

Report of Audit

on the

Financial Statements

of the

Borough of High Bridge

in the

County of Hunterdon
New Jersey

for the

Year Ended
December 31, 2019

BOROUGH OF HIGH BRIDGE

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BOROUGH OF HIGH BRIDGE

PART I

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEARS ENDED DECEMBER 31, 2019 AND 2018

SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough of High Bridge'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 Borough of High Bridge's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the regulatory financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of High Bridge as of December 31, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2019.

Opinion on Regulatory Basis of Accounting

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

CURRENT FUND

BOROUGH OF HIGH BRIDGE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2019</u>	BALANCE DECEMBER <u>31, 2018</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 177,632.37	\$ 108,656.27
Prepaid Taxes	A-17	60,146.78	38,191.12
Due State of New Jersey-Chapter 20, PL 1971	A-8	1,339.17	1,839.17
Interfunds Payable	A-10		1,068.21
County Taxes-Payable	A-14	3,769.81	2,087.78
Local District Taxes Payable	A-15	1,252,176.93	1,145,170.71
Regional High School Taxes Payable	A-16	299,454.83	210,641.33
Reserve for Encumbrances	A-20	365,694.40	339,426.95
Reserve for Miscellaneous Deposits	A-21	46,065.45	26,925.20
Reserve for Grants - Unappropriated	A-19	30,483.00	128,435.00
		<u>\$ 2,236,762.74</u>	<u>\$ 2,002,441.74</u>
Reserve for Receivables and Other Assets	A	500,406.50	420,725.23
Fund Balance	A-1	1,590,471.51	1,430,646.03
		<u>\$ 4,327,640.75</u>	<u>\$ 3,853,813.00</u>
Grant Fund:			
Encumbrances Payable	A-23	\$ 93,349.35	\$ 63,327.21
Due Current Fund	A-24	144,471.46	30,857.50
Unappropriated Reserves	A-26	3,046.05	
Appropriated Reserves	A-25	123,549.23	219,548.77
		<u>\$ 364,416.09</u>	<u>\$ 313,733.48</u>
		<u>\$ 4,692,056.84</u>	<u>\$ 4,167,546.48</u>

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

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

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 800,000.00		\$ 800,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	\$ 5,400.00		\$ 5,400.00	\$
Fees and Permits:					
Construction Code Official	A-9	40,000.00		82,814.00	42,814.00
Other	A-9	580.00		70,764.50	70,184.50
Interest on Investments	A-9	13,223.00		65,629.85	52,406.85
Golf Fees	A-9	950,000.00		1,017,721.91	67,721.91
Fines:					
Municipal Court	A-9	20,000.00		29,911.73	9,911.73
Interest and Costs on Taxes	A-9	35,000.00		44,108.10	9,108.10
Garden State Preservation Trust Fund	A-9	12,931.00		12,931.00	
Consolidated Municipal Property Tax Relief Aid	A-9	25,690.00		25,690.00	
Energy Receipts Tax	A-9	266,219.00		266,219.00	
Hunterdon County Open Space	A-9	10,920.00		10,920.78	0.78
Cable TV Franchise Fee	A-9	11,177.00		11,177.64	0.64
Green Acres Program	A-19	97,952.00		97,952.00	
Clean Communities Program	A-27		9,731.13	9,731.13	
Body Armor Grant	A-27	1,136.99		1,136.99	
Drunk Driving Enforcement Fund	A-27		3,000.00	3,000.00	
Recycling Tonnage Program	A-27	1,759.61		1,759.61	
Somerset County - DWI	A-27	360.00	330.00	690.00	
Distracted Driving Grant	A-27		1,870.00	1,870.00	
JAG - Bulletproof Vests	A-27		2,404.25	2,404.25	
Sustainable Jersey Grant	A-27	1,256.60		1,256.60	
Open Space and Recreation Grant	A-27	25,000.00		25,000.00	
Highlands - Infiltration and Inflow Evaluation	A-27		42,500.00	42,500.00	
Highlands - Wastewater Management Plan	A-27		9,785.00	9,785.00	
Highlands - Master Plan	A-27		11,815.00	11,815.00	
	A-1	\$ 1,518,605.20	\$ 81,435.38	\$ 1,852,189.09	\$ 252,148.51
Receipts from Delinquent Taxes	A-1:A-7	\$ 174,000.00		\$ 207,746.93	\$ 33,746.93
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-7	\$ 3,453,104.10		\$ 3,619,253.01	\$ 166,148.91
<u>Budget Totals</u>		\$ 5,945,709.30	\$ 81,435.38	\$ 6,479,189.03	\$ 452,044.35
Non-Budget Revenue	A-1:A-2			318,598.51	318,598.51
		\$ 5,945,709.30	\$ 81,435.38	\$ 6,797,787.54	\$ 770,642.86
	REF.	A-3	A-3		

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
\$	53,839.80	\$ 58,939.80	\$ 58,878.49	\$ 61.31	\$
<u>OPERATIONS WITHIN "CAPS":</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages					
Other Expenses:					
Internet	7,050.00	7,050.00	6,450.00	600.00	
Miscellaneous	6,500.00	7,000.00	6,968.19	31.81	
Mayor and Council:					
Salaries and Wages	6,000.00	6,000.00	6,000.00		
Other Expenses:					
Advertising Costs	10,000.00	10,000.00	8,699.14	1,300.86	
Newsletter	7,500.00	10,700.00	10,667.76	32.24	
Miscellaneous	1,300.00	1,300.00	841.00	459.00	
Municipal Clerk:					
Salaries and Wages	30,357.26	28,357.26	27,303.86	1,053.40	
Other Expenses	7,645.00	5,645.00	4,781.17	863.83	
Election Expense	2,750.00	2,750.00	2,474.12	275.88	
Codification of Ordinances	5,500.00	6,500.00	6,223.53	276.47	
Financial Administration:					
Salaries and Wages	46,608.86	47,608.86	47,607.66	1.20	
Other Expenses	7,470.00	6,470.00	5,923.43	546.57	
Audit Services	27,365.00	27,365.00	27,325.00	40.00	
Assessment of Taxes:					
Salaries and Wages	45,526.60	45,526.60	43,122.21	2,404.39	
Other Expenses	4,700.00	4,100.00	3,732.30	367.70	
<u>COLLECTION OF TAXES:</u>					
Salaries & Wages	46,608.86	47,608.86	47,607.66	1.20	
Other Expenses	7,265.00	6,265.00	3,863.02	2,401.98	
<u>Legal Services and Costs:</u>					
Other Expenses	80,000.00	80,000.00	75,500.00	4,500.00	
<u>Engineering Services and Costs:</u>					
Other Expenses	50,000.00	50,000.00	50,000.00		

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>HEALTH AND HUMAN SERVICES:</u>					
Board of Health:					
Other Expenses:	\$ 1,500.00	\$ 1,500.00	\$ 1,327.88	\$ 172.12	\$
Cultural and Heritage	2,000.00	2,000.00	927.00	1,073.00	
<u>PARKS AND RECREATION:</u>					
Recreation Services:					
Other Expenses:	3,500.00	3,800.00	3,739.94	60.06	
Special Events	19,000.00	26,000.00	26,000.00		
Miscellaneous					
Golf Course:					
Other Expenses	950,000.00	950,000.00	895,094.72	54,905.28	
Expenses of Participation in County Library:					
Salaries and Wages	22,656.00	22,156.00	21,216.00	940.00	
Other Expenses	200.00	200.00	200.00		
<u>STATE UNIFORM CONSTRUCTION CODE</u> (N.J.S.A.52:270-120 ET.SEQ.)					
Building Inspector:					
Salaries and Wages	5,306.04	5,306.04	5,306.00	0.04	
Construction Code Enforcement:					
Salaries and Wages	42,383.40	42,383.40	42,378.19	5.21	
Other Expenses	1,200.00	4,400.00	3,000.00	1,400.00	
<u>UTILITIES:</u>					
Telephone	16,800.00	16,800.00	16,761.64	38.36	
Electricity	26,000.00	26,000.00	24,246.11	1,753.89	
Gasoline	48,520.00	48,520.00	48,100.00	420.00	
Fuel Oil	38,000.00	38,000.00	35,779.17	2,220.83	
Street Lighting	37,500.00	37,500.00	35,142.28	2,357.72	
TOTAL OPERATIONS WITHIN "CAPS"	\$ 3,607,877.74	\$ 3,607,877.74	\$ 3,445,131.81	\$ 162,745.93	\$

