562.65 | | 7,372.35 | 13,562.65 |
| | | 2016 | 24,642.00 | 7,302.89 | 7,302.89 | | | 24,642.00 |
| | | | | 48,267.81 | 22,355.33 | 20,865.54 | 49,757.60 | |
| <u>Recycling Tonnage Grant</u> | 4910-100-224 | 2019 | 12,002.34 | | 12,002.34 | 12,002.00 | 0.34 | 12,002.00 |
| | | 2018 | 12,968.00 | 12,968.00 | | | 12,968.00 | |
| | | | | 12,968.00 | 12,002.34 | 12,002.00 | 12,968.34 | |
| <u>Charging Station Grant</u> | | 2018 | 10,000.00 | (10,000.00) | 10,000.00 | | | 10,000.00 |
| | | | | (10,000.00) | 10,000.00 | | | |
| <u>NJ Department of Health:</u> | | | | | | | | |
| Alcohol Education Rehabilitation | 9735-760-001 | 2019 | 1,848.62 | | 1,848.62 | 390.11 | 1,458.51 | 390.11 |
| | | 2018 | 512.63 | 512.63 | | 512.63 | | 512.63 |
| | | 2017 | 257.00 | 257.00 | | 257.00 | | 257.00 |
| | | 2016 | 302.00 | 302.00 | | 302.00 | | 302.00 |
| | | 2015 | 943.00 | 100.60 | | 100.60 | | 943.00 |
| | | | | 1,172.23 | 1,848.62 | 1,562.34 | 1,458.51 | |
| <u>NJ Division of Highway Traffic Safety:</u> | | | | | | | | |
| Drunk Driving Enforcement Fund | 6400-100-078 | 2017 | 6,490.00 | 5,104.27 | | | 5,104.27 | 1,385.73 |
| | | | | 5,104.27 | | | 5,104.27 | |

Borough of Glen Rock

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2019

| State Grantor/Pass-Through Grantor/Program | Pass-Through Entity ID Number | Grant Year | Grant Award | Balance Jan. 1, 2019 | Receipts/Revenues | Expended | Balance Dec. 31, 2019 | MEMO Cumulative Expenditures |
|--|-------------------------------|------------|-------------|----------------------|-------------------|-----------|-----------------------|------------------------------|
| <u>NJ Department of Law and Public Safety:</u> | | | | | | | | |
| Body Armor Replacement | 066-1020-718-001 | 2019 | 2,592.97 | | 2,592.97 | | 2,592.97 | |
| | | 2018 | 3,866.00 | 3,866.00 | | 1,092.64 | 2,773.36 | 1,092.64 |
| | | 2017 | 2,348.00 | 750.00 | | 750.00 | | 2,348.00 |
| | | | | 4,616.00 | 2,592.97 | 1,842.64 | 5,366.33 | |
| <u>Council on Alcoholism and Drug Abuse:</u> | | | | | | | | |
| Pass Through County of Bergen Municipal Drug Alliance | | 2013 | 12,345.00 | 2,469.00 | | | 2,469.00 | 9,876.00 |
| | | | | 2,469.00 | | | 2,469.00 | |
| Total Federal and State Grant Fund | | | | 64,597.31 | 48,799.26 | 36,272.52 | 77,124.05 | |
| <u>General Capital Fund</u> | | | | | | | | |
| <u>NJ Department of Transportation:</u> | | | | | | | | |
| Highway Planning and Construction Boulevard | 078-6320-480 | 2018 | 215,000.00 | | | 35,500.00 | (35,500.00) | 35,500.00 |
| Traffic Signal - Maple & Rock | | 2017 | 221,500.00 | | | | | 166,392.00 |
| Retaining Walls at NJ Transit Bridge Hamilton Ave/Belmont Rd | | 2013 | 360,000.00 | (124,721.50) | | | (124,721.50) | 318,532.50 |
| Kirkwood Hamilton Ave | | 2013 | 146,500.00 | (25,841.08) | | | (25,841.08) | 133,926.08 |
| | | | 200,000.00 | (200,000.00) | | | (200,000.00) | 200,000.00 |
| | | | | (350,562.58) | | 35,500.00 | (386,062.58) | |
| Total General Capital Fund | | | | (350,562.58) | | 35,500.00 | (386,062.58) | |
| Total State Awards | | | | (285,965.27) | 48,799.26 | 71,772.52 | (308,938.53) | |

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 15-08

Borough of Glen Rock, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Current Fund</u> | <u>Federal & State Grant Fund</u> |
|---|-------------|-------------------------|---|
| Balance - December 31, 2018 | A | 5,527,018.69 | 100,641.56 |
| Increased by Receipts: | | | |
| Interest and Costs on Taxes | A-2 | 50,554.43 | |
| Miscellaneous Revenue Not Anticipated | A-2 | 466,102.85 | |
| Petty Cash | A-6 | 100.00 | |
| Due From State - Senior Citizen and Veteran Deductions | A-7 | 57,707.53 | |
| Taxes Receivable | A-8 | 70,159,418.64 | |
| Revenue Accounts Receivable | A-10 | 2,825,073.28 | |
| Interfunds | A-11 | 21,529.26 | |
| Prepaid Taxes | A-15 | 359,231.18 | |
| Prepaid Revenue | A-16 | 150.00 | |
| Various Cash Liabilities and Reserves | A-19 | 26,023.94 | |
| Federal and State Grants Receivable | A-20 | | 67,890.08 |
| Unappropriated Reserves for Grants | A-22 | | 0.34 |
| | | <u>73,965,891.11</u> | <u>67,890.42</u> |
| | | 79,492,909.80 | 168,531.98 |
| Decreased by Disbursements: | | | |
| Current Year Budget Appropriations | A-3 | 17,938,232.80 | |
| Petty Cash | A-6 | 100.00 | |
| Interfunds | A-11 | 6,033.72 | |
| Appropriation Reserves | A-12 | 620,633.42 | |
| Local District School Taxes | A-17 | 49,072,243.00 | |
| County Taxes Payable | A-18 | 6,501,651.81 | |
| Various Cash Liabilities and Reserves | A-19 | 25,548.94 | |
| Appropriated Reserves for Grants | A-21 | | 80,434.93 |
| | | <u>74,164,443.69</u> | <u>80,434.93</u> |
| Balance - December 31, 2019 | A | <u>5,328,466.11</u> | <u>88,097.05</u> |

Exhibit A-5

Borough of Glen Rock, N.J.
Schedule of Cash - Change Fund
Current Fund
Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|---------------|
| Balance - December 31, 2018 | A | <u>453.00</u> |
| Balance - December 31, 2019 | A | <u>453.00</u> |
| <u>Analysis of Balance:</u> | | |
| Tax Collector | | 153.00 |
| Construction Code | | 100.00 |
| Borough Clerk | | 100.00 |
| Municipal Court | | <u>100.00</u> |
| | | <u>453.00</u> |

Exhibit A-6

Schedule of Cash - Petty Cash
Current Fund
Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------|-------------|---------------|
| Increased by: | | |
| Disbursed | A-4 | <u>100.00</u> |
| Decreased by: | | |
| Returned to Treasurer | A-4 | <u>100.00</u> |

Borough of Glen Rock, N.J.