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

BOROUGH OF HIGH BRIDGE

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>PUBLIC PRIVATE PROGRAMS OFF-SET BY REVENUES</u>					
Highlands-WWMP (N.J.S.A. 40A:4-87 + \$9,785.00)	\$	9,785.00	\$ 9,785.00	\$	\$
Highlands-Master Plan (N.J.S.A. 40A:4-87 + \$11,815.00)		11,815.00	11,815.00		
Distracted Driving (N.J.S.A. 40A:4-87 + \$1,870.00)		1,870.00	1,870.00		
Body Armor Fund	1,136.99	1,136.99	1,136.99		
Justice Assistance Grant - Vests (N.J.S.A. 40A:4-87 + \$2,405.25)	1,256.60	2,404.25	2,404.25		
Sustainable New Jersey Grant	1,256.60	1,256.60	1,256.60		
DWJ Grant (N.J.S.A. 40A:4-87 + \$330.00)	360.00	690.00	690.00		
Recycling Tonnage Grant	1,759.61	1,759.61	1,759.61		
Open Space & Rec Plan Element	25,000.00	25,000.00	25,000.00		
Infiltration & Inflow Evaluation (N.J.S.A. 40A:4-87 + \$42,500.00)		42,500.00	42,500.00		
Clean Communities (N.J.S.A. 40A:4-87 + \$9,731.13)		9,731.13	9,731.13		
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 + \$3,000.00)		3,000.00	3,000.00		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUE</u>	\$ 29,513.20	\$ 110,948.58	\$ 110,948.58	\$	\$
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	\$ 107,513.20	\$ 188,948.58	\$ 188,364.58	\$ 584.00	\$
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$	\$
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$	\$
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 415,000.00	\$ 415,000.00	\$ 415,000.00	\$	\$
Payment of Bond Anticipation Notes & Capital Notes	120,000.00	120,000.00	119,425.00		575.00
Interest on Bonds	293,000.00	293,000.00	279,668.12		13,331.88
Interest on Notes	25,000.00	25,000.00	23,065.00		1,935.00
Green Trust Loan Program:					
Green Trust - Springside Project	11,660.00	11,660.00	11,659.35		0.65
Green Trust - Lake Solitude Project	86,292.00	86,292.00	86,291.25		0.75
NJEIT - Principal and Interest	60,200.00	60,200.00	58,779.43		1,420.57
Loan Payment for Capital Lease	96,000.00	96,000.00	93,665.76		2,334.24
Dam Restoration Loan	237,200.00	237,200.00	237,129.60		70.40
<u>TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>	\$ 1,344,352.00	\$ 1,344,352.00	\$ 1,324,683.51	\$	\$ 19,668.49

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

TRUST FUND

GENERAL CAPITAL FUND

"C-1"

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2018	C	\$	262,289.04
Increased by:			
Permanently Funded Improvement			
Authorizations Canceled	C-7	\$	71,150.50
Various Reserves and Deposits Canceled	C-15		20,000.00
Premium on Sale of Bonds and Notes	C-2		<u>24,108.34</u>
			<u>115,258.84</u>
Balance, December 31, 2019	C	\$	<u><u>377,547.88</u></u>

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

WATER UTILITY FUND

BOROUGH OF HIGH BRIDGE

WATER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-10	\$ 59,337.23	\$ 13,286.53
Accrued Interest	D-12		131.00
Encumbrances Payable	D-11	34,114.42	50,832.21
		<u>\$ 93,451.65</u>	<u>\$ 64,249.74</u>
Reserve for Receivables and Inventory	D	36,514.64	28,104.98
Fund Balance	D-1	<u>195,241.45</u>	<u>182,944.85</u>
<u>Total Operating Fund</u>		<u>\$ 325,207.74</u>	<u>\$ 275,299.57</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-15	\$ 33,761.21	\$ 26,540.66
Unfunded	D-15	994,000.00	
Capital Improvement Fund	D-18	56,498.25	182,498.25
Bond Anticipation Notes	D-19		6,550.00
Reserve for:			
Contracts Payable	D-17	82,130.96	50,232.75
Amortization	D-16	3,703,537.17	3,696,987.17
Deferred Amortization	D-13	429,516.09	85,000.00
Fund Balance	D-2	<u>72,975.07</u>	<u>30,813.66</u>
<u>Total Capital Fund</u>		<u>\$ 5,372,418.75</u>	<u>\$ 4,078,622.49</u>
		<u>\$ 5,697,626.49</u>	<u>\$ 4,353,922.06</u>

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

BOROUGH OF HIGH BRIDGE

WATER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2018	D		\$ 30,813.66
Increased by:			
Fully Funded Ordinances Canceled	D-15	\$ 27,161.41	
Premium on Bonds/Notes	D-5	<u>15,000.00</u>	
			<u>42,161.41</u>
Balance, December 31, 2019	D		\$ <u><u>72,975.07</u></u>

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

BOROUGH OF HIGH BRIDGE

WATER UTILITY OPERATING FUND

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
Operating:					
Salaries and Wages	\$ 202,883.00	\$ 204,883.00	\$ 201,680.20	\$ 3,202.80	\$
Other Expenses	319,141.00	316,941.00	261,796.46	55,144.54	
<u>Total Operating</u>	\$ 522,024.00	\$ 521,824.00	\$ 463,476.66	\$ 58,347.34	\$
Capital Improvements:					
Capital Improvement Fund	\$ 145,000.00	\$ 145,000.00	\$ 145,000.00		\$
<u>Total Capital Improvements</u>	\$ 145,000.00	\$ 145,000.00	\$ 145,000.00		\$
Debt Services:					
Payment of Bond Anticipation Notes	\$ 6,550.00	\$ 6,550.00	\$ 6,550.00		\$
Interest on Notes	420.00	420.00			420.00
<u>Total Debt Services</u>	\$ 6,970.00	\$ 6,970.00	\$ 6,550.00		\$ 420.00
Deferred Charges:					
Emergency Authorizations	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00		\$
Deferred Unfunded	15,000.00	15,000.00	15,000.00		
<u>Total Deferred Charges</u>	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00		\$
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	\$ 17,500.00	\$ 17,500.00	\$ 16,802.57	\$ 697.43	\$
Social Security System (O.A.S.I.)	15,521.00	15,721.00	15,428.54	292.46	
<u>Total Statutory Expenditures</u>	\$ 33,021.00	\$ 33,221.00	\$ 32,231.11	\$ 989.89	\$
	\$ 732,015.00	\$ 732,015.00	\$ 672,257.77	\$ 59,337.23	\$ 420.00
	<u>REF.</u>	<u>D-3</u>	<u>D-1</u>	<u>D:D-1</u>	
Disbursements	D-5		\$ 628,143.35		
Encumbrances Payable	D-11		34,114.42		
Deferred Charges	D-14		10,000.00		
			\$ 672,257.77		

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

SEWER UTILITY FUND

BOROUGH OF HIGH BRIDGE

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-4:E-10	\$ 9,035.20	\$ 5,231.66
Accrued Interest Payable	E-20	47,469.38	47,762.35
Encumbrances Payable	E-11	211,849.03	196,787.53
Miscellaneous Reserves	E-24	12,500.00	
		\$ 280,853.61	\$ 249,781.54
Reserve for Receivables	E	68,262.33	45,518.56
Fund Balance	E-1	490,855.06	218,379.76
<u>Total Operating Fund</u>		\$ 839,971.00	\$ 513,679.86
Capital Fund:			
Improvement Authorizations:			
Funded	E-15	\$ 61,098.85	\$ 60,450.85
Capital Improvement Fund	E-13	26,909.48	37,298.03
Serial Bond Payable	E-17	2,782,000.00	2,807,000.00
Reserve For:			
Contracts Payable	E-21	19,324.00	23,952.00
Amortization	E-16	2,806,889.49	2,766,500.94
Deferred Amortization	E-12	87,000.00	92,000.00
Fund Balance	E-2	1,494.66	1,494.66
<u>Total Capital Fund</u>		\$ 5,784,716.48	\$ 5,788,696.48
		\$ 6,624,687.48	\$ 6,302,376.34

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

BOROUGH OF HIGH BRIDGE

SEWER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2018 and December 31, 2019	E	\$ <u>1,494.66</u>

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

BOROUGH OF HIGH BRIDGE

SEWER UTILITY OPERATING FUND

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

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
Operating:					
Salaries and Wages	\$ 153,672.00	\$ 157,172.00	\$ 154,373.84	\$ 2,798.16	\$
Other Expenses	811,820.47	846,270.47	840,360.63	5,909.84	
<u>Total Operating</u>	\$ 965,492.47	\$ 1,003,442.47	\$ 994,734.47	\$ 8,708.00	\$
Debt Services:					
Payment of Bond Principal	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$	\$
Interest on Bonds	130,000.00	130,000.00	126,682.66		3,317.34
<u>Total Debt Services</u>	\$ 155,000.00	\$ 155,000.00	\$ 151,682.66	\$	\$ 3,317.34
Deferred Charges:					
Deficit in Operations in Prior Years	\$ 34,439.53	\$ 34,439.53	\$ 34,439.53	\$	\$
<u>Total Deferred Charges</u>	\$ 34,439.53	\$ 34,439.53	\$ 34,439.53	\$	\$
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	\$ 13,000.00	\$ 12,450.00	\$ 12,435.63	\$ 14.37	\$
Social Security System (O.A.S.I.)	9,568.00	12,168.00	11,855.17	312.83	
<u>Total Statutory Expenditures</u>	\$ 22,568.00	\$ 24,618.00	\$ 24,290.80	\$ 327.20	\$
	\$ 1,177,500.00	\$ 1,217,500.00	\$ 1,205,147.46	\$ 9,035.20	\$ 3,317.34
	REF.	E-3	E-1	E:E-1	
Budget	E-3	\$ 1,177,500.00			
Emergency Authorization (40A:4-46)	E-22	40,000.00			
		\$ 1,217,500.00			
Disbursements	E-5		\$ 832,176.24		
Encumbrances Payable	E-11		211,849.03		
Accrued Interest	E-20		126,682.66		
Deferred Charges	E-22		34,439.53		
			\$ 1,205,147.46		