**Schedule of Amount Due To State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976**

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|--|-------------|-------------------------|
| Balance - December 31, 2018 | A | 27,198.47 |
| Increased by: | | |
| Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector | | 250.00 |
| Decreased by: | | |
| Senior Citizens' and Veterans' Deductions Per Tax Billings | | 57,500.00 |
| Senior Citizens' and Veterans' Deductions Allowed by Tax Collector | | <u>500.00</u> |
| | A-8 | <u>57,750.00</u> |
| | | 30,551.53 |
| Increased by: | | |
| Cash Receipts | A-4 | <u>57,707.53</u> |
| Balance - December 31, 2019 | A | <u><u>27,156.00</u></u> |

Borough of Glen Rock, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

| | | Current Fund | | | | Year Ended December 31, 2019 | | | |
|-------|------------------------|---------------|-------------|------------|---------------|---------------------------------------|--------------------------------|-----------|------------------------|
| Year | Balance, Dec. 31, 2018 | Levy | Added Taxes | Collected | 2019 | Senior Citizen and Veteran Deductions | Transferred to Tax Title Liens | Canceled | Balance, Dec. 31, 2019 |
| prior | 389,111.56 | | | | 389,111.56 | | | | |
| 2019 | | 70,638,938.57 | 248,670.87 | 655,198.16 | 69,770,307.08 | 57,750.00 | 486.92 | 30,761.54 | 373,105.74 |
| | 389,111.56 | 70,638,938.57 | 248,670.87 | 655,198.16 | 70,159,418.64 | 57,750.00 | 486.92 | 30,761.54 | 373,105.74 |
| | A | | | A-2/A-15 | A-2/A-4 | A-2/A-7 | A-9 | | A |

Analysis of Tax Levy

| Tax yield: | Ref. |
|------------------------------------|----------------------|
| General Purpose Tax | 70,638,938.57 |
| Added Tax (R.S. 54:4-63.1 et seq.) | 248,670.87 |
| | <u>70,887,609.44</u> |
| Tax Levy: | |
| Local District School Tax | A-17 |
| County Tax | A-18 |
| Added County Taxes | A-18 |
| | <u>6,503,573.49</u> |
| | 55,575,816.49 |
| Local Tax for Municipal Purposes | A-2 |
| Additional Taxes | |
| | <u>15,077,243.00</u> |
| | <u>234,549.95</u> |
| | <u>15,311,792.95</u> |
| | <u>70,887,609.44</u> |

Borough of Glen Rock, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|---------------------------------|-------------|------------------------|
| Balance - December 31, 2018 | A | 8,400.47 |
| Increased by: | | |
| Transfers from Taxes Receivable | A-8 | <u>486.92</u> |
| Balance - December 31, 2019 | A | <u><u>8,887.39</u></u> |

Borough of Glen Rock, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2019

| | Ref. | Balance Dec. 31, 2018 | Accrued | Collected | Prepayment Applied | Balance Dec. 31, 2019 |
|---------------------------------------|------|--------------------------|---------------------|---------------------|-----------------------|--------------------------|
| Clerk: | | | | | | |
| Licenses: | | | | | | |
| Alcoholic beverages | A-2 | | 14,670.00 | 14,670.00 | | |
| Other | A-2 | | 1,310.00 | 1,310.00 | | |
| Fees and Permits | A-2 | | 17,470.00 | 17,470.00 | | |
| Police | | | | | | |
| Fees and Permits | A-2 | | 34,357.25 | 22,137.25 | 12,220.00 | |
| Fire Prevention | | | | | | |
| Fees and Permits | A-2 | | 21,039.00 | 21,039.00 | | |
| Board of Health / Registrar: | | | | | | |
| Other Licenses | A-2 | | 7,457.00 | 7,457.00 | | |
| Fees and Permits | A-2 | | 855.00 | 855.00 | | |
| Municipal Court : | | | | | | |
| Fines and Costs | A-2 | 5,654.71 | 105,512.41 | 105,072.45 | | 6,094.67 |
| Parking Meters | A-2 | | 156,106.34 | 143,931.34 | 12,175.00 | |
| Verizon Fios Franchise Fee | A-2 | | 92,103.00 | 92,103.00 | | |
| Residential Parking Fees | A-2 | | 103,430.06 | 78,430.06 | 25,000.00 | |
| Cellular Tower Lease | A-2 | | 244,296.11 | 244,296.11 | | |
| Swim Team | A-2 | | 6,750.00 | 6,750.00 | | |
| Recycling Program Sales | A-2 | | 15,354.28 | 15,354.28 | | |
| Sewer Rental Fee - Hawthorne | A-2 | | 19,434.00 | 19,434.00 | | |
| Cable T.V. | A-2 | | 79,858.00 | 79,858.00 | | |
| Snack Program | A-2 | | 5,900.00 | 5,900.00 | | |
| Swimming Pool Badges | A-2 | | 361,578.00 | 361,578.00 | | |
| Rental of Municipal Property | A-2 | | 19,298.74 | 19,298.74 | | |
| Pavilion Rental | A-2 | | 2,150.00 | 2,150.00 | | |
| Senior Transportation - Taxi Books | A-2 | | 418.00 | 418.00 | | |
| Swimming Pool Concession Stand Rental | A-2 | | 19,881.00 | 19,881.00 | | |
| Energy Receipts Taxes | A-2 | | 996,572.00 | 996,572.00 | | |
| Uniform Construction Code: | | | | | | |
| Construction Fees | A-2 | | 479,642.00 | 479,642.00 | | |
| Fees and Permits | A-2 | | 4,970.00 | 4,970.00 | | |
| Interlocal Agreements | | | | | | |
| Municipal Court-Wyckoff | A-2 | | 52,200.00 | 52,200.00 | | |
| Uniform Fire Safety Act | A-2 | | 12,296.05 | 12,296.05 | | |
| | | <u>5,654.71</u> | <u>2,874,908.24</u> | <u>2,825,073.28</u> | <u>49,395.00</u> | <u>6,094.67</u> |
| | | A | | A-4 | A-16 | A |

Borough of Glen Rock, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2019

| Fund | Ref. | Due From/(To) Balance | | | Due From/(To) Balance | |
|------------------------------------|-------|--------------------------|-----------------|------------------|--------------------------|--|
| | | Dec. 31, 2018 | Increased | Decreased | Dec. 31, 2019 | |
| Other Trust Fund - General | A | 1,933.68 | 2,424.77 | 3,458.68 | 899.77 | |
| Other Trust - Community Developmer | A | 23.66 | 0.03 | 23.66 | 0.03 | |
| Other Trust - Escrow | A | 222.82 | | | 222.82 | |
| Other Trust - Payroll Fund | A | 425.83 | 3,587.16 | 425.83 | 3,587.16 | |
| General Capital Fund | A | 3,073.19 | | 17,593.32 | (14,520.13) | |
| Public Assistance | A | 4.12 | 4.11 | 4.12 | 4.11 | |
| Animal Control Trust Fund | A | 23.65 | 17.65 | 23.65 | 17.65 | |
| | | <u>5,706.95</u> | <u>6,033.72</u> | <u>21,529.26</u> | <u>(9,788.59)</u> | |
| Analysis | | | | | | |
| Due to Current Fund | A/A-1 | 5,706.95 | | | 4,731.54 | |
| Due From Current Fund | A | | | | (14,520.13) | |
| | | <u>5,706.95</u> | | | <u>(9,788.59)</u> | |
| Disbursed | A-4 | | 6,033.72 | | | |
| Received | A-4 | | | 21,529.26 | | |
| | | | <u>6,033.72</u> | <u>21,529.26</u> | | |

Borough of Glen Rock, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2019

| | Balance, Dec. 31, <u>2018</u> | Balance after Transfers and <u>Encumbrances</u> | <u>Paid or Charged</u> | <u>Balance Lapsed</u> |
|---|-------------------------------------|---|----------------------------|---------------------------|
| General Administration | | | | |
| Salaries and Wages | 927.88 | 927.88 | | 927.88 |
| Municipal Clerk | | | | |
| Salaries and Wages | 473.53 | 807.53 | 806.74 | 0.79 |
| Other Expenses | 51,448.32 | 58,116.81 | 56,886.52 | 1,230.29 |
| Financial Administration | | | | |
| Salaries and Wages | 204.95 | 204.95 | | 204.95 |
| Other Expenses | 0.44 | 0.44 | | 0.44 |
| Elections | | | | |
| Salaries and Wages | 325.54 | 325.54 | | 325.54 |
| Other Expenses | 0.99 | 0.99 | | 0.99 |
| Legal Services (Legal Department) | | | | |
| Other Expenses | 27,188.14 | 16,101.34 | 14,952.43 | 1,148.91 |
| Revenue Administration (Tax Collection) | | | | |
| Salaries and Wages | 249.15 | 771.15 | 770.36 | 0.79 |
| Other Expenses | 630.21 | 1,005.41 | | 1,005.41 |
| Tax Assessment Administration | | | | |
| Salaries and Wages | 391.51 | 391.51 | 256.78 | 134.73 |
| Other Expenses | 2,086.65 | 2,086.65 | | 2,086.65 |
| Liquidation of Tax Title Liens | | | | |
| Other Expenses | 100.00 | 100.00 | | 100.00 |
| Engineering Services and Costs | | | | |
| Other Expenses | 41,344.00 | 13,238.50 | 4,121.50 | 9,117.00 |
| Planning Board | | | | |
| Salaries and Wages | 0.59 | 0.59 | | 0.59 |
| Other Expenses | 23,437.00 | 13,437.00 | 12,824.16 | 612.84 |
| Zoning Board | | | | |
| Other Expenses | 195.53 | 195.93 | 0.40 | 195.53 |
| Insurance: | | | | |
| Other Insurance | 13,424.90 | 6,424.90 | 4,621.00 | 1,803.90 |
| Employee Group Insurance | 386.18 | 386.18 | | 386.18 |
| Health Benefit Waiver | 0.98 | 0.98 | | 0.98 |
| Police | | | | |
| Salaries and Wages | 17,266.70 | 31,711.70 | 31,710.98 | 0.72 |
| Other Expenses | 6,848.19 | 84,722.38 | 83,304.76 | 1,417.62 |
| Building and Grounds | | | | |
| Other Expenses | 41,911.03 | 26,893.50 | 22,932.42 | 3,961.08 |
| Office of Emergency Management | | | | |
| Salaries and Wages | 0.24 | 0.24 | | 0.24 |
| Other Expenses | 8,059.33 | 9,120.33 | 765.00 | 8,355.33 |
| Fire Department | | | | |
| Other Expenses | 2,305.76 | 9,021.58 | 7,752.35 | 1,269.23 |
| Other Expenses - Clothing Allowance | 187.65 | 187.65 | | 187.65 |
| Aid to Volunteer Ambulance Companies | | | | |
| Other Expenses | 25,000.00 | 25,000.00 | 24,637.00 | 363.00 |
| Fire Prevention | | | | |
| Salaries and Wages | 0.95 | 1,477.95 | 1,477.88 | 0.07 |
| Other Expenses | 296.05 | 394.05 | 98.00 | 296.05 |

Borough of Glen Rock, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2019

| | Balance, Dec. 31, <u>2018</u> | Balance after Transfers and <u>Encumbrances</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|--|-------------------------------------|---|---------------------------|--------------------------|
| Municipal Prosecutor | | | | |
| Other Expenses | 575.00 | 575.00 | | 575.00 |
| Streets and Road Maintenance | | | | |
| Salaries and Wages | 9,838.30 | 9,838.30 | 6,800.00 | 3,038.30 |
| Other Expenses | 18,480.37 | 37,971.04 | 25,597.56 | 12,373.48 |
| Solid Waste Collection | | | | |
| Salaries and Wages | 17,897.48 | 5,599.48 | 516.74 | 5,082.74 |
| Other Expenses | 11,257.65 | 11,692.69 | 5,860.29 | 5,832.40 |
| Recycling | | | | |
| Salaries and Wages | 3,909.49 | 7,170.49 | 7,169.77 | 0.72 |
| Other Expenses | 15,348.48 | 121,661.92 | 121,323.95 | 337.97 |
| Fire Hydrant Service | | | | |
| Other Expenses | 430.45 | 430.45 | | 430.45 |
| Electricity | | | | |
| Other Expenses | 23,416.29 | 23,416.29 | 10,076.67 | 13,339.62 |
| Street Lighting | | | | |
| Other Expenses | 39,657.90 | 17,077.90 | 5,494.02 | 11,583.88 |
| Telephone (Excluding Equipment Acquisition) | | | | |
| Other Expenses | 17,448.44 | 8,758.78 | 1,310.34 | 7,448.44 |
| Water | | | | |
| Other Expenses | 30,247.54 | 30,247.54 | 1,740.63 | 28,506.91 |
| Natural Gas | | | | |
| Other Expenses | 6,997.74 | 9,497.74 | 9,464.72 | 33.02 |
| Fuel Oil | | | | |
| Other Expenses | 9,550.70 | 17,961.37 | 17,958.19 | 3.18 |
| Landfill/Solid Waste Disposal Costs | | | | |
| Other Expenses | 7,450.27 | 64,764.46 | 64,761.93 | 2.53 |
| Community Services Act (Condominium Community Costs) | | | | |
| Other Expenses | 450.00 | 1,620.00 | 1,620.00 | |
| Public Health Services (Board of Health) | | | | |
| Other Expenses | 8,375.24 | 9,650.24 | 1,793.07 | 7,857.17 |
| Recreation Commission RS 40:12-1 | | | | |
| Salaries and Wages | 2,219.75 | 2,219.75 | | 2,219.75 |
| Other Expenses | 268.03 | 691.49 | 475.62 | 215.87 |
| Municipal Court | | | | |
| Salaries and Wages | 18,652.84 | 18,652.84 | 646.22 | 18,006.62 |
| Other Expenses | 1,551.06 | 1,551.06 | | 1,551.06 |
| Public Defender | | | | |
| Other Expenses | 3,600.00 | 3,600.00 | | 3,600.00 |
| Construction Code Official | | | | |
| Salaries and Wages | 492.39 | 1,224.49 | 1,224.00 | 0.49 |
| Other Expenses | 246.05 | 1,295.05 | 1,283.99 | 11.06 |
| Unclassified: | | | | |
| Swimming Pool | | | | |
| Salaries and Wages | 27,109.49 | 27,675.81 | 566.32 | 27,109.49 |
| Other Expenses | 3,116.23 | 19,699.39 | 17,558.16 | 2,141.23 |

Borough of Glen Rock, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2019

| | Balance, Dec. 31, 2018 | Balance after Transfers and <u>Encumbrances</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|--|------------------------------|---|---------------------------|--------------------------|
| Unclassified: (cont.) | | | | |
| Recreation Services and Programs - Senior Citizens | | | | |
| Other Expenses | 1,920.00 | 1,920.00 | | 1,920.00 |
| Recreation Services and Programs - Shuttle Bus Program | | | | |
| Salaries and Wages | 1,241.02 | 1,676.02 | 1,674.33 | 1.69 |
| Other Expenses | 2,063.78 | 2,063.78 | | 2,063.78 |
| Health Services | | | | |
| Hepatitis B | 1,250.00 | 1,250.00 | | 1,250.00 |
| Public Employees' Retirement System | 0.17 | 0.17 | | 0.17 |
| Social Security System (O.A.S.I.) | 8,010.10 | 8,010.10 | | 8,010.10 |
| Defined Contribution Retirement Plan | 17,893.78 | 17,893.78 | 95.54 | 17,798.24 |
| Municipal Library | | | | |
| Other Expense | 7,999.08 | 7,999.08 | 7,156.13 | 842.95 |
| Reserve for Tax Appeals | 11,388.19 | 11,388.19 | | 11,388.19 |
| LOSAP | | | | |
| Other Expenses | 72,000.00 | 72,000.00 | 61,678.26 | 10,321.74 |
| Recycling Tax | | | | |
| Other Expenses | 1,981.74 | 4,889.12 | 3,065.66 | 1,823.46 |
| Police Dispatch | | | | |
| Other Expenses | 0.28 | 0.28 | | 0.28 |
| Total Reserves | 669,027.71 | 886,687.75 | 644,830.39 | 241,857.36 |
| | A | | A-4 | A-1 |
| | <u>Ref.</u> | | | |
| Appropriation Reserves | above | 669,027.71 | | |
| Transfer from Reserve for Encumbrances | A-13 | 217,660.04 | | |
| | | <u>886,687.75</u> | | |
| | <u>Ref.</u> | | | |
| Cash Disbursed | A-4 | | 620,633.42 | |
| Accounts Payable | A-16 | | 24,196.97 | |
| | | | <u>644,830.39</u> | |

Borough of Glen Rock, N.J.
Schedule of Encumbrances Payable
Current Fund
Year Ended December 31, 2019

| | <u>Ref.</u> | |
|---------------------------------------|-------------|--------------------------|
| Balance - December 31, 2018 | A | 217,660.04 |
| Increased by: | | |
| Transfer from Current Appropriations | A-3 | <u>233,570.22</u> |
| | | 451,230.26 |
| Decreased by: | | |
| Transferred to Appropriation Reserves | A-12 | <u>217,660.04</u> |
| Balance - December 31, 2019 | A | <u><u>233,570.22</u></u> |

Schedule of Accounts Payable
Current Fund
Year Ended December 31, 2019

| | <u>Ref.</u> | |
|--------------------------------------|-------------|-------------------------|
| Balance - December 31, 2018 | A | 31,997.00 |
| Increased by: | | |
| Transfer from Appropriation Reserves | A-12 | <u>24,196.97</u> |
| Balance - December 31, 2019 | A | <u><u>56,193.97</u></u> |

Borough of Glen Rock, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-------------------------------|-------------|--------------------------|
| Balance - December 31, 2018 | A | 655,198.16 |
| Increased by: | | |
| Receipts - Prepaid 2020 Taxes | A-4 | <u>359,231.18</u> |
| | | 1,014,429.34 |
| Decreased by: | | |
| Applied to 2019 Taxes | A-8 | <u>655,198.16</u> |
| Balance - December 31, 2019 | A | <u><u>359,231.18</u></u> |

Borough of Glen Rock, N.J.