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

SOLID WASTE UTILITY FUND

BOROUGH OF HIGH BRIDGESOLID WASTE UTILITY OPERATING FUND

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

	<u>REF.</u>	YEAR ENDED DECEMBER 31, 2019	YEAR ENDED DECEMBER 31, 2018
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	F-2	\$ 90,000.00	\$ 90,000.00
Solid Waste Collection Fees	F-2	340,268.59	345,608.15
Other Credits to Income:			
Miscellaneous Revenue not Anticipated	F-2	4,875.93	4,942.80
Unexpended Balance of Appropriation Reserves	F-9	<u>14,889.06</u>	<u>23,394.85</u>
<u>TOTAL INCOME</u>		<u>\$ 450,033.58</u>	<u>\$ 463,945.80</u>
<u>EXPENDITURES</u>			
Operating	F-3	\$ 408,574.00	\$ 400,280.00
Statutory Expenditures and Deferred Charges	F-3	<u>12,279.00</u>	<u>11,720.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 420,853.00</u>	<u>\$ 412,000.00</u>
Excess in Revenue		\$ 29,180.58	\$ 51,945.80
<u>Fund Balance</u>			
Balance, January 1	F	<u>120,673.85</u>	<u>158,728.05</u>
		\$ 149,854.43	\$ 210,673.85
Decreased by:			
Utilization by Water Operating Budget	F-2	<u>90,000.00</u>	<u>90,000.00</u>
Balance, December 31	F	<u>\$ 59,854.43</u>	<u>\$ 120,673.85</u>

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

BOROUGH OF HIGH BRIDGE
SOLID WASTE UTILITY OPERATING FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Operating:				
Salaries and Wages	\$ 70,305.00	\$ 75,805.00	\$ 73,774.37	\$ 2,030.63
Other Expenses	<u>338,669.00</u>	<u>332,769.00</u>	<u>332,568.90</u>	<u>200.10</u>
<u>Total Operating</u>	<u>\$ 408,974.00</u>	<u>\$ 408,574.00</u>	<u>\$ 406,343.27</u>	<u>\$ 2,230.73</u>
Statutory Expenditures:				
Contributions to:				
Public Employees' Retirement System	\$ 6,500.00	\$ 6,500.00	\$ 6,457.58	\$ 42.42
Social Security System (O.A.S.I.)	<u>5,379.00</u>	<u>5,779.00</u>	<u>5,643.75</u>	<u>135.25</u>
<u>Total Statutory Expenditures</u>	<u>\$ 11,879.00</u>	<u>\$ 12,279.00</u>	<u>\$ 12,101.33</u>	<u>\$ 177.67</u>
	<u>\$ 420,853.00</u>	<u>\$ 420,853.00</u>	<u>\$ 418,444.60</u>	<u>\$ 2,408.40</u>
<u>REF.</u>	F-2		F-1	F:F-1
Disbursements	F-4		\$ 392,903.60	
Encumbrances Payable	F-7		<u>25,541.00</u>	
			<u>\$ 418,444.60</u>	

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

GENERAL FIXED ASSETS ACCOUNT GROUP

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

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

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

Solid Waste Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Solid Waste Utility

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

C. Basis of Accounting

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

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. All grants are realized as revenues when anticipated in the Borough's budget. Receivables for property taxes and consumer charges are recorded with offsetting reserves on the balance sheet of the Borough's Current, Sewer, Water and Solid Waste Funds; accordingly, such amounts are not recorded as revenue until collected.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

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

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

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

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

Fixed Capital - Water Utility, Sewer Utility and Solid Waste Utility - Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water Utility Fund, Sewer Utility Fund and the Solid Waste Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued) - If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

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

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet. New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C.5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

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

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

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Borough of High Bridge has the following cash and cash equivalents at December 31, 2019:

<u>FUND</u>	<u>CASH IN BANK</u>	<u>CASH EQUIVALENTS</u>	<u>ON HAND/ IN TRANSIT</u>	<u>OUTSTANDING CHECKS</u>	<u>TOTAL</u>
Current Fund	\$ 3,926,348.25	\$ 10,248.97	\$ 6,580.73	\$ 121,063.70	\$ 3,822,114.25
Animal Control Fund	8,936.27				8,936.27
Other Trust Fund	335,727.54		19.94	1,646.89	334,100.59
General Capital Fund	779,208.94				779,208.94
Water Utility Operating Fund	467,204.00		91,979.80	270,490.70	288,693.10
Water Utility Capital Fund	97,701.75				97,701.75
Sewer Utility Operating Fund	579,001.66		140,311.51	104.50	719,208.67
Sewer Utility Capital Fund	108,826.99				108,826.99
Solid Waste Utility Operating Fund	69,184.79		40,575.04	21,956.00	87,803.83
Solid Waste Utility Capital Fund	6,280.78				6,280.78
TOTAL DECEMBER 31, 2019	\$ 6,378,420.97	\$ 10,248.97	\$ 238,891.98	\$ 415,261.79	\$ 6,252,875.17

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2019, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$5,878,420.97 was covered under the provisions of NJGUDPA. \$10,248.97 was invested in the New Jersey Cash Management fund (cash equivalents).

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE"- WATER UTILITY
PER N.J.S. 40A:2-45 AT DECEMBER 31, 2019

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus		\$768,901.68
Deduction:		
Operating and Maintenance Cost	\$555,045.00	
Debt Service Per Water Utility Account	<u>6,550.00</u>	
		<u>561,595.00</u>
Excess in Revenue		<u>\$207,306.68</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE"- SEWER UTILITY
PER N.J.S.A. 40A:2-45 AT DECEMBER 31, 2019

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus		\$1,580,741.20
Deduction:		
Operating and Maintenance Cost	\$1,028,060.47	
Debt Service Per Sewer Utility Account	<u>151,682.66</u>	
		<u>1,179,743.13</u>
Excess in Revenue		<u>\$400,998.07</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

General Capital Fund

Green Acres Loans:

\$1,049,148.12 of 2007 Loan due in semiannual installments of principal and interest of \$43,145.63 through June 2021 at an interest rate of 2%.	\$ 126,890.64
\$187,500.00 of 2002 Loan due in semiannual installments of principal and interest of \$5,829.67 through December 2021 at an interest rate of 2%.	22,747.17
\$3,318,592.36 of 2014 Loan due in semiannual installments of principal and interest of \$118,564.80 through February 2031 at an interest rate of 2%.	<u>2,425,340.40</u>
	<u>\$ 2,574,978.21</u>

Infrastructure Loans:

\$245,000 of 2007 Trust Loan due in annual installments of principal of \$15,000.00 to \$20,000.00 through August 2027 at interest rates of 3.5% to 5.0%.	\$ 130,000.00
\$681,941.00 of 2007 Fund Loan due in semiannual installments of principal only through August 2027 ranging from \$16,156.64 to \$39,295.82, interest free	<u>284,420.67</u>
	<u>\$ 414,420.67</u>

Bonds and Notes Authorized But Not Issued

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

General Capital Fund	\$ -0-
Water Utility Capital Fund	\$ 1,089,251.74
Sewer Utility Capital Fund	\$ -0-
Solid Waste Utility Capital Fund	\$ -0-

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL
AND INTEREST AS OF DECEMBER 31, 2019

GREEN TRUST LOANS

CALENDAR YEAR	LOAN PRINCIPAL	LOAN INTEREST	TOTAL
2020	\$ 284,998.54	\$ 50,081.66	\$ 335,080.20
2021	247,581.37	44,353.20	291,934.57
2022	197,263.05	39,866.55	237,129.60
2023	201,228.03	35,901.57	237,129.60
2024	205,272.72	31,856.88	237,129.60
2025	209,398.70	27,730.90	237,129.60
2026	213,607.61	23,521.99	237,129.60
2027	217,901.13	19,228.48	237,129.61
2028	222,280.94	14,848.67	237,129.61
2029	226,748.78	10,380.82	237,129.60
2030	231,306.44	5,823.17	237,129.61
2031	117,390.90	1,173.91	118,564.81
	<u>\$ 2,574,978.21</u>	<u>\$ 304,767.80</u>	<u>\$ 2,879,746.01</u>

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

CALENDAR YEAR	TRUST LOAN		FUND LOAN	TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	
2020	\$ 15,000.00	\$ 5,837.50	\$ 37,647.21	\$ 58,484.71
2021	15,000.00	5,237.50	36,563.18	56,800.68
2022	15,000.00	4,487.50	35,208.15	54,695.65
2023	15,000.00	3,737.50	33,853.13	52,590.63
2024	15,000.00	3,100.00	32,701.35	50,801.35
2025	15,000.00	2,425.00	31,481.82	48,906.82
2026	20,000.00	1,750.00	39,295.82	61,045.82
2027	20,000.00	850.00	37,670.01	58,520.01
	<u>\$ 130,000.00</u>	<u>\$ 27,425.00</u>	<u>\$ 284,420.67</u>	<u>\$ 441,845.67</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SHORT-TERM DEBT (CONTINUED)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	1.950%	6/19/2020	\$ <u><u>1,208,825.00</u></u>