Schedule of Prepaid Revenue

Current Fund

Year Ended December 31, 2019

| <u>Account Description</u> | <u>Balance, Dec. 31, 2018</u> | <u>Cash Receipts</u> | <u>Applied to Anticipated Revenues</u> | <u>Balance, Dec. 31, 2019</u> |
|----------------------------|---------------------------------------|--------------------------|--|---------------------------------------|
| Non-Resident Parking | 12,125.00 | | 12,125.00 | |
| Employee Parking | 2,970.00 | | 2,970.00 | |
| Alarms | 9,250.00 | 150.00 | 9,250.00 | 150.00 |
| Annex | 50.00 | | 50.00 | |
| Resident Parking | 25,000.00 | | 25,000.00 | |
| | <u>49,395.00</u> | <u>150.00</u> | <u>49,395.00</u> | <u>150.00</u> |
| | A | A-4 | A-2 | A |

Borough of Glen Rock, N.J.
Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2019

Ref.

| | | |
|---------------------------|---------|----------------------|
| Increased by: | | |
| Levy Calendar Year , 2019 | A-1/A-8 | <u>49,072,243.00</u> |
| | | |
| Decreased by: | | |
| Payments | A-4 | <u>49,072,243.00</u> |

Borough of Glen Rock, N.J.
Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2019

Ref.

| | | |
|-----------------------------|---------|---------------------|
| Balance - December 31, 2018 | A | 20,859.92 |
| | | |
| Increased by: | | |
| Levy | A-1/A-8 | 6,480,791.89 |
| Added and Omitted Taxes | A-1/A-8 | <u>22,781.60</u> |
| | | <u>6,503,573.49</u> |
| | | 6,524,433.41 |
| | | |
| Decreased by: | | |
| Payments | A-4 | <u>6,501,651.81</u> |
| | | |
| Balance - December 31, 2019 | A | <u>22,781.60</u> |

Borough of Glen Rock, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2019

| <u>Liabilities and Reserves</u> | <u>Balance, Dec. 31, 2018</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance, Dec. 31, 2019</u> |
|---------------------------------|---------------------------------------|------------------|------------------|---------------------------------------|
| <u>Liabilities:</u> | | | | |
| Tax Overpayments | | 5,991.94 | 5,991.94 | |
| Due to State of NJ - DCA | | 19,557.00 | 19,557.00 | |
| Due to State of NJ - Marriage | (325.00) | 475.00 | | 150.00 |
| | <u>(325.00)</u> | <u>26,023.94</u> | <u>25,548.94</u> | <u>150.00</u> |
| | A | | | A |
| | <u>Ref.</u> | | | |
| Receipts | A-4 | 26,023.94 | | |
| Disbursed | A-4 | | 25,548.94 | |
| | | <u>26,023.94</u> | <u>25,548.94</u> | |

Borough of Glen Rock, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2019

| <u>Grant</u> | <u>Balance, Dec. 31, 2018</u> | <u>Budget Revenue</u> | <u>Received</u> | <u>Canceled</u> | <u>Balance, Dec. 31, 2019</u> |
|------------------------------|---------------------------------------|---------------------------|------------------|-----------------|---------------------------------------|
| Local Grants: | | | | | |
| Sustainable Jersey | 5,000.00 | | 4,650.00 | | 350.00 |
| BCUA Recycling Grant | | 3,000.00 | 2,881.16 | | 118.84 |
| ANJEC | | 1,500.00 | 1,000.00 | | 500.00 |
| | <u>5,000.00</u> | <u>4,500.00</u> | <u>8,531.16</u> | | <u>968.84</u> |
| Federal Grants: | | | | | |
| Distracted Driving | | 5,280.00 | 5,280.00 | | |
| Click It or Ticket | | 5,280.00 | 5,280.00 | | |
| | | <u>10,560.00</u> | <u>10,560.00</u> | | |
| State Grants: | | | | | |
| Alcohol Rehab/Education Fund | | 1,848.62 | 1,848.62 | | |
| Recycling Tonnage Grant | | 12,002.00 | 12,002.00 | | |
| Body Armor Replacement Fund | | 2,593.00 | 2,592.97 | 0.03 | |
| Clean Communities Program | | 22,355.33 | 22,355.33 | | |
| NJDOT - Charging Station | 10,000.00 | | 10,000.00 | | |
| | <u>10,000.00</u> | <u>38,798.95</u> | <u>48,798.92</u> | <u>0.03</u> | |
| | <u>15,000.00</u> | <u>53,858.95</u> | <u>67,890.08</u> | <u>0.03</u> | <u>968.84</u> |
| | <u>A</u> | <u>A-2</u> | <u>A-4</u> | <u>A-21</u> | <u>A</u> |

Borough of Glen Rock, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

| <u>Grant</u> | Balance, Dec. 31, <u>2018</u> | Transfer From 2019 <u>Budget</u> | <u>Expended</u> | <u>Canceled</u> | Balance, Dec. 31, <u>2019</u> |
|------------------------------|-------------------------------------|--|------------------|-----------------|-------------------------------------|
| Local Grants: | | | | | |
| Sustainable Jersey | 11,000.00 | | 9,650.00 | | 1,350.00 |
| ANJEC | | 1,500.00 | | | 1,500.00 |
| BCUA Recycling Grant | | 3,000.00 | 2,881.16 | | 118.84 |
| Firehouse Subs Grant | 21,071.25 | | 21,071.25 | | |
| | <u>32,071.25</u> | <u>4,500.00</u> | <u>33,602.41</u> | | <u>2,968.84</u> |
| Federal Grants | | | | | |
| Distracted Driving | | 5,280.00 | 5,280.00 | | |
| Click It or Ticket | 2,013.00 | 5,280.00 | 5,280.00 | | 2,013.00 |
| | <u>2,013.00</u> | <u>10,560.00</u> | <u>10,560.00</u> | | <u>2,013.00</u> |
| State Grants: | | | | | |
| Alcohol Rehab/Education Fund | 1,172.23 | 1,848.62 | 1,562.34 | | 1,458.51 |
| Clean Communities Program | 48,267.81 | 22,355.33 | 20,865.54 | | 49,757.60 |
| Drunk Driving Enforcement | 5,104.27 | | | | 5,104.27 |
| Recycling Tonnage | | 12,002.00 | 12,002.00 | | |
| Body Armor Replacement Fund | 750.00 | 2,593.00 | 1,842.64 | 0.03 | 1,500.33 |
| Municipal Alliance | 2,469.00 | | | | 2,469.00 |
| | <u>57,763.31</u> | <u>38,798.95</u> | <u>36,272.52</u> | <u>0.03</u> | <u>60,289.71</u> |
| | <u>91,847.56</u> | <u>53,858.95</u> | <u>80,434.93</u> | <u>0.03</u> | <u>65,271.55</u> |
| | A | A-3 | A-4 | A-20 | A |

Borough of Glen Rock, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

| <u>Grant</u> | Balance, Dec. 31, <u>2018</u> | <u>Received</u> | Balance, Dec. 31, <u>2019</u> |
|------------------------------|-------------------------------------|-----------------|-------------------------------------|
| Local Grants: | | | |
| TESLA | 360.00 | | 360.00 |
| | <u>360.00</u> | | <u>360.00</u> |
| Federal Grants: | | | |
| Distracted Driving Incentive | 6,600.00 | | 6,600.00 |
| | <u>6,600.00</u> | | <u>6,600.00</u> |
| State Grants: | | | |
| Body Armor Replacement Fund | 3,866.00 | | 3,866.00 |
| Recycling Tonnage Grant | 12,968.00 | 0.34 | 12,968.34 |
| | <u>16,834.00</u> | <u>0.34</u> | <u>16,834.34</u> |
| | <u>23,794.00</u> | <u>0.34</u> | <u>23,794.34</u> |
| | A | A-4 | A |

Borough of Glen Rock, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Animal Control Trust</u> | <u>Other Trust Funds</u> | <u>L.O.S.A.P.</u> |
|------------------------------------|-------------|-------------------------------------|----------------------------------|---------------------|
| Balance - December 31, 2018 | B | 14,230.43 | 1,241,435.19 | 1,243,055.58 |
| Increase by Receipts: | | | | |
| Interfund - Current Fund | B-2 | 437.55 | 17,637.54 | |
| Dog License Fees | B-3 | 14,652.80 | | |
| Due to State of NJ | B-4 | 1,063.20 | | |
| Prepaid Licenses | B-5 | 1,240.00 | | |
| Other Trust Funds | B-6 | | 1,165,262.72 | |
| Payroll Deductions Payable | B-7 | | 4,546,363.18 | |
| Net Payroll | B-8 | | 5,627,334.83 | |
| Contributions Receivable | B-9 | | | 61,678.26 |
| Net Assets Available for Benefits | B-10 | | | 273,630.10 |
| Total Receipts | | <u>17,393.55</u> | <u>11,356,598.27</u> | <u>335,308.36</u> |
| | | <u>31,623.98</u> | <u>12,598,033.46</u> | <u>1,578,363.94</u> |
| Decreased by Disbursements: | | | | |
| Interfund - Current Fund | B-2 | 443.55 | 15,533.75 | |
| Reserve for Dog Expenditures | B-3 | 14,239.38 | | |
| Due to State of NJ | B-4 | 1,247.40 | | |
| Other Trust Funds | B-6 | | 1,462,574.96 | |
| Payroll Deductions Payable | B-7 | | 4,554,497.69 | |
| Net Payroll | B-8 | | 5,627,334.83 | |
| Net Assets Available for Benefits | B-10 | | | 133,344.21 |
| Total Disbursements | | <u>15,930.33</u> | <u>11,659,941.23</u> | <u>133,344.21</u> |
| Balance - December 31, 2019 | B | <u>15,693.65</u> | <u>938,092.23</u> | <u>1,445,019.73</u> |

Borough of Glen Rock, N.J.

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2019

| | Due to/(from) Balance <u>Dec. 31, 2018</u> | <u>Increased</u> | <u>Decreased</u> | Due to/(from) Balance <u>Dec. 31, 2019</u> |
|-------------------------------------|--|------------------|------------------|--|
| Dog License Trust | 23.65 | 437.55 | 443.55 | 17.65 |
| Other Trust - General | 1,933.68 | 9,626.68 | 10,660.59 | 899.77 |
| Other Trust - Community Development | 23.66 | 22.39 | 46.02 | 0.03 |
| Other Trust - Escrow | 222.82 | | | 222.82 |
| Other Trust - Payroll Fund | 425.83 | 7,988.47 | 4,827.14 | 3,587.16 |
| | <u>2,629.64</u> | <u>18,075.09</u> | <u>15,977.30</u> | <u>4,727.43</u> |
| | B | | | B |
| | <u>Ref.</u> | | | |
| Receipts - Animal Control Trust | B-1 | 437.55 | | |
| Disbursed - Animal Control Trust | B-1 | | 443.55 | |
| Receipts - Other Trust Fund | B-1 | 17,637.54 | | |
| Disbursed - Other Trust Fund | B-1 | | 15,533.75 | |
| | | <u>18,075.09</u> | <u>15,977.30</u> | |

Borough of Glen Rock, N.J.
Reserve for Dog Fund Expenditures

Trust Funds

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|--------------------------------|-------------|-----------|
| Balance - December 31, 2018 | B | 11,422.78 |
| Increased by: | | |
| Collections | | |
| Dog License Fees -2019 | B-1 | 11,381.80 |
| Late Charge Fees / Misc | B-1 | 931.00 |
| Cat Licenses | B-1 | 2,340.00 |
| Prepaid Applied - Dog Licenses | B-5 | 2,178.60 |
| Prepaid Applied - Cat Licenses | B-5 | 420.00 |
| | | 17,251.40 |
| | | 28,674.18 |
| Decreased by: | | |
| Expenditures R.S. 4:19-1511 | B-1 | 14,239.38 |
| Balance - December 31, 2019 | B | 14,434.80 |

License Fees Collected

| | | |
|-------------|--|-----------|
| <u>Year</u> | | |
| 2018 | | 15,317.00 |
| 2017 | | 16,273.00 |
| | | 31,590.00 |

Borough of Glen Rock, N.J.

Schedule of Due to/from State Department of Health

Trust Funds

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|-----------------------------|-------------|---------------|--------------------|
| Balance - December 31, 2018 | B | | (21.00) |
| Increased by: | | | |
| State Fees Collected | B-1 | 1,063.20 | |
| Prepaid Dog Licenses | B-5 | <u>206.40</u> | |
| | | | <u>1,269.60</u> |
| | | | 1,248.60 |
| Decreased by: | | | |
| Paid to State | B-1 | | <u>1,247.40</u> |
| Balance - December 31, 2019 | B | | <u><u>1.20</u></u> |

Borough of Glen Rock, N.J.

Schedule of Prepaid Licenses

Trust Funds

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|-----------------------------|-------------|---------------|------------------------|
| Balance - December 31, 2018 | B | | 2,805.00 |
| Increased by: | | | |
| Cash Receipts | B-1 | | <u>1,240.00</u> |
| | | | 4,045.00 |
| Decreased by: | | | |
| Applied to Reserves - Dog | B-3 | 2,178.60 | |
| Applied to Reserves - Cat | B-3 | 420.00 | |
| Applied to Due State of NJ | B-4 | <u>206.40</u> | |
| | | | <u>2,805.00</u> |
| Balance - December 31, 2019 | B | | <u><u>1,240.00</u></u> |

Borough of Glen Rock, N.J.

Schedule of Various Reserves and Other Trust Funds

Trust Funds

Year Ended December 31, 2019

| | <u>Balance</u> <u>Dec. 31, 2018</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance</u> <u>Dec. 31, 2019</u> |
|-----------------------------|--|---------------------|---------------------|--|
| Reserve for: | | | | |
| Escrow Deposits | 256,339.03 | 74,445.75 | 53,459.50 | 277,325.28 |
| Cell Tower Escrow | 66,124.00 | | | 66,124.00 |
| Developer Fees | 603,064.53 | 166,133.50 | 631,632.59 | 137,565.44 |
| DDEF | 9,930.65 | 5,858.50 | 1,219.50 | 14,569.65 |
| Environmental | 5,000.00 | | | 5,000.00 |
| Senior Recreation | 5,592.54 | 23,997.28 | 25,402.66 | 4,187.16 |
| Community Development | 2.01 | | | 2.01 |
| Community Garden | 1,988.06 | 660.00 | | 2,648.06 |
| POAA | 115.60 | 462.00 | | 577.60 |
| Outside Lien Redemption | | 188,165.28 | 106,166.42 | 81,998.86 |
| Premiums on Tax Sale | 104,960.00 | 14,000.00 | 62,860.00 | 56,100.00 |
| Off Duty Police | 866.19 | 514,395.05 | 511,254.24 | 4,007.00 |
| Public Defender | 7,016.00 | 2,375.00 | 6,800.00 | 2,591.00 |
| 125 Anniversary Celebration | | 62,427.00 | 48,989.65 | 13,437.35 |
| Unemployment | 35,248.81 | 15,688.82 | 14,744.78 | 36,192.85 |
| Donations - Arts & Cultures | 54,647.00 | | | 54,647.00 |
| Tree Trust | 8,368.00 | 700.00 | | 9,068.00 |
| Police Evidence/Property | 415.00 | | | 415.00 |
| Police Seized Funds | | 95,599.54 | 45.62 | 95,553.92 |
| Fire Prevention Penalties | 10,601.00 | 355.00 | | 10,956.00 |
| Fire Department Penalties | 1,417.00 | | | 1,417.00 |
| | <u>1,171,695.42</u> | <u>1,165,262.72</u> | <u>1,462,574.96</u> | <u>874,383.18</u> |
| | B | B-1 | B-1 | B |

Borough of Glen Rock, N.J.