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

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund	\$900,000.00
Sewer Operating Fund	350,000.00
Water Operating Fund	100,000.00
Solid Waste Operating Fund	50,000.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Vesting and Benefit Provisions

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS)

At June 30, 2019, the State reported a net pension liability of \$1,218,403.00 for the Borough of Highbridge's proportionate share of the total net pension liability. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Borough's proportion was 0.0067619649 percent, which was an increase of 0.0006828049 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the State recognized an actuarially determined pension benefit of (\$11,889.00) for the Borough of Highbridge's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statement based on the April 1, 2019 billing was \$60,468.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 21,869.00	\$ 5,382.00
Changes of assumptions	121,662.00	422,904.00
Net difference between projected and actual earnings on pension plan investments		19,233.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>149,241.00</u>	<u>248,876.00</u>
	<u>\$ 292,772.00</u>	<u>\$ 696,395.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2019 and June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

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

	June 30, 2019		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>5.28%</u>	<u>6.28%</u>	<u>7.28%</u>
Borough's proportionate share of the pension liability	\$1,549,748.00	\$1,218,403.00	\$954,817.00

Pension plan fiduciary net position

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2019, the State reported a net pension liability of \$2,563,336.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Borough's proportion was 0.0209460232 percent, which was a decrease of 0.0000334234 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the State recognized an actuarially determined pension expense of \$272,986.00. The pension expense recognized in the Borough's financial statement based on the April 1, 2019 billing was \$205,105.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 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:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation	2.75%	2.25%
Salary Increases		
Through all future years	3.25-15.25%	2.10-9.98%
	Based on years of Service	Based on Age
Investment Rate of Return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 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 the 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 a generational basis. Mortality improvement is based on Scale MP-2019.

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate (Continued)

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	June 30, 2019		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>5.85%</u>	<u>6.85%</u>	<u>7.85%</u>
Borough's proportionate share of the PFRS pension liability	\$3,464,697.00	\$2,563,336.00	\$1,817,331.00

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees hired prior to December 31, 2001 are allowed to accumulate unused sick pay over the life of their working careers, up to a maximum of twenty-one days, which may be paid at a later date. The accumulated cost of such unpaid compensation is not required to be accrued in the financial statements as presented. The Borough has estimated the liability at \$66,857.07 as of December 31, 2019. The Borough annually appropriates the amounts that are required to be paid in each year's budget on a cash basis.

NOTE 8: LITIGATION

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

NOTE 9: TAX APPEALS

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

NOTE 10: CONTINGENT LIABILITIES

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

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

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

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 146,608.63	\$
Grant Fund		144,471.46
Trust Funds	425.19	2,137.17
General Capital Fund	<u> </u>	<u>425.19</u>
	\$ <u>147,033.82</u>	\$ <u>147,033.82</u>

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

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

During 2001, the Borough of High Bridge adopted an ordinance establishing a Length of Service Awards Program for the members of the volunteer Fire Department and Emergency Squad pursuant to N.J.S.A. 40A:14-183 *et seq.*

Under this program, each volunteer of the volunteer Fire Department and Emergency Squad will have an annual amount of \$700.00 deposited into a tax deferred income account that will earn interest for the volunteer. The estimated annual cost of this program is \$26,600.00.

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

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

Plan Description and Benefits Provided

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

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

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

Actuarial Assumptions and Other Inputs

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

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

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

Special Funding Situation

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

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

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no Net OPEB Liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

At June 30, 2019 and 2018, the State's proportionate share of the Net OPEB Liability attributable to the Borough for the special funding situation is \$7,599,466.00 and \$1,968,049.00 respectively.

At June 30, 2019, the Borough's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

Borough's proportionate share of the Net OPEB Liability	\$0
State of New Jersey's proportionate share of Net OPEB Liability associated with the Borough	7,599,466
	<u>\$7,599,466</u>

BOROUGH OF HIGH BRIDGE
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2019

BOROUGH OF HIGH BRIDGE
CURRENT FUND
SCHEDULE OF CASH-COLLECTOR

	<u>REF.</u>		
Balance, December 31, 2018	A		\$ 62,932.77
Received:			
Revenue Accounts Receivable	A-9	\$ 44,108.10	
Taxes Receivable	A-7	13,628,498.27	
Miscellaneous Revenue	A-2	791.44	
2020 Taxes Prepaid	A-17	60,146.78	
Tax Overpayments	A-18	10,901.71	
Reserve for Outside Liens	A-10	<u>130,372.45</u>	
			13,874,818.75
			\$ <u>13,937,751.52</u>
Decreased by Disbursements:			
Payments to Treasurer	A-4		<u>13,578,136.67</u>
Balance, December 31, 2019	A		\$ <u><u>359,614.85</u></u>

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>2019 LEVY</u>	<u>ADDED</u>	<u>2018 COLLECTIONS</u>	<u>2019 COLLECTIONS</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2019</u>
Prior	\$ 198,841.13	\$	\$ 8,905.80	\$	\$ 207,746.93	\$	\$	\$
	\$ 198,841.13	\$	\$ 8,905.80	\$	\$ 207,746.93	\$	\$	\$
2018		13,655,323.56		38,191.12	13,440,751.34	2,123.35	15,345.46	158,912.29
	\$ 198,841.13	\$ 13,655,323.56	\$ 8,905.80	\$ 38,191.12	\$ 13,648,498.27	\$ 2,123.35	\$ 15,345.46	\$ 158,912.29
<u>REF.</u>	A			A-2, A-17	A-2	A-12		A

REF.

Collector
Due From State of N.J. per Chapter 20, P.L. 1971

A-5 \$ 13,628,498.27
A-8 20,000.00
\$ 13,648,498.27

ANALYSIS OF 2019 PROPERTY TAX LEVY

<u>TAX YIELD</u>		
General Purpose Tax	\$	13,619,274.96
Added Taxes (54:4-63.1 et. seq.)		36,048.60
	\$	<u>13,655,323.56</u>
<u>TAX LEVY</u>		
Local District School Tax (Abstract)	A-15	\$ 6,832,760.00
Regional High School Tax (Abstract)	A-16	1,910,586.00
County Taxes:		
County Tax	A-14	\$ 1,190,525.55
County Library Tax	A-14	116,904.04
County Open Space Preservation Tax	A-14	113,698.89
County Added	A-14	3,769.81
		1,424,898.29
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 3,453,104.10
Add: Additional Tax Levied		33,975.17
Local Tax for Municipal Purposes Levied		<u>3,487,079.27</u>
		\$ <u>13,655,323.56</u>

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2018	ACCRUED IN 2019	COLLECTED BY		BALANCE DECEMBER 31, 2019
			COLLECTOR	TREASURER	
Clerk:					
A-2	\$	\$ 5,400.00	\$	\$ 5,400.00	\$
A-2		70,764.50		70,764.50	
A-2		0.00			
A-2		82,814.00		82,814.00	
A-2	1,151.28	31,737.69		30,001.87	2,887.10
A-2		65,539.71		65,539.71	
A-2		1,017,721.91		1,017,721.91	
A-2		12,931.00		12,931.00	
A-2		25,690.00		25,690.00	
A-2		266,219.00		266,219.00	
A-2		10,920.78		10,920.78	
A-2		11,177.64		11,177.64	
A-2		44,108.10	44,108.10		
	\$ 1,151.28	\$ 1,645,024.33	\$ 44,108.10	\$ 1,599,180.41	\$ 2,887.10
REF.	A		A-5	A-4	A

"A-11"

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF PETTY CASH

<u>DEPARTMENT</u>	<u>RECEIVED</u>	<u>RETURNED</u>
Finance	\$ 200.00	\$ 200.00
Police	200.00	200.00
	<u>\$ 400.00</u>	<u>\$ 400.00</u>
<u>REF.</u>	A-4	A-4