Payroll Deductions Payable

Trust Funds

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|-------------------------|
| Balance - December 31, 2018 | B | 67,133.78 |
| Increased by: | | |
| Payroll Deductions | B-1 | <u>4,546,363.18</u> |
| | | 4,613,496.96 |
| Decreased by: | | |
| Cash Disbursements | B-1 | <u>4,554,497.69</u> |
| Balance - December 31, 2019 | B | <u><u>58,999.27</u></u> |

Borough of Glen Rock, N.J.

Schedule of Net Payroll

Trust Funds

Year Ended December 31, 2019

| | <u>Ref.</u> | |
|----------------|-------------|---------------------|
| Increased by : | | |
| Receipts | B-1 | <u>5,627,334.83</u> |
| Decreased by : | | |
| Disbursements | B-1 | <u>5,627,334.83</u> |

Borough of Glen Rock, N.J.
Statement of Contributions Receivable
Trust Funds
Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|-------------------------|
| Balance - December 31, 2018 | B | 61,678.26 |
| Increased by: | | |
| Borough Contributions | B-10 | <u>55,205.11</u> |
| | | 116,883.37 |
| Decreased by: | | |
| Cash Receipts | B-1 | <u>61,678.26</u> |
| Balance - December 31, 2019 | B | <u><u>55,205.11</u></u> |

Borough of Glen Rock, N.J.

Statement of Net Assets Available for Benefits

Trust Funds

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|-----------------------------|-------------|-------------------|----------------------------|
| Balance - December 31, 2018 | B | | 1,304,733.84 |
| Increased by: | | | |
| Borough Contributions | B-9 | 55,205.11 | |
| Appreciation | B-1 | <u>273,630.10</u> | |
| | | | <u>328,835.21</u> |
| | | | 1,633,569.05 |
| Decreased by: | | | |
| Withdrawals | | 130,746.21 | |
| Account Fees | | <u>2,598.00</u> | |
| | B-1 | | <u>133,344.21</u> |
| Balance - December 31, 2019 | B | | <u><u>1,500,224.84</u></u> |

Borough of Glen Rock, N.J.

Schedule of General Capital Cash

Year Ended December 31, 2019

| | <u>Ref.</u> | | |
|------------------------------------|-------------|------------------|----------------------------|
| Balance - December 31, 2018 | C | | 1,440,287.02 |
| Increased by Receipts: | | | |
| General Capital Fund Balance | C-1 | 17,625.00 | |
| Various Receivables | C-4 | 6,270.66 | |
| Bond Anticipation Notes | C-8 | 3,175,500.00 | |
| Capital Improvement Fund | C-10 | 430,000.00 | |
| Interfunds | C-12 | <u>20,306.81</u> | |
| | | | <u>3,649,702.47</u> |
| | | | 5,089,989.49 |
| Decreased by Disbursements: | | | |
| Improvement Authorizations | C-9 | 2,686,500.49 | |
| Interfunds | C-12 | <u>37,900.13</u> | |
| | | | <u>2,724,400.62</u> |
| Balance - December 31, 2019 | C | | <u><u>2,365,588.87</u></u> |

Borough of Glen Rock, N.J.

Analysis of General Capital Cash

Year Ended December 31, 2019

| | | |
|--------------------------|-------------|----------------|
| | <u>Ref.</u> | |
| Fund Balance | C-1 | 99,532.33 |
| Various Receivables | C-4 | (1,347,626.89) |
| Capital Improvement Fund | C-10 | 1,166.00 |
| Various Reserves | C-11 | 201,550.75 |
| Interfund - Current Fund | C-12 | (14,520.13) |

Improvement Authorizations:

Ordinance

| <u>Number</u> | <u>Improvement Description</u> | |
|---------------|--|------------|
| 1550-07 | Various Improvements | 97.23 |
| 1643-11 | Various Improvements | 0.42 |
| 1669-12 | Radio Communications System Upgrade | 8,556.72 |
| 1681-13 | Various Improvements | 150,815.81 |
| 1700-14 | Various Improvements | 234,356.58 |
| 1716-15 | Various Improvements | 274,196.46 |
| 1740-16 | Various Improvements | 326,661.70 |
| 1761-17 | Various Improvements | 372,360.98 |
| 1762-17 | Replacement of Traffic Signal | 65,169.01 |
| 1785-18 | Various Improvements | 728,473.36 |
| 1798-19 | Pool Complex Repairs | 130,000.00 |
| 1801-19 | Various Improvements | 947,645.72 |
| 1806-19 | Various Road Improvements | 34,578.82 |
| 1816-19 | Improvement of Main Line Train Station | 152,574.00 |

2,365,588.87

C

Borough of Glen Rock, N.J.

Schedule of Various Receivables

Year Ended December 31, 2019

| | Balance, Dec. 31, 2018 | Grants Approved | Cash Received | Balance, Dec. 31, 2019 |
|---|---------------------------|--------------------|------------------|---------------------------|
| Due from County of Bergen: | | | | |
| Ord #1681 Renovation of Wilde Park | 2,235.00 | | | 2,235.00 |
| Ord #1700 Construction of Path at Upper Faber Field | 14,728.00 | | | 14,728.00 |
| Ord #1761 Lighting Improvements at Wilde Park | 25,000.00 | | | 25,000.00 |
| Ord #1801 Wilde Park Improvements | | 42,000.00 | | 42,000.00 |
| Due from State of NJ DOT | | | | |
| Ord #1620 Kirkwood Hamilton Ave Project | 200,000.00 | | | 200,000.00 |
| Ord #1681 Hamilton Ave/Belmont Rd Drainage Project | 38,415.00 | | | 38,415.00 |
| Ord # 1681 Retaining Walls at NJ Transit RR Bridge at Maple Ave | 166,189.00 | | | 166,189.00 |
| Ord #1762 Replacement of Traffic Signal - Maple Ave & Rock Rd | 55,108.00 | | | 55,108.00 |
| Ord #1785 Boulevard Phase I | 215,000.00 | | | 215,000.00 |
| Due from Community Development Program: | | | | |
| Ord #1681 ADA Improvements to Rest Rooms at Children's Park | 42,000.00 | | | 42,000.00 |
| Ord #1716 ADA Improvements to Main Line Train Station | 25,487.00 | | | 25,487.00 |
| Ord #1740 ADA Impr. to Rest Rooms at Main Line Train Station | 17,098.55 | | | 17,098.55 |
| Ord #1801 Handicap Accessible Doors at Borough Hall | | 40,000.00 | | 40,000.00 |
| Ord #1806 ADA Curb Cuts | | 432,000.00 | | 432,000.00 |
| Due from Glen Rock Public Library: | | | | |
| Ord #1681 Improvements to Glen Rock Public Library | 8,063.00 | | | 8,063.00 |
| Due from Private Contribution: | | | | |
| Ord #1761 Lighting Improvements at Wilde Park | 3,000.00 | | | 3,000.00 |
| Ord #1816 BCJIF | | 27,574.00 | 6,270.66 | 21,303.34 |
| | 812,323.55 | 541,574.00 | 6,270.66 | 1,347,626.89 |
| | C | C-9 | C-2 | C/C-3 |

Borough of Glen Rock, N.J.

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year Ended December 31, 2019

| | | |
|--|------------------|----------------------|
| Balance - December 31, 2018 | <u>Ref.</u> C | 15,045,000.00 |
| Decreased by: | | |
| Serial Bonds Paid by Current Year Budget Appropriations | C-7 | <u>1,550,000.00</u> |
| Balance - December 31, 2019 | C | <u>13,495,000.00</u> |

Borough of Glen Rock, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2019

Analysis of Balance - Dec. 31, 2019

| Ordinance Number | Improvement Description | Balance, Dec. 31, 2018 | 2019 Authorizations | Balance, Dec. 31, 2019 | Financed by | | Unexpended Improvement Authorization |
|------------------|-------------------------------------|------------------------|---------------------|------------------------|-------------------------|----------|--------------------------------------|
| | | | | | Bond Anticipation Notes | Expended | |
| 1762-17 | Replacement of Traffic Signal | 2,470.00 | | 2,470.00 | | | 2,470.00 |
| 1785-18 | Various Improvements | 1,670,000.00 | | 1,670,000.00 | 1,670,000.00 | | |
| 1801-19 | Various Improvements | | 1,505,500.00 | 1,505,500.00 | 1,505,500.00 | | |
| | | <u>1,672,470.00</u> | <u>1,505,500.00</u> | <u>3,177,970.00</u> | <u>3,175,500.00</u> | | <u>2,470.00</u> |
| | | C | C-9, C-13 | C | | | |
| | Improvement Authorizations Unfunded | | | | | C-9 | 1,678,589.08 |
| | Less: Unexpended Proceeds of | | | | | | |
| | Bond Anticipation Notes | | | | | 1785-18 | 728,473.36 |
| | Ordinance Number | | | | | 1801-19 | 947,645.72 |
| | | | | | | | <u>1,676,119.08</u> |
| | | | | | | | <u>2,470.00</u> |

Borough of Glen Rock, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2019

| Purpose | Date of Issue | Original Issue | Maturities of Bonds Outstanding, December 31, 2019 | | Interest Rate | Balance Dec. 31, 2018 | Paid | Balance Dec. 31, 2019 |
|--------------------------------|---------------|----------------|--|--------------|----------------------|-----------------------|----------------------|-----------------------|
| | | | Date | Amount | | | | |
| 2014 General Improvement Bonds | 1/15/2014 | 9,550,000.00 | 01/15/20 | 1,100,000.00 | 2.00% | | | |
| | | | 01/15/21 | 1,100,000.00 | 2.25% | | | |
| | | | 01/15/22 | 1,125,000.00 | 2.50% | | | |
| | | | 1/15/23-24 | 1,125,000.00 | 3.00% | 6,675,000.00 | 1,100,000.00 | 5,575,000.00 |
| 2018 General Improvement Bonds | 7/15/2018 | 8,370,000.00 | 7/15/20-21 | 450,000.00 | 2.50% | | | |
| | | | 7/15/22-23 | 460,000.00 | 2.50% | | | |
| | | | 7/15/24-25 | 800,000.00 | 2.50% | | | |
| | | | 07/15/26 | 900,000.00 | 2.50% | | | |
| | | | 7/15/27-30 | 900,000.00 | 3.00% | 8,370,000.00 | 450,000.00 | 7,920,000.00 |
| | | | | | <u>15,045,000.00</u> | <u>1,550,000.00</u> | <u>13,495,000.00</u> | |
| | | | | | C | C-5 | C | |

Borough of Glen Rock, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2019

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Amount of Original Issue</u> | <u>Date of Original Issue</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance, Dec. 31, 2018</u> | <u>Increased</u> | <u>Balance, Dec. 31, 2019</u> |
|-------------------------|--------------------------------|---------------------------------|-------------------------------|----------------------|-------------------------|----------------------|-------------------------------|---------------------|-------------------------------|
| 1785-18 | Various Improvements | 1,670,000.00 | 10/24/19 | 10/24/19 | 10/23/20 | 2.00% | | 1,670,000.00 | 1,670,000.00 |
| 1801-19 | Various Improvements | 1,505,500.00 | 10/24/19 | 10/24/19 | 10/23/20 | 2.00% | | 1,505,500.00 | 1,505,500.00 |
| | | | | | | | <u>C</u> | <u>3,175,500.00</u> | <u>3,175,500.00</u> |
| | | | | | | | | <u>C-2, C-13</u> | <u>C, C-6</u> |

Borough of Glen Rock, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2019

| Ordinance Number | Improvement Description | Ordinance Amount | Balance, Dec. 31, 2018 | | 2019 Authorizations | Paid or Charged | Balance, Dec. 31, 2019 | |
|------------------------------|---|------------------|------------------------|--------------|---------------------|-----------------|------------------------|------------|
| | | | Funded | Unfunded | | | Funded | Unfunded |
| <u>General Improvements:</u> | | | | | | | | |
| 1524-06 | Various Improvements | 540,000.00 | 6,420.90 | | | 6,420.90 | | |
| 1530-06 | Various Improvements | 735,800.00 | 984.65 | | | 984.65 | | |
| 1544-07 | Various Improvements | 355,000.00 | 1,170.00 | | | 1,170.00 | | |
| 1550-07 | Various Improvements | 610,000.00 | 3,600.53 | | | 3,503.30 | 97.23 | |
| 1559-08 | Various Improvements | 365,000.00 | 14,052.88 | | | 14,052.88 | | |
| 1602-09 | Various Improvements | 990,000.00 | 4,581.34 | | | 4,581.34 | | |
| 1620-10 | Various Improvements | 575,000.00 | 375.50 | | | 375.50 | | |
| 1643-11 | Various Improvements | 386,000.00 | 9,538.42 | | | 9,538.00 | 0.42 | |
| 1653-12 | Various Improvements | 1,210,800.00 | 17.94 | | | 17.94 | | |
| 1669-12 | Radio Communications System Upgrade | 525,000.00 | 8,556.72 | | | | 8,556.72 | |
| 1681-13 | Various Improvements | 1,943,000.00 | 155,395.81 | | | 4,580.00 | 150,815.81 | |
| 1700-14 | Various Improvements | 1,679,093.00 | 298,860.62 | | | 64,504.04 | 234,356.58 | |
| 1716-15 | Various Improvements | 2,125,487.00 | 319,086.84 | | | 44,890.38 | 274,196.46 | |
| 1740-16 | Various Improvements | 1,784,000.00 | 461,371.26 | | | 134,709.56 | 326,661.70 | |
| 1750-16 | Improvements to Northwest Bergen Central Dispatch | 26,000.00 | | | | | | |
| 1761-17 | Various Improvements | 2,176,450.00 | 893,539.40 | | | 521,178.42 | 372,360.98 | |
| 1762-17 | Replacement of Traffic Signal | 451,500.00 | 70,762.98 | 2,470.00 | | 5,593.97 | 65,169.01 | 2,470.00 |
| 1785-18 | Various Improvements | 2,074,450.00 | 215,000.00 | 1,096,597.51 | | 583,124.15 | 130,000.00 | 728,473.36 |
| 1798-19 | Pool Complex Repairs | 130,000.00 | | | | | | |
| 1801-19 | Various Improvements | 1,837,500.00 | | | | 889,854.28 | | 947,645.72 |

Borough of Glen Rock, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2019

| Ordinance Number | Improvement Description | Ordinance Amount | Balance, Dec. 31, 2018 | | 2019 Authorizations | Paid or Charged | Balance, Dec. 31, 2019 | |
|------------------|--|------------------|------------------------|--------------|---------------------|-----------------|------------------------|--------------|
| | | | Funded | Unfunded | | | Funded | Unfunded |
| 1806-19 | Various Road Improvements | 432,000.00 | | | 432,000.00 | 397,421.18 | 34,578.82 | |
| 1816-19 | Improvement of Main Line Train Station | | | | 152,574.00 | | 152,574.00 | |
| | | | 2,463,315.79 | 1,099,067.51 | 2,552,074.00 | 2,686,500.49 | 1,749,367.73 | 1,678,589.08 |
| | | | C | C | | C-2 | C | C |

| Ref. | Grants Approved |
|------|---------------------|
| C-4 | 541,574.00 |
| C-6 | 1,505,500.00 |
| C-10 | 505,000.00 |
| | <u>2,552,074.00</u> |

Deferred Charges to Future Taxation - Unfunded
Capital Improvement Fund

Borough of Glen Rock, N.J.
Schedule of Capital Improvement Fund
Year Ended December 31, 2019

| | <u>Ref.</u> | |
|---|-------------|------------------------|
| Balance - December 31, 2018 | C | 76,166.00 |
| Increased by: | | |
| Budget Appropriation | C-2 | <u>430,000.00</u> |
| | | 506,166.00 |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | C-9 | <u>505,000.00</u> |
| Balance - December 31, 2019 | C/C-3 | <u><u>1,166.00</u></u> |

Exhibit C-11

Borough of Glen Rock, N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2019

| | <u>Balance</u> <u>Dec. 31, 2018</u> | <u>Balance</u> <u>Dec. 31, 2019</u> |
|----------------------|--|--|
| Various Improvements | 193,524.00 | 193,524.00 |
| Apron Assessment | 1,083.00 | 1,083.00 |
| Debt Service | <u>6,943.75</u> | <u>6,943.75</u> |
| | <u>201,550.75</u> | <u>201,550.75</u> |
| | C | C |