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2018	MODIFIED BUDGET	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Municipal Clerk	\$ 567.19	\$ 567.19	\$	\$ 567.19
General Administration	245.00	245.00		245.00
Financial Administration	3,165.38	3,165.38		3,165.38
Revenue Administration	3,167.16	3,167.16		3,167.16
Assessment of Taxes	257.81	257.81		257.81
Planning Board	1,269.00	1,269.00		1,269.00
Construction Code Enforcement	504.98	504.98		504.98
Zoning Costs	42.50	42.50		42.50
Police	4,920.10	4,920.10		4,920.10
Public Works	5,953.45	5,953.45		5,953.45
County Library	796.18	796.18		796.18
Building Inspector	42.50	42.50		42.50
<u>OTHER EXPENSES</u>				
Municipal Clerk - Election	280.81	175.81		175.81
Municipal Clerk - Miscellaneous	371.51	857.58	179.80	677.78
Codification of Ordinances	1,666.47	1,666.47		1,666.47
General Administration - Internet	31.00	288.35	129.90	158.45
General Administration - Miscellaneous	25.81	595.49	204.80	390.69
Mayor and Committee - Advertising Costs		2,754.88	2,535.65	219.23
Mayor and Committee - Newsletter	7.99	1,295.00	1,190.00	105.00
Mayor and Committee - Miscellaneous	10.61	100.61	90.00	10.61
Financial Administration	608.85	793.13	125.00	668.13
Audit Services	40.00	3,940.00		3,940.00
Economic Development	235.00	335.00		335.00
Revenue Administration	1,222.10	1,392.43		1,392.43
Assessment of Taxes	723.76	825.86	38.07	787.79
Legal Services	2,129.75	27,717.05	7,435.49	20,281.56
Engineering	1,199.99	8,122.73	7,684.23	438.50
Public Buildings & Grounds - Maintenance	4,488.59	33,466.47	12,449.62	21,016.85
Public Buildings & Grounds - Miscellaneous	13.85	6,766.96	2,323.68	4,443.28
Planning Board	839.50	8,367.95	1,191.20	7,176.75
Workers Compensation	87.25	87.25		87.25
Liability Insurance	181.64	181.64	121.50	60.14
Group Insurance	459.98	6,544.30		6,544.30
Construction Official	1,214.30	1,214.30		1,214.30
Municipal Court	357.00	357.00		357.00
Police - Miscellaneous	41.16	7,738.04	5,337.82	2,400.22
Emergency Management Services	5.00	136.59	80.02	56.57
Aid to Volunteer Fire Companies	955.60	955.60		955.60
Public Works - Field Maint.		6,325.00	6,325.00	
Public Works - Miscellaneous	3,472.97	47,945.57	12,321.15	35,624.42
Golf Course	57,150.63	156,974.12	71,237.08	85,737.04
County Library		77.09	66.25	10.84
Welfare Functions - Special Events	91.17	746.69	463.52	283.17
Welfare Functions - Cultural and Heritage	1,399.00	1,399.00		1,399.00
Environmental Commission		661.00	586.00	75.00
Parks and Recreation	132.46	189.97		189.97
Board of Health	161.45	161.45		161.45
Electricity	1,384.38	3,884.46	1,924.70	1,959.76

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018	A		\$ 2,087.78
2019 Tax Levy:			
County Taxes	A-1:A-7	\$ 1,421,128.48	
County Share of Added Taxes	A-1:A-7	<u>3,769.81</u>	
			<u>1,424,898.29</u>
			\$ <u>1,426,986.07</u>
Decreased by:			
Disbursements	A-4		<u>1,423,216.26</u>
Balance, December 31, 2019	A		\$ <u><u>3,769.81</u></u>

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAX

	<u>REF.</u>	
Balance, December 31, 2018:		
School Tax Payable	A	\$ 210,641.33
Increased by:		
Levy	A-7	1,910,586.00
		<u>\$ 2,121,227.33</u>
Decreased by:		
Disbursements	A-4	<u>1,821,772.50</u>
Balance, December 31, 2019:		
School Tax Payable	A	<u><u>\$ 299,454.83</u></u>
2019 Liability for Regional High School Tax:		
Tax Paid	A-4	\$ 1,821,772.50
Tax Payable, December 31, 2019	A-16	299,454.83
		<u>2,121,227.33</u>
Less:		
Tax Payable, December 31, 2018	A-16	<u>210,641.33</u>
Charge to Operations	A-1	<u><u>\$ 1,910,586.00</u></u>

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

<u>GRANT</u>	BALANCE DECEMBER 31, 2018	APPLIED TO REVENUE	BALANCE DECEMBER 31, 2019
Green Acres Grant	\$ <u>128,435.00</u>	\$ <u>97,952.00</u>	\$ <u>30,483.00</u>
	\$ <u><u>128,435.00</u></u>	\$ <u><u>97,952.00</u></u>	\$ <u><u>30,483.00</u></u>
<u>REF.</u>	A	A-2	A

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

<u>GRANT/PROGRAM</u>	BALANCE DECEMBER 31, 2018	INCREASED	DECREASED	BALANCE DECEMBER 31, 2019
Marriage Licenses Due State	\$ 100.00	\$ 250.00	\$ 200.00	\$ 150.00
Health Benefits		74,084.78	74,084.78	
Insurance Claims	9,970.60	17,292.94	619.24	26,644.30
State Training Fees	1,062.00	4,352.00	3,247.00	2,167.00
Police Services for Outside Vendors	5,942.60	11,100.00	12,798.75	4,243.85
Prepaid Fees for Landlord Registration	2,100.00	2,450.00		4,550.00
Police Donations	150.00		139.70	10.30
Cert Donation	225.00			225.00
County Food Inspections	7,375.00	2,600.00	1,900.00	8,075.00
	<u>\$ 26,925.20</u>	<u>\$ 112,129.72</u>	<u>\$ 92,989.47</u>	<u>\$ 46,065.45</u>
	REF. A			A
Receipts		\$ 111,778.73		
Transferred Encumbrances		<u>350.99</u>		
		<u>\$ 112,129.72</u>		
Disbursements			\$ 92,683.52	
Encumbrances Payable			<u>305.95</u>	
			<u>\$ 92,989.47</u>	

"A-24"

BOROUGH OF HIGH BRIDGE

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2018 (Due To)	A		\$ 30,857.50
Increased by:			
Receipts	A-4	\$ 104,819.34	
Canceled Reserves	A-25	<u>29,834.96</u>	
			\$ <u>134,654.30</u>
			\$ 165,511.80
Decreased by:			
Grants Receivable Canceled	A-27		<u>21,040.34</u>
Balance, December 31, 2019 (Due To)	A		\$ <u><u>144,471.46</u></u>

"A-26"

BOROUGH OF HIGH BRIDGE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED

<u>GRANT</u>	<u>RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2019</u>
Recycling Grant	\$ <u>3,046.05</u>	\$ <u>3,046.05</u>
	\$ <u>3,046.05</u>	\$ <u>3,046.05</u>
<u>REF.</u>	A-4	A

BOROUGH OF HIGH BRIDGE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2018	REDUCED IN 2019	BALANCE DECEMBER 31, 2019
Special Emergency - NJSA 40A:4-53 - Revaluation	\$ 25,000.00	\$ 25,000.00	\$
Special Emergency - NJSA 40A:4-53 - Codification of Ordinances	15,000.00	10,000.00	5,000.00
	<u>\$ 40,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 5,000.00</u>
<u>REF.</u>	A	A-3	A

"B-2"

BOROUGH OF HIGH BRIDGE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2018	B		\$ 8,205.04
Increased by:			
Dog License Fees Collected	B-1	\$ 3,574.69	
Transferred Encumbrances	B-9	1,328.88	
Prepaid Applied	B-8	<u>515.00</u>	
			\$ <u>5,418.57</u>
			\$ 13,623.61
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Disbursements	B-1	\$ 4,986.54	
Encumbrances Payable	B-9	<u>1,327.90</u>	
			<u>6,314.44</u>
Balance, December 31, 2019	B		\$ <u><u>7,309.17</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2018	\$ 4,333.18
2017	<u>5,060.00</u>
	\$ <u><u>9,393.18</u></u>

"B-3"

SCHEDULE OF DUE STATE OF NEW JERSEY -
ANIMAL CONTROL FUND

Balance, December 31, 2018	B		\$ 2.40
Increased by:			
Receipts	B-1		<u>399.00</u>
			\$ <u>401.40</u>
Decreased by:			
Disbursements	B-1		<u>397.20</u>
Balance, December 31, 2019	B		\$ <u><u>4.20</u></u>

BOROUGH OF HIGH BRIDGE

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2018	INCREASED	DECREASED	BALANCE DECEMBER 31, 2019
State Unemployment	\$ 111,303.33	\$ 3,967.41	\$ 274.04	\$ 114,996.70
Developers Escrow	59,518.56	45,319.83	36,630.95	68,207.44
Open Space Trust	4,404.12	167.75		4,571.87
Payroll Withholdings Payable	4,311.14	2,487,619.02	2,491,660.20	269.96
Rehabilitation Escrow	54,841.26	733.26		55,574.52
Tax Sale Premium	75,000.00	47,600.00	58,200.00	64,400.00
Outside Liens	19.20	130,372.45	130,372.45	19.20
Special Events	6,181.23	21,714.96	20,790.78	7,105.41
Historical Preservation	3,594.27	740.33		4,334.60
Recreational Trust	7,929.55	16,189.26	19,329.46	4,789.35
	<u>\$ 327,102.66</u>	<u>\$ 2,754,424.27</u>	<u>\$ 2,757,257.88</u>	<u>\$ 324,269.05</u>
<u>REF.</u>	B			B
Receipts		\$ 2,733,223.91		
Prior Year Encumbrances		<u>21,200.36</u>		
		<u>\$ 2,754,424.27</u>		
Disbursements			\$ 2,740,124.72	
Encumbrances Payable			<u>17,133.16</u>	
			<u>\$ 2,757,257.88</u>	

BOROUGH OF HIGH BRIDGE

TRUST FUND

SCHEDULE OF PREPAID REVENUE - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2018	B	\$	515.00
Increased by:			
Receipts	B-1		<u>295.00</u>
		\$	<u>810.00</u>
Decreased by:			
Applied to Reserve	B-2		<u>515.00</u>
Balance, December 31, 2019	B	\$	<u><u>295.00</u></u>

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 946,381.70
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-8	\$ 200,000.00	
Premium on Sale of Bonds and Notes	C-1	24,108.34	
Grants Receivable	C-10	385,625.00	
Due Current Fund	C-9	12,490.18	
Due Open Space Trust	C-16	167.75	
Bond Anticipation Notes	C-13	<u>1,208,825.00</u>	
			<u>1,831,216.27</u>
			\$ <u>2,777,597.97</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$ 952,073.66	
Bond Anticipation Notes	C-13	1,033,825.00	
Due Current Fund	C-9	<u>12,490.37</u>	
			<u>1,998,389.03</u>
Balance, December 31, 2019	C:C-3		\$ <u><u>779,208.94</u></u>

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 9,670,513.05
Decreased by:			
2019 Budget Appropriation to Pay:			
Bond Principal	C-12	\$ 415,000.00	
Green Trust Loan Principal	C-11	279,382.94	
Environmental Infrastructure Loan Principal	C-14	<u>53,731.23</u>	
			<u>748,114.17</u>
Balance, December 31, 2019	C		\$ <u><u>8,922,398.88</u></u>

BOROUGH OF HIGH BRIDGE
GENERAL CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 297,523.57
Increased by:			
Contracts Issued	C-7		<u>1,698,265.73</u>
			\$ <u>1,995,789.30</u>
Decreased by:			
Disbursements	C-2	\$ 952,073.66	
Canceled	C-7	<u>34,400.55</u>	
			<u>986,474.21</u>
Balance, December 31, 2019	C		\$ <u><u>1,009,315.09</u></u>

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 338,611.89
Increased by:			
2019 Budget Appropriation	C-2	\$ 200,000.00	
Cancellation of Improvement Authorizations	C-7	<u>39,710.00</u>	
			\$ <u>239,710.00</u>
			\$ 578,321.89
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-7		<u>548,300.00</u>
Balance, December 31, 2019	C		\$ <u><u>30,021.89</u></u>

BOROUGH OF HIGH BRIDGE
GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES TRUST LOANS PAYABLE

IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	AMOUNT OF ORIGINAL ISSUE	OUTSTANDING DECEMBER 31, 2019		INTEREST RATE	BALANCE DECEMBER 31, 2018	DECREASED	BALANCE DECEMBER 31, 2019
			DATE	AMOUNT				
Lake Solitude Acquisition	03/08/2007	\$ 1,049,148.12	2020	\$ 84,172.21	2.000%	\$ 209,404.32	\$ 82,513.68	\$ 126,890.64
			2021	42,718.43				
Springside Woodlands	03/21/2002	187,500.00	2020	11,260.42	2.000%	33,785.72	11,038.55	22,747.17
			2021	11,486.75				
Lake Solitude Dam	06/13/2017	3,318,592.36	2020	189,565.91				
			2021	193,376.19				
			2022	197,263.05				
			2023	201,228.03				
			2024	205,272.72				
			2025	209,398.70				
			2026	213,607.61				
			2027	217,901.13				
			2028	222,280.94				
			2029	226,748.78				
2030	231,306.44							
2031	117,390.89							
					2.000%	2,611,171.11	185,830.71	2,425,340.40
						\$ 2,854,361.15	\$ 279,382.94	\$ 2,574,978.21
						C	C-4	C

REF.

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2018	INCREASED	DECREASED	BALANCE DECEMBER 31, 2019
17-07	Various Road Improvements	06/22/17	06/20/18	06/20/19	2.000%	\$ 941,250.00	\$	\$ 941,250.00	\$
18-06	Various Road Improvements	10/01/18	06/20/18	06/20/19	2.000%	212,000.00		212,000.00	
17-07	Various Road Improvements	06/22/17	06/19/19	06/19/20	1.950%		843,025.00		843,025.00
18-06	Various Road Improvements	10/01/18	06/19/19	06/19/20	1.950%		190,800.00		190,800.00
18-06	Various Road Improvements	06/19/19	06/19/19	06/19/20	1.950%		175,000.00		175,000.00
						<u>\$ 1,153,250.00</u>	<u>\$ 1,208,825.00</u>	<u>\$ 1,153,250.00</u>	<u>\$ 1,208,825.00</u>
					REF.	C	C-2		C:C-5
	Funded by Budget				C-5			\$ 119,425.00	
	Paid by Cash on Hand				C-2			<u>1,033,825.00</u>	
								<u>\$ 1,153,250.00</u>	

BOROUGH OF HIGH BRIDGE

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2018	GRANTS RECEIVABLE	CANCELED	BALANCE DECEMBER 31, 2019
Reserve for Capital Projects: Open Space	\$ 2,542.03	\$	\$	2,542.03
Reserve for Grants Receivable	<u>20,000.00</u>	<u>120,000.00</u>	<u>20,000.00</u>	<u>120,000.00</u>
	<u>\$ 22,542.03</u>	<u>\$ 120,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 122,542.03</u>

REF.

C

C-10

C-1

C

BOROUGH OF HIGH BRIDGE

WATER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2018	D	\$ 237,194.59	\$ 100,833.58
Increased by Receipts:			
Collector	D-6	\$ 687,990.50	
Capital Improvement Fund	D-18		145,000.00
NJ Infrastructure Bank Receivable	D-24		77,588.00
Interfunds	D-8:D-9	1,796.58	1,796.58
Miscellaneous	D-3	5,911.18	
Premium on Bonds and Notes	D-2		15,000.00
		<u>695,698.26</u>	<u>239,384.58</u>
		\$ 932,892.85	\$ 340,218.16
Decreased by Disbursements:			
2019 Appropriations	D-4	\$ 628,143.35	
2018 Appropriation Reserves	D-10	14,128.82	
Contracts Payable	D-17		240,719.83
Accrued Interest	D-12	131.00	
Interfunds	D-8:D-9	1,796.58	1,796.58
		<u>644,199.75</u>	<u>242,516.41</u>
Balance, December 31, 2019	D	\$ 288,693.10	\$ 97,701.75

"D-8"

BOROUGH OF HIGH BRIDGE
WATER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>WATER CAPITAL FUND</u>
Increased by:			
Receipts	D-5	\$ <u>1,796.58</u>	\$ <u>1,796.58</u>
Decreased by:			
Disbursements	D-5	\$ <u><u>1,796.58</u></u>	\$ <u><u>1,796.58</u></u>

"D-10"

BOROUGH OF HIGH BRIDGE
WATER UTILITY OPERATING FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:				
Salaries and Wages	\$ 2,168.55	\$ 2,168.55		\$ 2,168.55
Other Expenses	10,462.05	61,294.26	14,128.82	47,165.44
Statutory Expenditures:				
Contributions to:				
Public Employees' Retirement System	183.82	183.82		183.82
Social Security System (O.A.S.I.)	<u>472.11</u>	<u>472.11</u>		<u>472.11</u>
	<u>\$ 13,286.53</u>	<u>\$ 64,118.74</u>	<u>\$ 14,128.82</u>	<u>\$ 49,989.92</u>
<u>REF.</u>	D		D-5	D-1
Balance, December 31, 2018	D-10	\$ 13,286.53		
Encumbrances Payable	D-11	<u>50,832.21</u>		
		<u>\$ 64,118.74</u>		

"D-13"

BOROUGH OF HIGH BRIDGE
WATER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORD.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>CANCELED</u>	<u>NJIB RECEIVABLE</u>	<u>FIXED CAPITAL AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2019</u>
	General Improvements:						
18-13/19-17	Preparation of a Water Utility Asset Man. Study	5/10/18 - 3/21/19	\$	\$	\$	\$	100,000.00
18-14	Replace Electrical Equip. at Solitude Pump House	3/22/18	50,000.00	26,483.91	100,000.00		23,516.09
18-29/19-45	Water Main Bypass on Mine Road	7/19/18	35,000.00			100,000.00	135,000.00
19-11/19-23	Replace Water Mains - McDonald Street	4/26/19 - 6/27/19				121,000.00	121,000.00
19-26	Water Meters and Meter Reading Equipment	8/22/19				50,000.00	50,000.00
			<u>\$ 85,000.00</u>	<u>\$ 26,483.91</u>	<u>\$ 100,000.00</u>	<u>\$ 271,000.00</u>	<u>\$ 429,516.09</u>

REF.

D

D-21

D-24

D-15

D

BOROUGH OF HIGH BRIDGE
WATER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2018		2019 AUTHORIZATION	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2019	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
<u>General Improvements:</u>										
18-13/19-07	Preparation of a Water Utility Asset Man. Study	5/10/18 & 3/21/19	\$ 100,000.00	\$	\$	\$ 30,000.00	\$	\$	\$	\$
18-14	Replace Electrical Equipment at Solitude Pump House	3/22/18	50,000.00	25,540.66			25,540.66			
18-29/33/19-45	Water Main Bypass on Mine Road	7/19/18 & 12/12/19	135,000.00	1,000.00	100,000.00	67,698.79			33,301.21	
19-11/23	Replace Water Mains - McDonald Street	4/26/19 & 6/27/19	121,000.00		121,000.00	120,540.00			460.00	
19-17	Various Improvements	5/9/19	1,000,000.00		1,000,000.00	6,000.00				994,000.00
19-26	Water Meters and Meter Reading Equipment	8/22/19	50,000.00		50,000.00	50,000.00				
			\$	25,540.66	\$ 1,301,000.00	\$ 274,238.79	\$ 25,540.66	\$	33,761.21	\$ 994,000.00
				D		D-17			D	D
	Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund				\$ 1,030,000.00					
					271,000.00					
					\$ 1,301,000.00					
	Contracts Payable Canceled Fund Balance							\$ (1,620.75)		
								27,161.41		
								\$ 25,540.66		

"D-18"

BOROUGH OF HIGH BRIDGE
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2018	D	\$	182,498.25
Increased by:			
2019 Budget Appropriation	D-5		145,000.00
		\$	<u>327,498.25</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	D-15		<u>271,000.00</u>
Balance, December 31, 2019	D	\$	<u><u>56,498.25</u></u>

"D-20"

BOROUGH OF HIGH BRIDGE

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018 AND</u> <u>31, 2019</u>
Water Plant - Original Costs	\$ 15,000.00
Source of Supply - Land	534.00
Storage Reservoir - Land	3,550.97
Miscellaneous Land Capital	475.38
Springs and Wells	23,918.16
Intake and Supply Mains	794.47
Chemical Treatment Plants	5,734.97
Pumping Station Structures	881.32
Power Pumping Equipment	9,906.18
Chlorination Equipment	7,983.37
Hydraulic Power Pumping Equipment	264.60
Electric Power Pumping Equipment	21,005.16
Storage Reservoir	16,210.39
Distribution Mains and Accessories	299,137.90
Service Pipes and Stops	7,870.82
Meters, Meter Boxes and Vaults	134,018.17
Fire Hydrants	10,277.84
General Equipment	6,981.75
Engineering	417.00
Air Compressor	7,305.20
Improvements to Water System	1,344,966.93
Water Tower	325,000.00
Wells	200,000.00
Water Pump	5,379.00
Water Tank	97,500.00
Bunnvale Well System	206,610.87
Backhoe	20,000.00
Generator	70,000.00
Fencing at Well	25,712.00
Cokesbury Main Extension	129,677.83
Water Main Improvements	32,406.19
Improvements to Water Tank Overflow	10,000.00
West Main Street Improvements	165,000.00
Improvements to Water Utility	20,000.00
Purchase of Utility Truck	44,255.22
Water Improvements	50,000.00
Purchase of Dump Truck	50,000.00
Various Water Systems Improvements	7,500.00
Cregar Road Improvements (Ord. 2011-11)	76,475.85
Fire Hydrant Replacement (Ord. 2011-27)	1,543.86
Washington Avenue Water Main	150,767.51
Cregar Road Improvements	217,726.00
	<u>\$ 3,822,788.91</u>

REF.

D

"D-22"

BOROUGH OF HIGH BRIDGE

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2019</u>
2003	Water System Improvements	\$ 28,000.00
08-22	Various Improvements	61,251.74
19-17	Various Improvements	<u>1,000,000.00</u>
		<u>\$ 1,089,251.74</u>

"D-24"

BOROUGH OF HIGH BRIDGE

WATER UTILITY CAPITAL FUND

SCHEDULE OF N.J. INFRASTRUCTURE BANK RECEIVABLE

	<u>REF.</u>	
Increased by:		
Accounts Receivable	D-13	\$ 100,000.00
Decreased by:		
Receipts	D-5	<u>77,588.00</u>
Balance, December 31, 2019	D	<u>\$ 22,412.00</u>

"E-6"

BOROUGH OF HIGH BRIDGE
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>	<u>OPERATING</u>
Increased by Receipts:		
Consumer Accounts Receivable	E-7	\$ 1,140,809.47
Interest on Delinquent Accounts	E-3	5,324.74
Interest on Investments	E-3	<u>918.93</u>
		<u>1,147,053.14</u>
		\$ 1,147,053.14
Decreased by Disbursements:		
Payment to Treasurer: Sewer Operating Fund	E-5	\$ <u><u>1,147,053.14</u></u>

"E-7"

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance, December 31, 2018	E	\$ 45,518.56
Increased by:		
Sewer Rents Levied - Net		<u>1,163,688.68</u>
		\$ 1,209,207.24
Decreased by:		
Collection	E-3:E-6	\$ 1,140,809.47
Canceled		<u>135.44</u>
		<u>1,140,944.91</u>
Balance, December 31, 2019	E	\$ <u><u>68,262.33</u></u>

"E-9"

BOROUGH OF HIGH BRIDGE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>SEWER OPERATING FUND</u>
Increased by:			
Receipts	E-5	\$ 1,507.08	\$ 1,507.08
Decreased by:			
Disbursements	E-5	\$ <u>1,507.08</u>	\$ <u>1,507.08</u>

"E-11"

BOROUGH OF HIGH BRIDGE
SEWER UTILITY OPERATING FUND
SCHEDULE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2018	E	\$ 196,787.53
Increased by:		
Charges to 2019 Appropriations	E-4	<u>211,849.03</u>
		\$ <u>408,636.56</u>
Decreased by:		
Transferred to Appropriation Reserves	E-10	<u>196,787.53</u>
Balance, December 31, 2019	E	\$ <u><u>211,849.03</u></u>

"E-13"

BOROUGH OF HIGH BRIDGE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2018	E	\$ 37,298.03
Decreased by:		
Appropriation to Finance Improvement Authorizations	E-15	<u>20,000.00</u>
Balance, December 31, 2019	E	<u>\$ 26,909.48</u>

"E-14"

SEWER UTILITY OPERATING FUND

SCHEDULE OF SEWER OVERPAYMENTS

NOT APPLICABLE

"E-16"

BOROUGH OF HIGH BRIDGE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2018	E		\$ 2,766,500.94
Increased by:			
Transfer from Deferred			
Reserve for Amortization	E-12	\$ 15,388.55	
Serial Bonds Payable	E-17	<u>25,000.00</u>	
			<u>40,388.55</u>
Balance, December 31, 2019	E		\$ <u>2,806,889.49</u>

BOROUGH OF HIGH BRIDGE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>INCREASED BY</u> <u>ORDINANCE</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
Sanitary Sewerage System	\$ 1,231,917.78	\$	\$ 1,231,917.78
Auxiliary Sewer Pump	35,960.00		35,960.00
Upgrade Sewer Pumping System	583,300.00		583,300.00
Backhoe	20,000.00		20,000.00
Dump Truck	30,245.09		30,245.09
Mains	130,565.97		130,565.97
Improvements to Drainage on West Main St.	30,000.00		30,000.00
Improvements to Sewer Utility	8,000.00		8,000.00
Acquisition of Property	3,100,000.00		3,100,000.00
Purchase of Sewer Pumps	16,398.00		16,398.00
Various Sewer Improvements	50,000.00		50,000.00
Replacement of Hydraulic Sewer Cleaner	41,110.00		41,110.00
Acquisition of Dump Truck	53,743.50		53,743.50
Improvements to Sewer Utility - Ord. 21-05	38,241.00		38,241.00
Cregar Road Improvements	140,000.00		140,000.00
Sewer Valves	14,870.00		14,870.00
Sewer Pumps	49,149.60		49,149.60
Improvements to Sewer Pump Station		15,388.55	15,388.55
	<u>\$ 5,573,500.94</u>	<u>\$ 15,388.55</u>	<u>\$ 5,588,889.49</u>
<u>REF.</u>	<u>E</u>	<u>E-19</u>	<u>E</u>

"E-20"

BOROUGH OF HIGH BRIDGE
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018	E	\$	47,762.35
Increased by:			
Charges to 2019 Budget Appropriations	E-4		126,682.66
		\$	<u>174,445.01</u>
Decreased by:			
Disbursements	E-5		<u>126,975.63</u>
Balance, December 31, 2019	E	\$	<u><u>47,469.38</u></u>

"E-21"

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2018	E	\$	23,952.00
Increased by:			
Charges to Improvement Authorizations	E-15		19,324.00
		\$	<u>43,276.00</u>
Decreased by:			
Disbursements	E-5	\$	14,368.55
Canceled	E-15		<u>9,583.45</u>
			<u>23,952.00</u>
Balance, December 31, 2019	E	\$	<u><u>19,324.00</u></u>

"E-23"

BOROUGH OF HIGH BRIDGE
SEWER UTILITY OPERATING FUND
SCHEDULE OF GRANTS RECEIVABLE

REF.

Increased by:		
Highlands Grant - Sewer Pump Station	E-24	\$ <u>12,500.00</u>
Balance, December 31, 2019	E	\$ <u><u>12,500.00</u></u>

"E-24"

SCHEDULE OF MISCELLANEOUS RESERVES

Increased by:		
Reserve for Sewer Pump Station	E-23	\$ <u>12,500.00</u>
Balance, December 31, 2019	E	\$ <u><u>12,500.00</u></u>

BOROUGH OF HIGH BRIDGE

SOLID WASTE UTILITY OPERATING FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>	<u>OPERATING</u>
Increased by Receipts:		
Consumer Accounts Receivable	F-6	\$ 340,268.59
Interest on Delinquent Accounts	F-2	1,699.23
Miscellaneous	F-2	<u>918.87</u>
		<u>342,886.69</u>
		\$ <u>342,886.69</u>
Decreased by Disbursements:		
Payment to Treasurer:		
Solid Waste Operating Fund	F-4	\$ <u><u>342,886.69</u></u>

"F-8"

BOROUGH OF HIGH BRIDGE

SOLID WASTE UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>SOLID WASTE CAPITAL FUND</u>
Increased by: Receipts	F-4	\$ <u>83.47</u>	\$ <u>83.47</u>
Decreased by: Disbursements	F-4	\$ <u><u>83.47</u></u>	\$ <u><u>83.47</u></u>

"F-10"

BOROUGH OF HIGH BRIDGE
SOLID WASTE UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u> <u>AND 2019</u>
Leaf Vacuum	\$ 19,836.00
Leaf Vacuum Impeller	811.50
Purchase of Leaf Vacuum	20,360.95
Purchase of Chipper	7,580.22
Dump Truck Cab/Chassis	<u>113,821.00</u>
	<u>\$ 162,409.67</u>
<u>REF.</u>	F

"F-12"

BOROUGH OF HIGH BRIDGE
SOLID WASTE UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2018 and December 31, 2019	F	\$ <u>162,409.67</u>

"F-13"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2018 and December 31, 2019	F	\$ <u>6,280.78</u>
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BOROUGH OF HIGH BRIDGE

PART II

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO MAJOR STATE FINANCIAL ASSISTANCE
PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUPLEE, CLOONEY & COMPANY

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

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

Compliance and Other Matters

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

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 25, 2020

SUPLEE, CLOONEY & COMPANY

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Borough of High Bridge's compliance.

Opinion on Each Major State Program

In our opinion, the Borough of High Bridge complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2019.

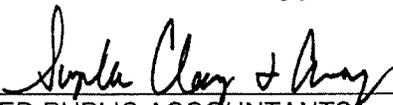
Report on Internal Control Over Compliance

Management of the Borough of High Bridge is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of High Bridge's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of High Bridge's internal control over compliance.

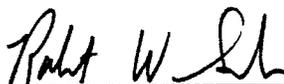
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of State of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 20, 2020

BOROUGH OF HIGH BRIDGE

NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2019

NOTE 1. GENERAL

The accompanying schedule of expenditures of financial awards present the activity of all state financial award programs of the Borough of High Bridge, County of Hunterdon, New Jersey. All state financial awards received directly from federal or state agencies is included on the Schedule of Expenditures of State Financial Awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial awards are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related financial reports due to differences between the grant reporting year and the Borough's fiscal year.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in the Grant Fund or General Capital Fund. Reconciliations of revenues and expenses are presented on the following page.

BOROUGH OF HIGH BRIDGE
HUNTERDON COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--------------------------------------------------------------------------------------------|------------|
| (1) Type of Auditor's Report Issued: | Unmodified |
| (2) Internal Control Over Financial Reporting: | |
| (a) Material weakness identified? | No |
| (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) Noncompliance material to the financial statements noted during the audit? | No |

Federal Program(s) – Not Applicable

State Program(s)

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| (1) Internal Control Over Major State Programs: | |
| (a) Material weaknesses identified? | No |
| (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) Type of Auditor's Report issued on compliance for Major State Program(s)? | Unmodified |
| (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08 and listed in Section III of this schedule? | No |
| (4) Identification of Major State Program(s): | |
| <u>Program</u> | <u>Grant Number</u> |
| N.J. Department of Transportation:
Washington Ave
McDonald Street | 2018-078-6320-480-AM2
2018-078-6320-480-AM2 |
| (5) Program Threshold Determination: | |
| Type A State Program Threshold > \$750,000.00
Type B State Program Threshold <= \$750,000.00 | |
| (6) Auditee qualified as a low-risk auditee under Uniform Guidance? | No |

BOROUGH OF HIGH BRIDGE
HUNTERDON COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section III – Findings and Questioned Costs Relative to Major State Programs

State Programs

None

BOROUGH OF HIGH BRIDGE

PART III

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE-WATER UTILITY FUND

	YEAR 2019		YEAR 2018	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 75,000.00	9.16%	\$ 75,000.00	9.75%
Collection of Water Rents	684,017.12	83.53%	682,826.31	88.80%
Miscellaneous from Other Than Water Rents	<u>59,874.48</u>	<u>7.31%</u>	<u>11,162.19</u>	<u>1.45%</u>
<u>TOTAL INCOME</u>	<u>818,891.60</u>	<u>100.00%</u>	<u>768,988.50</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	521,824.00	71.33%	495,207.00	71.00%
Deferred Charges and Statutory Expenditures	58,221.00	7.96%	50,454.00	7.23%
Debt Service	6,550.00	0.90%	6,796.79	0.97%
Capital Improvements	<u>145,000.00</u>	<u>19.82%</u>	<u>145,000.00</u>	<u>20.79%</u>
<u>TOTAL EXPENDITURES</u>	<u>731,595.00</u>	<u>100.00%</u>	<u>697,457.79</u>	<u>100.00%</u>
Excess in Revenue	87,296.60		71,530.71	
Adjustments to Income Before Fund Balance				
Expenditures Included above which are by Statute				
Deferred Charges to the Budget of the Succeeding Year			<u>10,000.00</u>	
Regulatory Excess to Fund Balance	87,296.60		81,530.71	
Fund Balance, January 1	<u>182,944.85</u>		<u>176,414.14</u>	
	270,241.45		257,944.85	
Less: Utilization as Anticipated Revenue	<u>75,000.00</u>		<u>75,000.00</u>	
Fund Balance, December 31	<u>\$ 195,241.45</u>		<u>\$ 182,944.85</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE-SOLID WASTE UTILITY FUND

	<u>YEAR 2019</u>		<u>YEAR 2018</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 90,000.00	20.00%	\$ 90,000.00	19.40%
Collection of Solid Waste Charges	340,268.59	75.61%	345,608.15	74.49%
Miscellaneous from Other Than Solid Waste Charges	<u>19,764.99</u>	<u>4.39%</u>	<u>28,337.65</u>	<u>6.11%</u>
<u>TOTAL INCOME</u>	<u>\$ 450,033.58</u>	<u>100.00%</u>	<u>\$ 463,945.80</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 408,574.00	97.08%	\$ 400,280.00	97.16%
Deferred Charges and Statutory Expenditures	<u>12,279.00</u>	<u>2.92%</u>	<u>11,720.00</u>	<u>2.84%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 420,853.00</u>	<u>100.00%</u>	<u>\$ 412,000.00</u>	<u>100.00%</u>
Excess in Revenue	29,180.58		51,945.80	
Fund Balance, January 1	<u>120,673.85</u>		<u>158,728.05</u>	
	\$ 149,854.43		\$ 210,673.85	
Less: Utilization as Anticipated Revenue	<u>90,000.00</u>		<u>90,000.00</u>	
Fund Balance, December 31	<u>\$ 59,854.43</u>		<u>\$ 120,673.85</u>	

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER 31, YEAR</u>	<u>TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL</u>	<u>PERCENTAGE OF TAX LEVY</u>
2019	\$ 15,998.48	\$ 158,912.29	\$ 174,910.77	1.28%
2018	13,875.13	198,841.13	212,716.26	1.63%
2017	11,846.07	172,072.20	183,918.27	1.44%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2019	\$176,000.00
2018	\$176,000.00
2017	\$176,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Michele Lee	Mayor	*	
Christopher Zappa	Council President	*	
Leigh Ann Moore	Councilwoman	*	
Stephen Strange	Councilman	*	
Natalie Ferry	Councilwoman	*	
Lynn Hughes	Councilwoman	*	
George Columbus	Councilman	*	
Michael Pappas	Borough Administrator	*	
Adam Young	Borough Clerk Utility Collector	*	
Bonnie Ann Fleming	Chief Financial Officer, Tax Collector	\$1,000,000.00	
Ann Marie Obiedzinski	Tax Assessor	*	
Barry Goodman	Municipal Attorney		

*Public Employees Blanket Bond with the State Insurance Fund in the amount of \$1,000,000.00.

GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 3, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes.

BE IT RESOLVED by the Mayor and Council of the Borough of High Bridge, County of Hunterdon, State of New Jersey, that taxes and utilities rent shall be collected quarterly. Taxes are due on February 1, 2019, May 1, 2019, August 1, 2019 and November 1, 2019.

BE IT FURTHER RESOLVED that interest will be charged at the rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 to be calculated from the date the tax and/or utilities rent was payable until the date of actual payment. There will be a ten-day (10) grace period after which unpaid taxes and/or utilities rent will be charged interest from the due date.

BE IT FURTHER RESOLVED that pursuant to statute, if a tax and/or utilities rent delinquency is over \$10,000.00 at the end of the year, and additional flat penalty of 6% per annum shall be imposed on that delinquency.

BE IT FURTHER RESOLVED that, in the event that the Borough conducts a sale for unpaid municipal taxes, the interest rate on said tax certificate shall begin at a maximum of 18% per annum.

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

OTHER COMMENTS

Interfunds

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

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