Borough of Glen Rock, N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2019

| <u>Fund</u> | <u>Ref.</u> | <u>Due From/(To)</u> | | | <u>Due From/(To)</u> |
|--------------------|-------------|----------------------|------------------|------------------|----------------------|
| | | <u>Balance</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance</u> |
| | | <u>Dec. 31, 2018</u> | | | <u>Dec. 31, 2019</u> |
| Current Fund | C | (3,073.19) | 20,306.81 | 37,900.13 | 14,520.13 |
| | | <u>(3,073.19)</u> | <u>20,306.81</u> | <u>37,900.13</u> | <u>14,520.13</u> |
| Cash Disbursements | C-2 | | | 37,900.13 | |
| Cash Receipts | C-2 | | 20,306.81 | | |
| | | | <u>20,306.81</u> | <u>37,900.13</u> | |

Borough of Glen Rock, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2019

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance, Dec. 31, 2018</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance, Dec. 31, 2019</u> |
|-------------------------|--------------------------------|-------------------------------|---------------------|---------------------|-------------------------------|
| 1762-17 | Replacement of Traffic Signal | 2,470.00 | | | 2,470.00 |
| 1785-18 | Various Improvements | 1,670,000.00 | | 1,670,000.00 | |
| 1801-19 | Various Improvements | | 1,505,500.00 | 1,505,500.00 | |
| | | <u>1,672,470.00</u> | <u>1,505,500.00</u> | <u>3,175,500.00</u> | <u>2,470.00</u> |
| | | Footnote C | C-6 | C-8 | Footnote C |

Borough of Glen Rock, N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2019

| | <u>Ref.</u> | <u>Total</u> | <u>P.A.T.F. Account #1</u> | <u>P.A.T.F. Account #2</u> |
|-----------------------------|-------------|--------------|--------------------------------|--------------------------------|
| Balance - December 31, 2018 | D | 4.12 | 4.12 | |
| Increased by Receipts: | | | | |
| Other Receipts | D-3 | 0.11 | 0.11 | |
| | | 4.23 | 4.23 | |
| Decreased by: | | | | |
| Disbursements | D-3 | 0.12 | 0.12 | |
| | | 0.12 | 0.12 | |
| Balance - December 31, 2019 | D | 4.11 | 4.11 | |

Borough of Glen Rock, N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2019

| | | | |
|--|-------------------|--------------------|--------------|
| | <u>Ref.</u> | | |
| Balance - December 31, 2019 | D-1 | | 4.11 |
| Increased by: | | | |
| Cash Receipts Record | | | <u>0.05</u> |
| Balance - June 9, 2020 | | | <u>4.16</u> |
| | | | |
| <u>Reconciliation - June 9, 2020</u> | <u>P.A.T.F. I</u> | <u>P.A.T.F. II</u> | <u>Total</u> |
| | <u>Account</u> | <u>Account</u> | |
| Balance on Deposit per Statement of: Valley National Bank Checking | 4.16 | | 4.16 |
| | <u>4.16</u> | | <u>4.16</u> |
| Balance - June 9, 2020 | <u>4.16</u> | <u>0.00</u> | <u>4.16</u> |

Borough of Glen Rock, N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2019

| | <u>Ref.</u> | |
|-----------------------------|-------------|------|
| Balance - December 31, 2018 | D | 4.12 |
| Increased by Receipts: | | |
| Cash Receipts Record | D-1 | 0.11 |
| | | 4.23 |
| Decreased by: | | |
| Cash Disbursements | D-1 | 0.12 |
| Balance - December 31, 2019 | D | 4.11 |

| | <u>P.A.T.F. I</u> <u>Account</u> | <u>P.A.T.F. II</u> <u>Account</u> | <u>Total</u> |
|---|-------------------------------------|--------------------------------------|--------------|
| <u>Reconciliation - December 31, 2019</u> | | | |
| Balance on Deposit per Statement of: Valley National | 4.11 | | 4.11 |
| | | | |
| Balance, December 31, 2019 | 4.11 | | 4.11 |

Borough of Glen Rock, N.J.
Schedule of Revenues - Cash Basis
Public Assistance Fund
Year Ended December 31, 2019

| | <u>Total</u> | <u>P.A.T.F. Account #1</u> | <u>P.A.T.F. Account #2</u> |
|-----------------|--------------------|--------------------------------|--------------------------------|
| Interest Earned | <u>0.11</u> | <u>0.11</u> | <u> </u> |
| Total Receipts | <u><u>0.11</u></u> | <u><u>0.11</u></u> | <u><u> </u></u> |

Schedule of Expenditures - Cash Basis
Public Assistance Fund
Year Ended December 31, 2019

| | <u>Total</u> | <u>P.A.T.F. Account #1</u> | <u>P.A.T.F. Account #2</u> |
|---------------------|--------------------|--------------------------------|--------------------------------|
| Interfund Transfer | <u>0.12</u> | <u>0.12</u> | <u> </u> |
| Total Disbursements | <u><u>0.12</u></u> | <u><u>0.12</u></u> | <u><u> </u></u> |

BOROUGH OF GLEN ROCK

PART II

LETTER ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEARS ENDED DECEMBER 31, 2019 AND 2018



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
THOMAS M. FERRY, CPA, RMA, PSA

HEADQUARTERS
401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
(973)-835-7900

NEWTON OFFICE
100B MAIN STREET
NEWTON, NEW JERSEY 07860
(973)-835-7900

**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 Borough Council
Borough of Glen Rock
Glen Rock, NJ 07452

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as 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 financial statements-regulatory basis of the Borough of Glen Rock in the County of Bergen as of and for the year ended December 31, 2019 and the related notes to the financial statements, and have issued our report thereon dated July 10, 2020, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Glen Rock in the accompany comments and recommendations section of this report.

Compliance and Other Matters

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

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Glen Rock in the accompanying comments and recommendations section of this report.

Purpose of this Report

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



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. 413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 10, 2020

GENERAL COMMENTS

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500. On July 1, 2010 the bid threshold was increased to \$36,000 and to \$40,000 on July 1, 2015 with a qualified purchasing agent.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough 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:

Court Improvements at Wilde Memorial Park
Boulevard Roadway Improvements
Main Line Improvements

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed.

GENERAL COMMENTS, (continued)

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies".

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

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

BE IT RESOLVED by the Borough Council of the Borough of Glen Rock in the County of Bergen and State of New Jersey, that interest will be charged at the rate of eight per cent (8%) per annum on the first \$1,500.00 of delinquent taxes, assessments and borough charges, and at the rate of eighteen per cent (18%) on any taxes, assessments and borough charges in excess of that amount, except that if payment is made during the first ten days of February, May, August, or November the payment of taxes shall not be considered delinquent.

BE IT FURTHER RESOLVED that if the office of the Collector of Taxes is closed on the tenth day of February, May, August, or November, then the period of payment of taxes shall be extended to include the first business day thereafter.

BE IT FURTHER RESOLVED that the interest rate, as aforesaid, shall be from the first day of any current quarter unless the taxes for the same quarter are paid as provided by law or during the first ten days of the second month of the quarter as herein provided.

BE IT FURTHER RESOLVED that a charge of five dollars (\$5.00) will be made for the issuance of duplicate tax bills."

It appears from examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 3, 2019 and was complete.

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

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|------------------------|
| 2019 | 2 |
| 2018 | 2 |
| 2017 | 2 |

GENERAL COMMENTS, (continued)

School Taxes Payable

The amount due to the Local and Regional School Districts, as of December 31, 2019, were verified by the school secretaries.

Revenue

Receipts from licenses, fees, permits, etc., for all departments including the Municipal Court, were checked to the extent deemed appropriate to the records maintained.

Expenditures

In connection with the expenditures, vouchers were examined to the extent deemed necessary to determine that the vouchers carried properly executed certifications as required by the statute.

Business Registration Certificates were not received from all vendors required to submit them.

Political Disclosure forms were not received from vendors required to submit them.

An examination was made of the employees' compensation records to determine that salaries were paid in conformity with amounts of salaries and wages authorized in the ordinance.

Other

The General Capital Fund contains various old receivable balances.

All Borough officials did not fill out the Financial Disclosure Form.

RECOMMENDATIONS

1. That Business Registration Certificates be received from all vendors required to submit them.
- *2. That Political Disclosure forms be received from all vendors required to submit them.
- *3. That the various receivables in the General Capital Fund be reviewed and the proper actions be taken.
- *4. That all Borough officials required to fill out the Financial Disclosure Form fill them out.

STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all items, except those marked with an "*".

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

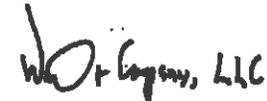
APPRECIATION

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

Very truly yours,



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey