

*Report of Audit*  
*on the*  
*Financial Statements*  
*of the*  
*Township of Montgomery*  
*in the*  
*County of Somerset*  
*New Jersey*  
*for the*  
*Year Ended*  
*December 31, 2020*



TOWNSHIP OF MONTGOMERY

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TOWNSHIP OF MONTGOMERY

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

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YEAR ENDED DECEMBER 31, 2020 AND 2019



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Township Committee  
Township of Montgomery  
County of Somerset  
Belle Mead, New Jersey 08502

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

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Montgomery, as of December 31, 2020 and 2019, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

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

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

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

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

## **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 Township of Montgomery's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Montgomery's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the regulatory financial statements.

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

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

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

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

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Montgomery as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2020.

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

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2020 and 2019, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

# SUPLEE, CLOONEY & COMPANY

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Montgomery's regulatory financial statements. The supplementary information, schedules and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and schedule of expenditures of state financial assistance as required by New Jersey OMB 15-08 are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021 on our consideration of the Township of Montgomery's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Montgomery's internal control over financial reporting and compliance.

  
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CERTIFIED PUBLIC ACCOUNTANTS

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

June 17, 2021



# SUPLEE, CLOONEY & COMPANY

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

The Honorable Mayor and Members  
of the Township Committee  
Township of Montgomery  
County of Somerset  
Belle Mead, New Jersey 08502

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Montgomery, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated June 17, 2021. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Montgomery prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

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

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

# SUPLEE, CLOONEY & COMPANY

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

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

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

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

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

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

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

June 17, 2021

CURRENT FUND

TOWNSHIP OF MONTGOMERY

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2020</u>	BALANCE DECEMBER <u>31, 2019</u>
<u>ASSETS</u>			
Current Fund:			
Cash	A-4	\$ 18,720,045.23	\$ 17,685,506.35
Change Funds	A-7	675.00	675.00
Due State of New Jersey-Senior Citizens and Veterans Deductions	A-8		17,858.60
		<u>\$ 18,720,720.23</u>	<u>\$ 17,704,039.95</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 836,838.91	\$ 939,184.02
Tax Title Liens Receivable	A-10	428,251.95	402,361.86
Property Acquired for Taxes - Assessed Valuation	A-11	115,210.00	115,210.00
Revenue Accounts Receivable	A-12	1,868.28	12,268.89
Refund Receivable	A-4	157,641.96	162,711.86
Interfunds Receivable	A-13	87,711.88	
	A	<u>\$ 1,627,522.98</u>	<u>\$ 1,631,736.43</u>
		<u>\$ 20,348,243.19</u>	<u>\$ 19,335,776.38</u>
Grant Fund:			
Grants Receivable	A-26	\$ 1,502,400.17	\$ 1,275,646.85
Interfunds Receivable	A-25	<u>1,461,388.10</u>	<u>2,200,540.33</u>
		<u>\$ 2,963,788.27</u>	<u>\$ 3,476,187.18</u>
		<u>\$ 23,312,031.46</u>	<u>\$ 22,811,963.56</u>

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

TOWNSHIP OF MONTGOMERY

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-18	\$ 3,181,290.43	\$ 2,454,941.31
Encumbrances Payable	A-19	618,254.39	769,124.67
Reserve for Sale of Municipal Assets	A-15	952,681.77	402,993.51
Tax Overpayments	A-16	442,262.73	259,858.68
Interfunds Payable	A-13	1,461,388.10	2,210,772.99
Prepaid Taxes	A-21	1,536,077.73	1,272,236.54
Reserve for Tax Appeals	A-24	1,300,000.00	1,100,000.00
Reserve for Miscellaneous Deposits	A-14	206,436.96	207,778.24
		<u>\$ 9,698,392.11</u>	<u>\$ 8,677,705.94</u>
Reserve for Receivables	A	1,627,522.96	1,631,736.43
Fund Balance	A-1	<u>9,022,328.12</u>	<u>9,026,334.01</u>
		<u>\$ 20,348,243.19</u>	<u>\$ 19,335,776.38</u>
Grant Fund:			
Reserve for Grants-Appropriated	A-27	\$ 2,551,600.95	\$ 2,414,617.90
Reserve for Grants-Unappropriated	A-28		24,368.57
Encumbrances Payable	A-20	412,187.32	1,037,200.71
		<u>\$ 2,963,788.27</u>	<u>\$ 3,476,187.18</u>
		<u>\$ 23,312,031.46</u>	<u>\$ 22,811,963.56</u>

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

## TOWNSHIP OF MONTGOMERY

## CURRENT FUND

STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2020	YEAR ENDED DECEMBER 31, 2019
<b>REVENUE AND OTHER INCOME</b>			
Fund Balance Utilized	A-1:A-2	\$ 4,554,000.00	\$ 4,554,000.00
Miscellaneous Revenues Anticipated	A-2	6,250,865.22	8,857,291.80
Receipts from Delinquent Taxes	A-2	909,342.77	764,044.19
Receipts from Current Taxes	A-2	123,801,961.62	121,680,838.72
Non-Budget Revenues	A-2	1,191,709.53	1,053,629.02
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-18	2,421,061.82	2,241,415.23
Tax Overpayments Canceled	A-16		13,128.29
Refunds Receivable	A-4	162,711.86	
<b>Total Income</b>		<b>\$ 139,291,652.82</b>	<b>\$ 139,164,347.25</b>
<b>EXPENDITURES</b>			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations Including Contingent	A-3	\$ 18,904,925.00	\$ 19,453,650.00
Deferred Charges and Regulatory			
Expenditures - Municipal	A-3	2,297,000.00	2,627,000.00
Excluded from "CAPS"			
Operations	A-3	1,708,803.01	2,045,961.60
Capital Improvement Fund	A-3	95,000.00	482,000.00
Municipal Debt Service	A-3	3,307,638.52	2,654,144.81
Deferred Charges and Judgments	A-3	1,015,748.89	1,250,000.00
County Tax	A-22	19,266,538.86	19,077,226.25
County Tax for Added and Omitted Taxes	A-22	142,431.63	146,301.77
Local District School Tax	A-23	84,201,808.50	82,299,702.50
Fire District Tax	A-17	1,926,646.00	1,888,283.00
Municipal Open Space Tax	A-29	1,579,630.30	1,566,154.88
Interfund Advances		87,711.86	
Disable Veteran Deductions Allowed	A-8	17,358.60	
Refunds Receivable	A-4	157,641.96	162,711.86
Refund of Prior Years Revenues	A-4	32,977.58	12,412.07
<b>Total Expenditures</b>		<b>\$ 134,741,658.71</b>	<b>\$ 133,665,548.74</b>
Excess in Revenue		\$ 4,549,994.11	\$ 5,498,798.51
<b>Fund Balance</b>			
Balance, January 1	A	9,026,334.01	8,081,535.50
		<b>\$ 13,576,328.12</b>	<b>\$ 13,580,334.01</b>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	4,554,000.00	4,554,000.00
Balance, December 31	A	<b>\$ 9,022,328.12</b>	<b>\$ 9,026,334.01</b>

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

TOWNSHIP OF MONTGOMERY

CURRENT FUND

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

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S.A. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 4,554,000.00	\$ _____	\$ 4,554,000.00	\$ _____
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-12	\$ 14,500.00	\$ _____	\$ 23,564.00	\$ 9,064.00
Construction Code Official - Fees and Permits	A-2	675,000.00		1,167,555.00	492,555.00
Other Fees and Permits	A-2	700,000.00		242,958.84	(457,041.16)
Fines and Costs - Municipal Court	A-12	150,000.00		105,817.38	(44,182.62)
Interest and Costs on Taxes	A-12	125,000.00		274,624.92	149,624.92
Interest on Investments and Deposits	A-12	225,000.00		330,044.14	105,044.14
Burglar Alarms	A-12	5,500.00		5,955.00	455.00
Energy Receipts Tax	A-12	1,379,037.00		1,379,037.00	
Preschool Registration	A-2	691,000.00		175,678.08	(515,321.92)
Shared Health Services - Pennington	A-12	41,310.00		44,680.00	3,370.00
Shared Health Services - Hopewell	A-12	32,700.00		45,400.00	12,700.00
Shared Health Services - Princeton	A-12	12,720.00		2,808.00	(9,912.00)
Shared Health Services - Branchburg	A-12	5,400.00		18,256.75	12,856.75
Shared Nursing Services - Branchburg	A-12	3,400.00			(3,400.00)
Shared Health Services - Rocky Hill	A-12	11,130.00		5,840.00	(5,290.00)
Shared CFO Services - Manville	A-12	105,000.00		105,296.64	296.64
Shared CFO Services - Peapack & Gladstone	A-12	65,000.00		64,999.98	(0.02)
Utility Operating Surplus	A-12	300,000.00		300,000.00	
Open Space Trust Fund	A-12	590,000.00		590,000.00	
Lease Income - Cell Tower	A-12	215,000.00		206,395.96	(8,604.04)
Recreation Trust - Surplus	A-12	50,000.00		50,000.00	
Escrow Deposit	A-12	300,000.00		300,000.00	
Cable Franchise Fee	A-12	55,000.00		73,922.19	18,922.19
Municipal Alliance Grant	A-26	12,450.69		12,450.69	
Health Capacity Grant	A-26	95,000.00		95,000.00	
New Jersey Health Officers Grant	A-26	2,320.00		2,320.00	
N.J.D.O.T. - Skillman Road	A-26	360,000.00		360,000.00	
Recycling Tonnage Grant	A-28	22,048.57		22,048.57	
Body Armor Replacement Fund	A-26	3,437.71		3,437.71	
Health Wellness Grant	A-26	17,987.95		17,987.95	
Clean Communities Program	A-26		56,245.03	56,245.03	
N.J.A.C.C.H.O. Grant	A-26		22,498.00	22,498.00	
Municipal Alliance Grant	A-26		1,078.61	1,078.61	
Bulletproof Vest Partnership	A-26		2,728.78	2,728.78	
Health Capacity Grant	A-26		142,236.00	142,236.00	
	A-1	\$ 6,264,941.92	\$ 224,786.42	\$ 6,250,865.22	\$ (238,863.12)
Receipts From Delinquent Taxes	A-2	\$ 700,000.00	\$ _____	\$ 909,342.77	\$ 209,342.77
Amount to be Raised by Taxes for Support of Municipal Budget	A-9:A-2	\$ 16,657,279.58	\$ _____	\$ 17,187,439.83	\$ 530,160.27
<u>Budget Totals</u>		\$ 28,176,221.48	\$ 224,786.42	\$ 28,901,647.82	\$ 500,639.92
Non-Budget Revenues	A-2			1,191,709.53	1,191,709.53
		\$ 28,176,221.48	\$ 224,786.42	\$ 30,093,357.35	\$ 1,692,349.45
	REF.	A-3	A-3		

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

TOWNSHIP OF MONTGOMERY

CURRENT FUND

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

	<u>REF.</u>	
<b>Allocations of Current Tax Collections:</b>		
Revenues from Collections	A-9	\$ 124,001,961.62
Less: Reserve for Tax Appeals	A-24	200,000.00
	A-1	<u>123,801,961.62</u>
<b>Allocated to:</b>		
School and County Taxes		\$ 104,158,245.49
Fire District Tax		1,926,646.00
Township Open Space Tax		<u>1,579,630.30</u>
		<u>107,664,521.79</u>
Balance for Support of Municipal Appropriations		\$ 16,137,439.83
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,050,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 17,187,439.83</u>

ANALYSIS OF REALIZED REVENUES

<b>Receipts from Delinquent Taxes:</b>		
Delinquent Tax Collections	A-9	\$ <u>909,342.77</u>
	A-1:A-2	\$ <u>909,342.77</u>
<b>Other Fees and Permits:</b>		
Engineering Department	A-12	\$ 16,258.00
Planning Board/Board of Adjustment	A-12	12,300.00
Recreation	A-12	124,570.69
Police Department	A-12	300.00
Fire Official	A-12	71,290.00
State of NJ Life Hazard	A-12	39,424.55
Health Officer	A-12	13,517.00
Township Clerk	A-12	19,353.60
Tax Assessor	A-12	270.00
Miscellaneous Fees	A-12	2,815.00
Tax Collector	A-12	160.00
		\$ 300,258.84
Less: Refunds	A-4	<u>57,300.00</u>
	A-2	<u>\$ 242,958.84</u>
Construction Code Fees	A-12	\$ 1,168,211.00
Less: Refunds	A-4	656.00
	A-2	<u>\$ 1,187,555.00</u>

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

TOWNSHIP OF MONTGOMERY

CURRENT FUND

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

Pre K Fees	A-12	\$	360,240.08
Less: Refunds	A-4		184,562.00
	A-2	\$	<u>175,678.08</u>

ANALYSIS OF NON-BUDGET REVENUE

REF.

Miscellaneous Revenue Not Anticipated:			
Fire Safety		\$	12,715.00
Code Enforcement			9,256.00
Police			2,410.66
Finance:			
Insurance Dividend			701,973.39
Joint Insurance Fund Surplus			41,736.00
2019 Rocky Hill Van Horne Park			15,881.65
Lincoln Life - Insurance Refunds			15,131.09
Covid-19 - Reimbursement of Costs			233,497.95
Finance - Other			3,089.83
Due Developers			1,000.00
Administrative Fees:			
Senior and Vets Deduction			1,095.00
Clerk			17,400.00
Health			58,503.73
Recreation			2,855.53
Engineering			1,275.74
Zoning			25,870.00
Police Outside Overtime			18,555.00
State of NJ - Inspections			6,582.96
Certificate of Redemption Fee			720.00
Sale of Fixed Assets			22,746.00
	A-4	\$	<u>1,192,295.53</u>
Less: Refunds	A-4		<u>586.00</u>
	A-1:A-4	\$	<u>1,191,709.53</u>

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

TOWNSHIP OF MONTGOMERY

CURRENT FUND

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

<u>OPERATIONS WITHIN "CAPS"</u>	<u>APPROPRIATIONS</u>		<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>UNEXPENDED BALANCE CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>			
<b>GENERAL GOVERNMENT</b>					
Administrative and Executive:					
Salaries and Wages	\$ 305,000.00	\$ 301,500.00	\$ 301,093.43	\$ 406.57	\$
Other Expenses	42,100.00	47,100.00	46,918.74	181.26	
Special Projects Expense	60,000.00	60,000.00	59,925.36	74.64	
Mayor and Committee:					
Salaries and Wages	23,000.00	23,000.00	22,238.16	761.84	
Other Expenses	4,550.00	4,550.00	3,792.62	757.38	
Municipal Clerk:					
Salaries and Wages	191,500.00	193,500.00	193,413.32	86.68	
Other Expenses	91,000.00	91,000.00	84,287.03	6,712.97	
Newsletter	10,000.00	10,000.00	5,855.50	4,144.50	
Financial Administration:					
Salaries and Wages	458,500.00	495,300.00	495,223.49	76.51	
Other Expenses	58,100.00	58,100.00	33,852.28	24,247.72	
Audit Services	37,740.00	37,740.00	32,779.75	4,960.25	
Data Processing:					
Salaries and Wages	98,000.00	110,000.00	109,182.63	817.37	
Other Expenses	159,700.00	179,700.00	169,613.69	10,086.31	
Geographic Information Technology:					
Salaries and Wages	58,500.00	59,000.00	56,672.83	2,327.17	
Other Expenses	44,500.00	44,000.00	37,412.24	6,587.76	
Assessment of Taxes:					
Salaries and Wages	156,500.00	156,500.00	156,065.96	434.04	
Other Expenses	22,200.00	22,200.00	19,462.11	2,737.89	
Revenue Administration (Collection of Taxes):					
Salaries and Wages	49,500.00	50,000.00	49,880.60	119.40	
Other Expenses	23,900.00	23,000.00	16,417.90	6,582.10	
Legal Services and Costs:					
Other Expenses	385,000.00	385,000.00	269,173.40	115,826.60	
Engineering Services and Costs:					
Salaries and Wages	465,000.00	465,000.00	442,151.79	22,848.21	
Other Expenses	49,750.00	49,750.00	45,569.26	4,180.74	
Public Buildings and Grounds:					
Salaries and Wages	158,500.00	163,600.00	163,506.55	93.45	
Other Expenses	182,500.00	192,500.00	188,031.25	4,468.75	
Municipal Land Use Law (N.J.S. 40:55D-1):					
Planning Board:					
Salaries and Wages	205,500.00	206,400.00	206,388.91	11.09	
Other Expenses	42,000.00	42,000.00	15,326.41	26,673.59	
Revision of Master Plan:					
Other Expenses	69,000.00	69,000.00	38,548.31	30,451.69	

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

TOWNSHIP OF MONTGOMERY

CURRENT FUND

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

<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>	<u>APPROPRIATIONS</u>		<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>UNEXPENDED BALANCE CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>			
<u>GENERAL GOVERNMENT (CONTINUED)</u>					
Zoning Commission:					
Salaries and Wages	\$ 131,000.00	\$ 131,000.00	\$ 130,065.13	\$ 934.87	\$
Other Expenses	11,800.00	11,800.00	6,352.55	5,447.45	
Landmarks Commission:					
Other Expenses	10,000.00	10,000.00	8,501.00	1,499.00	
Environmental Commission (R.S. 40:56A-1 et seq.):					
Other Expenses	6,000.00	6,000.00	1,216.00	4,784.00	
Veterans Committee:					
Other Expenses	2,200.00	2,200.00		2,200.00	
Shade Tree Commission:					
Other Expenses	21,500.00	21,500.00	21,500.00		
Insurance:					
Group Insurance for Employees	2,108,000.00	2,018,000.00	1,806,087.22	211,912.78	
Health Benefit Waiver	165,000.00	165,000.00	115,276.22	49,723.78	
Other Insurance Premiums	522,500.00	497,500.00	454,015.85	43,484.15	
Workers Compensation	247,000.00	247,000.00	243,792.00	3,208.00	
Long Term Disability Fund:					
Other Expenses	77,000.00	77,000.00	41,893.14	35,106.86	
Deferred Compensation Plan:					
Other Expenses	200,000.00	200,000.00	157,062.01	42,937.99	
<u>PUBLIC SAFETY</u>					
Fire Hydrant Service	645,150.00	645,150.00	601,903.20	43,246.80	
Uniform Fire Safety Act:					
Salaries and Wages	168,000.00	168,000.00	166,519.04	1,480.96	
Other Expenses	15,500.00	15,500.00	6,764.30	8,735.70	
Police:					
Salaries and Wages	3,980,000.00	3,980,000.00	3,853,423.62	126,576.38	
Other Expenses	376,000.00	376,000.00	324,915.63	51,084.37	
First Aid Organization and Maintenance Contract:					
Other Expenses	32,500.00	32,500.00	29,983.30	2,516.70	
Emergency Management:					
Other Expenses	4,800.00	4,800.00		4,800.00	
Emergency Services Committee:					
Other Expenses	475.00	475.00		475.00	
Condominium Services Law (c.6. P.L. 1993):					
Other Expenses	100,000.00	100,000.00	63,227.04	36,772.96	

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

TOWNSHIP OF MONTGOMERY

CURRENT FUND

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

<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>	<u>APPROPRIATIONS</u>		<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>UNEXPENDED BALANCE CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>			
<u>PUBLIC WORKS</u>					
Road Repairs and Maintenance:					
Salaries and Wages	\$ 945,000.00	\$ 945,000.00	\$ 813,841.03	\$ 131,158.97	\$
Other Expenses	630,500.00	595,500.00	318,008.15	277,491.85	
Vehicle Maintenance:					
Other Expenses	668,500.00	728,500.00	663,228.93	65,271.07	
Public Works:					
Salaries and Wages	119,750.00	119,750.00	116,807.19	2,942.81	
Other Expenses	55,200.00	55,200.00	39,333.45	15,866.55	
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Salaries and Wages	513,000.00	575,500.00	575,390.82	109.18	
Other Expenses	35,300.00	35,300.00	32,219.14	3,080.86	
Animal Control Regulation:					
Salaries and Wages	54,700.00	54,700.00	52,483.00	2,217.00	
Other Expenses	5,000.00	5,000.00	2,448.53	2,551.47	
Administration of Public Assistance:					
Other Expenses	500.00	500.00		500.00	
Blood Borne Pathogens	500.00	500.00		500.00	
<u>RECREATION AND EDUCATION</u>					
Recreation:					
Salaries and Wages	722,000.00	690,000.00	393,458.17	296,541.83	
Other Expenses	296,750.00	296,750.00	57,585.14	239,164.86	
Parks and Playgrounds (Maintenance of Parks):					
Salaries and Wages	515,500.00	515,500.00	484,385.03	31,114.97	
Other Expenses	80,000.00	80,000.00	62,446.20	17,553.80	
Economic Development Committee:					
Other Expenses	5,000.00	5,000.00		5,000.00	
Senior Citizen's Program:					
Salaries and Wages	5,000.00	5,000.00		5,000.00	
Other Expenses	106,600.00	106,600.00	60,746.38	45,853.62	
<u>SANITATION</u>					
Garbage and Trash Removal:					
Other Expenses	95,000.00	95,000.00	64,977.27	30,022.73	
Somerset County Mandatory Recycling Program:					
Other Expenses	205,000.00	205,000.00	203,666.44	1,333.56	

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

TOWNSHIP OF MONTGOMERY

CURRENT FUND

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

<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>	<u>APPROPRIATIONS</u>		<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>UNEXPENDED BALANCE CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>			
<u>UNIFORM CONSTRUCTION CODE</u>					
Construction Official:					
Salaries and Wages	\$ 649,000.00	\$ 649,000.00	\$ 530,135.80	\$ 118,864.20	\$
Other Expenses	29,400.00	29,400.00	12,887.21	16,512.79	
<u>UNCLASSIFIED</u>					
Utilities:					
Electricity	195,700.00	185,700.00	94,312.31	91,387.69	
Telephones	107,600.00	117,600.00	118,469.54	1,130.48	
Water	56,100.00	56,100.00	22,846.74	33,253.26	
Natural Gas	81,600.00	81,600.00	35,140.88	46,459.12	
Gasoline & Fuel	380,480.00	351,160.00	42,798.84	308,361.16	
Street Lighting	61,200.00	61,200.00	49,030.55	12,169.45	
Public Events:					
Other Expenses	10,000.00	10,000.00	6,500.00	3,500.00	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 18,904,925.00</u>	<u>\$ 18,904,925.00</u>	<u>\$ 16,146,427.51</u>	<u>\$ 2,758,497.49</u>	<u>\$</u>
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u>	<u>\$ 18,904,925.00</u>	<u>\$ 18,904,925.00</u>	<u>\$ 16,146,427.51</u>	<u>\$ 2,758,497.49</u>	<u>\$</u>
<u>DEFERRED CHARGES AND REGULATORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>					
Regulatory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 776,000.00	\$ 776,000.00	\$ 776,000.00	\$	\$
Social Security System	480,000.00	480,000.00	297,909.86	182,090.14	
Police and Firemen's Retirement System of NJ	976,000.00	976,000.00	975,738.00	262.00	
Unemployment Insurance	50,000.00	50,000.00		50,000.00	
Defined Contribution Retirement Program	15,000.00	15,000.00	2,696.52	12,303.48	
<u>TOTAL DEFERRED CHARGES AND REGULATORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 2,297,000.00</u>	<u>\$ 2,297,000.00</u>	<u>\$ 2,052,344.38</u>	<u>\$ 244,655.62</u>	<u>\$</u>

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

TOWNSHIP OF MONTGOMERY

CURRENT FUND

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

	<u>APPROPRIATIONS</u>		<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>			
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	\$ <u>21,201,925.00</u>	\$ <u>21,201,925.00</u>	\$ <u>18,198,771.89</u>	\$ <u>3,003,153.11</u>	\$ _____
<u>MANDATED EXPENDITURES PER N.J.S. 40A:4-45.3g EXCLUDED FROM "CAPS"</u>					
Aid to Borough of Rocky Hill Library (N.J.S.A. 40:54-35)	\$ <u>100,000.00</u>	\$ <u>100,000.00</u>	\$ <u>100,000.00</u>	\$ _____	\$ _____
<u>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</u>	\$ <u>100,000.00</u>	\$ <u>100,000.00</u>	\$ <u>100,000.00</u>	\$ _____	\$ _____
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
Municipal Court Services- Township of Hillsborough	\$ <u>183,600.00</u>	\$ <u>183,600.00</u>	\$ <u>165,216.00</u>	\$ <u>18,384.00</u>	\$ _____
<u>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>	\$ <u>183,600.00</u>	\$ <u>183,600.00</u>	\$ <u>165,216.00</u>	\$ <u>18,384.00</u>	\$ _____
<u>Additional Appropriations Offset by Revenue:</u>					
<u>Pre-K Program:</u>					
Salaries and Wages	\$ <u>600,500.00</u>	\$ <u>600,500.00</u>	\$ <u>486,633.95</u>	\$ <u>113,866.05</u>	\$ _____
Other Expenses	\$ <u>80,000.00</u>	\$ <u>80,000.00</u>	\$ <u>34,112.73</u>	\$ <u>45,887.27</u>	\$ _____
<u>TOTAL ADDITIONAL APPROPRIATIONS OFFSET BY REVENUE</u>	\$ <u>680,500.00</u>	\$ <u>680,500.00</u>	\$ <u>520,746.68</u>	\$ <u>159,753.32</u>	\$ _____
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>					
Clean Communities Program (N.J.S.A. 40A:4-87 + \$56,245.03)	\$ _____	\$ <u>56,245.03</u>	\$ <u>56,245.03</u>	\$ _____	\$ _____
Recycling Tonnage Grant	<u>22,048.57</u>	<u>22,048.57</u>	<u>22,048.57</u>	_____	_____
Municipal Alliance Fund:					
County (N.J.S.A. 40A:4-87+\$1,078.61)	<u>12,450.69</u>	<u>13,529.30</u>	<u>13,529.30</u>	_____	_____
Local Match	<u>3,112.67</u>	<u>3,112.67</u>	<u>3,112.67</u>	_____	_____
2020 Health Capacity Grant	<u>95,000.00</u>	<u>95,000.00</u>	<u>95,000.00</u>	_____	_____
2021 Health Capacity Grant (N.J.S.A. 40A:4-87 + \$142,236.00)	_____	<u>142,236.00</u>	<u>142,236.00</u>	_____	_____
Body Armor Replacement Fund	<u>3,437.71</u>	<u>3,437.71</u>	<u>3,437.71</u>	_____	_____
Bulletproof Vest Partnership Grant (N.J.S.A. 40A:4-87 + \$2,728.78)	_____	<u>2,728.78</u>	<u>2,728.78</u>	_____	_____
NJ DOT - Skillman Road	<u>360,000.00</u>	<u>360,000.00</u>	<u>360,000.00</u>	_____	_____
NJ Health Officer Grant (N.J.S.A. 40A:4-87 + \$22,498.00)	<u>2,320.00</u>	<u>24,818.00</u>	<u>24,818.00</u>	_____	_____
Health Wellness Grant	<u>17,987.95</u>	<u>17,987.95</u>	<u>17,987.95</u>	_____	_____
Supplemental Fire Grant	<u>3,559.00</u>	<u>3,559.00</u>	<u>3,559.00</u>	_____	_____
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>	\$ <u>519,916.59</u>	\$ <u>744,703.01</u>	\$ <u>744,703.01</u>	\$ _____	\$ _____
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	\$ <u>1,484,016.59</u>	\$ <u>1,708,803.01</u>	\$ <u>1,530,865.69</u>	\$ <u>178,137.32</u>	\$ _____

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

TOWNSHIP OF MONTGOMERY

CURRENT FUND

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

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION			
<b><u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u></b>					
Capital Improvement Fund	\$ 95,000.00	\$ 95,000.00	\$ 95,000.00	\$	\$
<b>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>	<b>\$ 95,000.00</b>	<b>\$ 95,000.00</b>	<b>\$ 95,000.00</b>	<b>\$</b>	<b>\$</b>
<b><u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u></b>					
Payment of Bond Principal	\$ 1,560,000.00	\$ 1,560,000.00	\$ 1,555,000.00	\$	\$ 5000.00
Interest on Bonds	950,000.00	950,000.00	942,287.50		7712.50
Interest on Notes	250,000.00	250,000.00	245,328.41		4671.59
Green Trust Loan Repayments for Principal and Interest	132,000.00	132,000.00	131,432.29		567.71
Improvement Authority Lease:					
Principal & Interest	437,531.00	437,531.00	433,588.32		3,942.68
<b>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</b>	<b>\$ 3,329,531.00</b>	<b>\$ 3,329,531.00</b>	<b>\$ 3,307,636.52</b>	<b>\$ -</b>	<b>\$ 21,894.48</b>
<b><u>DEFERRED CHARGES-EXCLUDED FROM "CAPS"</u></b>					
Deferred Charges Unfunded:					
Ordinance 05-1200	\$ 135,269.41	\$ 135,269.41	\$ 135,269.41	\$	\$
Ordinance 05-1201	113,011.08	113,011.08	113,011.08		
Ordinance 16-1521	767,468.40	767,468.40	767,468.40		
<b>TOTAL DEFERRED CHARGES-EXCLUDED FROM "CAPS"</b>	<b>\$ 1,015,748.89</b>	<b>\$ 1,015,748.89</b>	<b>\$ 1,015,748.89</b>	<b>\$</b>	<b>\$</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</b>	<b>\$ 5,924,296.48</b>	<b>\$ 6,149,082.90</b>	<b>\$ 5,949,051.10</b>	<b>\$ 178,137.32</b>	<b>\$ 21,894.48</b>
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 27,126,221.48	\$ 27,351,007.90	\$ 24,147,822.99	\$ 3,181,290.43	\$ 21,894.48
RESERVE FOR UNCOLLECTED TAXES	1,050,000.00	1,050,000.00	1,050,000.00		
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 28,176,221.48</b>	<b>\$ 28,401,007.90</b>	<b>\$ 25,197,822.99</b>	<b>\$ 3,181,290.43</b>	<b>\$ 21,894.48</b>
	REF.	A-2	A-1	A:A-1	
Budget	A-2	\$ 28,176,221.48			
Appropriation by 40A:4-87	A-2	224,788.42			
		\$ 28,401,007.90			
Cash Disbursements	A-4		\$ 22,790,336.43		
Reserve for Encumbrances	A-19		612,783.55		
Reserve for Grants Appropriated	A-27		744,703.01		
Reserve for Uncollected Taxes	A-2		1,050,000.00		
			\$ 25,197,822.99		

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

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TRUST FUND

"B"

TOWNSHIP OF MONTGOMERY

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
<u>ASSETS</u>			
Assessment Fund:			
Cash	B-3	\$ 63,088.22	\$ 63,088.22
Prospective Assessments	B-4	138,223.80	138,223.80
		<u>\$ 201,312.02</u>	<u>\$ 201,312.02</u>
Animal Control Fund:			
Cash	B-3	\$ 126,656.71	\$ 125,149.79
Other Funds:			
Cash	B-3	\$ 17,320,810.81	\$ 18,166,068.41
		<u>\$ 17,648,779.54</u>	<u>\$ 18,492,530.22</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Reserve for:			
Prospective Assessments Funded		\$ 138,223.80	\$ 138,223.80
Fund Balance	B-2	63,088.22	63,088.22
		<u>\$ 201,312.02</u>	<u>\$ 201,312.02</u>
Animal Control Fund:			
Due State of New Jersey	B-8	\$	\$ 190.20
Encumbrances Payable	B-10	9,323.82	4,435.21
Reserve for Animal Control Expenditures	B-9	117,332.89	120,524.38
		<u>\$ 126,656.71</u>	<u>\$ 125,149.79</u>
Other Funds:			
Encumbrances Payable	B-5	\$ 535,421.94	\$ 166,972.83
Reserve For:			
Township Open Space	B-7	3,008,811.07	3,277,069.03
Various Trust Deposits	B-6	13,719,617.34	14,665,066.09
Fund Balance	B-1	56,960.46	56,960.46
		<u>\$ 17,320,810.81</u>	<u>\$ 18,166,068.41</u>
		<u>\$ 17,648,779.54</u>	<u>\$ 18,492,530.22</u>

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

"B-1"

TOWNSHIP OF MONTGOMERY

TRUST FUND

STATEMENT OF TRUST FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2019	B	\$ <u>56,960.46</u>
Balance, December 31, 2020	B	\$ <u><u>56,960.46</u></u>

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

TOWNSHIP OF MONTGOMERY

TRUST FUND

STATEMENT OF ASSESSMENT TRUST FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2019	B	\$ <u>63,088.22</u>
Balance, December 31, 2020	B	\$ <u><u>63,088.22</u></u>

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

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF MONTGOMERY

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 11,206,639.52	\$ 10,458,470.76
Deferred Charges to Future Taxation - Funded	C-4	23,185,065.50	24,868,270.23
Deferred Charges to Future Taxation - Unfunded	C-5	<u>16,733,990.00</u>	<u>15,831,338.90</u>
		\$ <u>51,125,695.02</u>	\$ <u>51,158,079.89</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-13	\$ 23,120,000.00	\$ 24,675,000.00
Bond Anticipation Notes	C-14	14,815,590.00	12,300,590.00
Green Trust Loans Payable	C-12	65,065.50	193,270.23
Improvement Authorizations:			
Funded	C-7	2,820,921.39	2,748,629.19
Unfunded	C-7	5,099,812.29	7,188,308.07
Interfunds Payable	C-10	87,711.86	
Reserve for:			
Contracts Payable	C-6	1,324,763.88	559,982.40
Various Reserves	C-11	1,562,568.49	1,288,617.50
Developers Contribution Deposits	C-9	608,311.18	579,632.07
Capital Improvement Fund	C-8	473,017.25	476,117.25
Fund Balance	C-1	<u>1,147,933.18</u>	<u>1,147,933.18</u>
		\$ <u>51,125,695.02</u>	\$ <u>51,158,079.89</u>

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

TOWNSHIP OF MONTGOMERY

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2019	C	\$ 1,147,933.18
Balance, December 31, 2020	C	\$ <u>1,147,933.18</u>

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

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SEWER UTILITY FUND

TOWNSHIP OF MONTGOMERY

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
<u>ASSETS</u>			
Operating Fund:			
Cash-Treasurer	D-5	\$ 5,855,244.83	\$ 5,367,574.21
Interfunds Receivable	D-8		10,232.66
		<u>\$ 5,855,244.83</u>	<u>\$ 5,377,806.87</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-7	\$ 356,275.15	\$ 406,188.15
<u>Total Operating Fund</u>		<u>\$ 6,211,519.98</u>	<u>\$ 5,783,995.02</u>
Capital Fund:			
Cash-Treasurer	D-5	\$ 15,423,045.14	\$ 15,979,206.66
Fixed Capital	D-18	945,845.93	945,845.93
Fixed Capital Authorized and Uncompleted	D-16	<u>59,510,797.25</u>	<u>58,360,797.25</u>
<u>Total Capital Fund</u>		<u>\$ 75,879,688.32</u>	<u>\$ 75,285,849.84</u>
		<u>\$ 82,091,208.30</u>	<u>\$ 81,069,844.86</u>

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

TOWNSHIP OF MONTGOMERY

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-10	\$ 602,430.64	\$ 328,194.58
Sewer Overpayments	D-9	23,732.03	6,524.27
Encumbrances Payable	D-11	202,357.12	237,745.98
Prepaid Sewer Rents	D-13	5.18	19,532.74
Accrued Interest	D-12	340,317.19	358,886.22
		\$ <u>1,168,842.16</u>	\$ <u>950,883.79</u>
Reserve for Receivables	D	356,275.15	406,188.15
Fund Balance	D-1	<u>4,686,402.67</u>	<u>4,426,923.08</u>
		\$ <u>6,211,519.98</u>	\$ <u>5,783,995.02</u>
<u>Total Operating Fund</u>			
Capital Fund:			
Capital Improvement Fund	D-14	\$ 902,634.02	\$ 902,634.02
Contracts Payable	D-17	482,291.53	1,483,500.33
New Jersey Environmental Infrastructure			
Trust Loans Payable	D-24	13,429,541.63	14,967,325.56
Bond Anticipation Notes	D-22	1,692,500.00	642,500.00
Sewer Bonds Payable	D-23	18,610,000.00	19,320,000.00
Reserve for:			
Deferred Amortization	D-20	22,442,245.02	19,994,461.09
Amortization	D-21	804,759.53	804,759.53
Reserve for Debt Service	D-25	627,040.97	608,558.87
Improvement Authorizations:			
Funded	D-19	10,349,245.49	10,456,744.56
Unfunded	D-19	3,590,009.80	3,155,945.55
Fund Balance	D-2	<u>2,949,420.33</u>	<u>2,949,420.33</u>
		\$ <u>75,879,688.32</u>	\$ <u>75,285,849.84</u>
		\$ <u>82,091,208.30</u>	\$ <u>81,069,844.86</u>

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

TOWNSHIP OF MONTGOMERY

SEWER UTILITY FUND

STATEMENT OF OPERATIONS  
AND CHANGES IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	YEAR ENDED DECEMBER <u>31, 2020</u>	YEAR ENDED DECEMBER <u>31, 2019</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 750,000.00	\$ 750,000.00
Sewer Use Charges	D-3	6,251,923.70	5,889,068.27
Sewer Capacity	D-3	750,000.00	1,000,000.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	347,579.46	392,060.67
Accrued Interest Canceled	D-12	50,453.58	13,424.98
Miscellaneous Revenue Not Anticipated	D-3	123,119.30	266,058.47
Overpayments Canceled	D-9	260.55	
		<u>8,273,336.59</u>	<u>8,310,612.39</u>
<u>TOTAL INCOME</u>			
<u>EXPENDITURES</u>			
Operating	D-4	\$ 3,452,807.00	\$ 3,462,807.00
Debt Service	D-4	3,093,000.00	3,079,000.00
Regulatory Expenditures and Deferred Charges	D-4	418,000.00	479,992.60
Surplus (General Budget)	D-4	300,000.00	400,000.00
Refund of Prior Year Revenues	D-5	50.00	220.03
		<u>7,263,857.00</u>	<u>7,422,019.63</u>
<u>TOTAL EXPENDITURES</u>			
Excess in Revenue		\$ 1,009,479.59	\$ 888,592.76
<u>Fund Balance</u>			
Balance, January 1	D	4,426,923.08	4,288,330.32
		<u>5,436,402.67</u>	<u>5,176,923.08</u>
Decreased by:			
Utilization by Sewer Operating Budget	D-1:D-3	750,000.00	750,000.00
Balance, December 31	D	<u>4,686,402.67</u>	<u>4,426,923.08</u>

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

TOWNSHIP OF MONTGOMERY

SEWER UTILITY CAPITAL FUND

STATEMENT OF CAPITAL SURPLUS - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2019	D	\$ <u>2,949,420.33</u>
Balance, December 31, 2020	D	\$ <u><u>2,949,420.33</u></u>

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

TOWNSHIP OF MONTGOMERY

SEWER UTILITY OPERATING FUND

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

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS</u>
Fund Balance Anticipated	D-1	\$ 750,000.00	\$ 750,000.00	
Sewer Use Charges	D-1:D-3	5,763,807.00	6,251,923.70	488,116.70
Sewer Capacity	D-1:D-5	750,000.00	750,000.00	
Miscellaneous	D-1:D-3		123,119.30	123,119.30
	D-4	<u>\$ 7,263,807.00</u>	<u>\$ 7,875,043.00</u>	<u>\$ 611,236.00</u>

ANALYSIS OF REALIZED REVENUE

Sewer Use Charges:

Consumer Accounts Receivable:

Collected	D-7	\$ 6,226,570.71
Prepaid Applied	D-7	19,532.74
Overpayments Applied	D-7	<u>5,820.25</u>
	D-3	<u>\$ 6,251,923.70</u>

Miscellaneous:

Interest on Investments - Treasurer		\$ 71,688.32
Sump and Drain		10,350.00
Miscellaneous		<u>608.85</u>

Collector:	D-5	\$ 82,647.17
Interest on Delinquent Accounts	D-6	<u>\$ 40,472.13</u>
	D-3	<u>\$ 123,119.30</u>

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

TOWNSHIP OF MONTGOMERYSEWER UTILITY OPERATING FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Operating:				
Salaries and Wages	\$ 1,010,000.00	\$ 1,010,000.00	\$ 946,337.79	\$ 63,662.21
Other Expenses	2,442,807.00	2,442,807.00	1,975,771.19	467,035.81
<u>Total Operating</u>	<u>\$ 3,452,807.00</u>	<u>\$ 3,452,807.00</u>	<u>\$ 2,922,108.98</u>	<u>\$ 530,698.02</u>
Debt Service:				
Payment of Bond Principal	\$ 710,000.00	\$ 710,000.00	\$ 710,000.00	\$
Interest on Bonds	684,000.00	684,000.00	684,000.00	
Interest on Notes	15,000.00	15,000.00	15,000.00	
NJ EIT Loan Payment for Principal and Interest	1,684,000.00	1,684,000.00	1,684,000.00	
<u>Total Debt Service</u>	<u>\$ 3,093,000.00</u>	<u>\$ 3,093,000.00</u>	<u>\$ 3,093,000.00</u>	<u>\$</u>
Deferred Charges and Statutory Expenditures:				
Deferred Unfunded - Ord. 2009-1320	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$
<u>Total Deferred Charges</u>	<u>\$ 200,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 200,000.00</u>	<u>\$</u>
Regulatory Expenditures:				
Contributions To:				
Social Security System (O.A.S.I.)	\$ 78,000.00	\$ 78,000.00	\$ 26,723.38	\$ 51,276.62
Public Employees' Retirement System	140,000.00	140,000.00	119,544.00	20,456.00
<u>Total Regulatory Expenditures</u>	<u>\$ 218,000.00</u>	<u>\$ 218,000.00</u>	<u>\$ 148,267.38</u>	<u>\$ 71,732.62</u>
Surplus (General Budget)	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$
	<u>\$ 7,283,807.00</u>	<u>\$ 7,263,807.00</u>	<u>\$ 6,661,376.36</u>	<u>\$ 602,430.64</u>
	<u>REF.</u>	<u>D-3</u>	<u>D-1</u>	<u>D:D-1</u>
Cash Disbursements	D-5		\$ 5,503,803.17	
Accrued Interest	D-12		955,216.07	
Encumbrances Payable	D-11		202,357.12	
			<u>\$ 6,661,376.36</u>	

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

TOWNSHIP OF MONTGOMERY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2020</u>	BALANCE DECEMBER <u>31, 2019</u>
Fixed Assets:		
Land	\$ 28,813,754.38	\$ 28,813,754.38
Buildings	38,391,519.22	38,276,898.99
Machinery and Equipment	<u>10,766,848.51</u>	<u>10,517,508.93</u>
<u>Total Fixed Assets</u>	<u>\$ 77,972,122.11</u>	<u>\$ 77,608,162.30</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 77,972,122.11</u>	<u>\$ 77,608,162.30</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MONTGOMERY

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Montgomery conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Montgomery are organized on the basis of funds and an account group which is different from the fund structure required by GAAP.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account group:

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.

Sewer Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Sewer 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. Operating grants are realized as revenues when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$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 Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Adjustments for assets acquired/sold subsequent to this date have been recorded. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Township's most recent property revaluation.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Water Utility and Sewer 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 Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions

Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (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 Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2020, was not available, therefore the information dated June 30, 2019, is disclosed.

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

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

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

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

Compensated Absences - The Township has adopted written policies through employee contract and municipal ordinances which set forth the terms under which an employee may accumulate earned, but not used, vacation and sick leave. The Township records expenditures for payment of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available resources, and that expenditures be recorded in the enterprise (Sewer Utility) fund on an accrual basis.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be held in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

**NOTE 2: CASH AND CASH EQUIVALENTS**

The Township considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

**A. Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

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

FUND	CASH		LESS O/S CHECKS & DEDUCTIONS	TOTAL
	ON DEPOSIT	ON HAND		
Current Fund	\$ 18,753,487.77	\$ 113,783.30	\$ 146,550.84	\$ 18,720,720.23
Assessment Trust Fund	63,088.22			63,088.22
Animal Control Fund	129,919.92		3,263.21	126,656.71
Other Trust Fund	17,342,688.18	3,026.47	24,903.84	17,320,810.81
General Capital Fund	11,211,474.56		4,835.04	11,206,639.52
Sewer Utility Operating Fund	5,902,687.07	3,346.11	50,788.35	5,855,244.83
Sewer Utility Capital Fund	15,474,626.11		51,580.97	15,423,045.14
<b>TOTAL DECEMBER 31, 2020</b>	<b>\$ 68,877,971.83</b>	<b>\$ 120,155.88</b>	<b>\$ 281,922.25</b>	<b>\$ 68,716,205.46</b>

Custodial Credit Risk-Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2020, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$750,000.00 was covered by Federal Depository Insurance and \$68,127,971.83 was covered under the provisions of NJGUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (c.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (c. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

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

**NOTE 3: GOVERNMENTAL DEBT**

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

**SUMMARY OF MUNICIPAL DEBT**

	<u>YEAR 2020</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 38,000,655.50	\$ 37,168,860.23	\$ 26,513,948.82
Sewer Utility:			
Bonds, Notes and Loans	33,732,041.63	34,929,825.56	36,402,109.49
Less:			
Funds Temporarily Held to Pay			
Bonds and Notes - General Capital	<u>1,535,362.91</u>	<u>1,261,411.92</u>	<u>1,357,878.24</u>
 <u>Net Debt Issued</u>	 <u>\$ 70,197,334.22</u>	 <u>\$ 70,837,273.87</u>	 <u>\$ 61,558,180.07</u>
 Authorized But Not Issued:			
General - Bonds and Notes	\$ 1,918,400.00	\$ 3,530,748.90	\$ 14,566,338.90
Sewer Utility - Bonds and Notes	<u>3,477,597.00</u>	<u>3,577,597.00</u>	<u>3,157,089.60</u>
 <u>Total Authorized But Not Issued</u>	 <u>\$ 5,395,997.00</u>	 <u>\$ 7,108,345.90</u>	 <u>\$ 17,723,428.50</u>
  NET BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	  <u>\$ 75,593,331.22</u>	  <u>\$ 77,945,619.77</u>	  <u>\$ 79,281,608.57</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SUMMARY OF REGULATORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt percentage of .802%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 27,940,000.00	\$ 27,940,000.00	\$
Regional School District Debt	25,240,234.71	25,240,234.71	
Sewer Utility Debt	37,209,638.63	37,209,638.63	
General Debt	<u>39,919,055.50</u>	<u>1,535,362.91</u>	<u>38,383,692.59</u>
	<u>\$ 130,308,928.84</u>	<u>\$ 91,925,236.25</u>	<u>\$ 38,383,692.59</u>

NET DEBT \$38,383,692.59 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, \$4,783,900,910.33 EQUALS .802%.

EQUALIZED VALUATION BASIS

2018 Equalized Valuation Basis of Real Property	\$ 4,731,984,254.00
2019 Equalized Valuation Basis of Real Property	4,836,257,077.00
2020 Equalized Valuation Basis of Real Property	<u>4,783,461,400.00</u>
	<u>\$ 4,783,900,910.33</u>

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

Equalized Valuation Basis* - December 31, 2020	\$ <u>4,783,900,910.33</u>
3-1/2% of Equalized Valuation Basis	\$ 167,436,531.86
Net Debt	<u>38,383,692.59</u>
Remaining Borrowing Power	\$ <u>129,052,839.27</u>

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

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 4% of the Average Equalized Assessed Valuation of real property for the Local and Regional School Districts.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY  
PER N.J.S.40A:2-45

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus		\$ 7,875,043.00
Deduction:		
Operating and Maintenance Cost	\$ 3,670,807.00	
Debt Service Per Sewer Utility Account	<u>3,061,115.45</u>	<u>6,731,922.45</u>
Excess in Revenue - Self Liquidating		\$ <u>1,143,120.55</u>

LONG-TERM DEBT

GENERAL CAPITAL FUND

General Serial Bonds

\$13,225,000, General Improvement Bonds Series 2012, due in annual installments of \$355,000 to \$710,000 through September 1, 2037 at variable interest rates of 2% to 5%	\$ 9,970,000.00
\$8,155,000, General Improvement Bonds Series 2017, due in annual installments of \$520,000 to \$680,000 through September 1, 2031 at variable interest rates of 2% to 5%	6,575,000.00
\$7,770,000, General Improvement Bonds Series 2018, due in annual installments of \$555,000 to \$730,000 through February 1, 2030 at variable interest rates of 3% to 5%	<u>6,575,000.00</u>
<u>Total General Serial Bonds</u>	\$ <u>23,120,000.00</u>

Green Acres Loans

\$45,000, Open Space, due in annual installments of \$2,798.24 through April 20, 2021, interest at 2.00%	\$ 1,385.27
\$2,025,000, Open Space, due in annual installments of \$128,634.06 through June 27, 2021, interest at 2.00%	<u>63,680.23</u>
<u>Total Green Acres Loans</u>	\$ <u>65,065.50</u>

TOTAL GENERAL CAPITAL DEBT \$ 23,185,065.50

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

SEWER UTILITY CAPITAL FUND

N.J. Environmental Infrastructure Trust Loans

\$10,939,534, Skillman Fund Loan, due in annual installments of \$329,974.11 through 2029, interest at 0.00%	\$ 2,615,927.01
\$3,780,000, Skillman Trust Loan, due in annual installments of \$140,000 to \$290,000 through August 1, 2029, interest at 3.00% to 5.00%	1,821,000.00
\$3,310,235, Pike Brook Fund Loan, due in annual installments of \$183,901.93 through 2029, interest at 0.00%	1,655,117.63
\$4,400,000, Pike Brook Trust Loan, due in annual installments of \$160,000 to \$335,000 through August 1, 2029, interest at 3.00% to 5.00%	2,474,000.00
\$8,111,250, Pike Brook Trust Loan, due in annual installments of \$426,907.89 through 2029, interest at 0.00%	3,938,496.99
\$1,675,000, Pike Brook Fund Loan, due in annual installments of \$65,000 to \$120,000 through August 1, 2030, interest at 3.00% to 4.38%	<u>925,000.00</u>
<u>Total N.J. Environmental Infrastructure Trust Loans</u>	<u>\$ 13,429,541.63</u>

Serial Bonds

\$12,095,000, Sewer Utility Bonds Series 2012, due in annual installments of \$270,000 to \$540,000 through September 1, 2042 at variable interest rates of 2% to 5%	\$ 9,690,000.00
\$1,340,000, Sewer Utility Bonds Series 2017, due in annual installments of \$55,000 to \$85,000 through September 1, 2037 at variable interest rates of 2% to 5%	1,175,000.00
\$8,376,000, Sewer Utility Bonds Series 2018, due in annual installments of \$311,000 to \$560,000 through February 1, 2038 at variable interest rates of 3% to 5%	<u>7,745,000.00</u>
<u>Total Serial Bonds</u>	<u>18,610,000.00</u>

TOTAL SEWER UTILITY CAPITAL DEBT	<u>\$ 32,039,541.63</u>
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NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

Bonds and Notes Authorized But Not Issued

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

General Capital Fund	\$	<u>1,918,400.00</u>
Sewer Utility Capital Fund	\$	<u>3,477,597.00</u>

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

Calendar Year	<u>General Capital</u>		<u>Sewer Utility Capital</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$ 1,595,000.00	\$ 869,337.50	\$ 720,000.00	\$ 648,981.25	\$ 3,833,318.75
2022	1,625,000.00	794,612.50	735,000.00	613,281.25	3,767,893.75
2023	1,660,000.00	718,562.50	760,000.00	576,831.25	3,715,393.75
2024	1,705,000.00	650,412.50	780,000.00	546,381.25	3,681,793.75
2025	1,740,000.00	574,887.50	795,000.00	514,656.25	3,624,543.75
2026	1,795,000.00	503,487.50	815,000.00	482,856.25	3,596,343.75
2027	1,835,000.00	430,087.50	850,000.00	450,006.25	3,565,093.75
2028	1,895,000.00	349,062.50	875,000.00	415,131.25	3,534,193.75
2029	1,940,000.00	275,337.50	910,000.00	381,831.25	3,507,168.75
2030	1,995,000.00	212,812.50	930,000.00	350,381.25	3,488,193.75
2031	1,300,000.00	163,562.50	965,000.00	320,356.25	2,748,918.75
2032	635,000.00	126,262.50	985,000.00	291,443.75	2,037,706.25
2033	650,000.00	107,212.50	1,010,000.00	261,668.75	2,028,881.25
2034	665,000.00	87,712.50	1,040,000.00	231,143.75	2,023,856.25
2035	680,000.00	67,762.50	1,065,000.00	199,321.88	2,012,084.38
2036	695,000.00	45,662.50	1,095,000.00	165,318.75	2,000,981.25
2037	710,000.00	23,075.00	1,120,000.00	130,031.25	1,983,106.25
2038			1,060,000.00	93,600.00	1,153,600.00
2039			510,000.00	68,250.00	578,250.00
2040			520,000.00	51,675.00	571,675.00
2041			530,000.00	34,775.00	564,775.00
2042			540,000.00	17,550.00	557,550.00
Total	\$ <u>23,120,000.00</u>	\$ <u>5,999,850.00</u>	\$ <u>18,610,000.00</u>	\$ <u>6,845,471.88</u>	\$ <u>52,303,071.88</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR GREEN ACRES TRUST LOAN AS OF DECEMBER 31, 2020

<u>CALENDAR YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$ 65,065.50	\$ 650.65	\$ 65,716.15
<b>TOTAL</b>	<b>\$ 65,065.50</b>	<b>\$ 650.65</b>	<b>\$ 65,716.15</b>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL  
AND INTEREST FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE  
TRUST LOAN AS OF DECEMBER 31, 2020

<u>CALENDAR YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>FEES</u>	<u>TOTAL</u>
2021	\$ 1,452,783.93	\$ 208,800.00	\$ 29,565.00	\$ 1,691,148.93
2022	1,470,783.93	188,320.00	29,565.00	1,688,668.93
2023	1,489,783.93	167,120.00	29,565.00	1,686,468.93
2024	1,518,783.93	145,160.00	29,565.00	1,693,508.93
2025	1,542,783.93	122,040.00	29,565.00	1,694,388.93
2026	1,565,783.93	97,960.00	29,565.00	1,693,308.93
2027	1,587,783.93	72,960.00	29,565.00	1,690,308.93
2028	1,559,918.06	47,080.00	29,565.00	1,636,563.06
2029	1,034,810.08	21,360.00	18,225.00	1,074,395.08
2030	208,325.98	4,400.00	5,025.00	215,750.98
	<b>\$ 13,429,541.63</b>	<b>\$ 1,075,200.00</b>	<b>\$ 259,770.00</b>	<b>\$ 14,764,511.63</b>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SHORT-TERM DEBT

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

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

Bond Anticipation Notes:

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>INTEREST RATE</u>	<u>ORIGINAL ISSUED DATE</u>	<u>AMOUNT</u>
<b>General Capital</b>			
2017 - 1562	1.50%	8/29/2019	\$ 9,500,000.00
2018 - 1576	1.50%	8/29/2019	2,800,590.00
2019 - 1611	1.50%	8/20/2020	<u>2,515,000.00</u>
			<u>\$ 14,815,590.00</u>
<b>Sewer Utility Capital</b>			
2018 - 1575	1.50%	8/29/2019	\$ 642,500.00
2019 - 1610	1.50%	8/20/2020	<u>1,050,000.00</u>
			<u>\$ 1,692,500.00</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SHORT-TERM DEBT (CONTINUED)

In accordance with N.J.S.A. 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the Township may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year, and bear an interest rate that does not exceed 6%. The Township did not have any Tax Anticipation Notes in 2020.

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund	\$5,000,000.00
Sewer Operating Fund	\$750,000.00

NOTE 5: PROPERTY TAXES

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

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

	BALANCE DECEMBER 31, 2020	BALANCE DECEMBER 31, 2019
Prepaid Taxes	<u>\$1,536,077.73</u>	<u>\$1,272,236.54</u>

NOTE 6: PENSION PLANS

Plan Descriptions

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen'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.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

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

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

Funding Policy

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

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

<u>YEAR</u>		<u>PERS</u>		<u>PFRS</u>
2020	\$	894,544.00	\$	975,738.00
2019		929,837.00		848,495.00
2018		846,544.00		799,387.00

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

The Township's share for DCRP amounted to \$2,696.52 for 2020, \$5,677.45 for 2019 and \$5,373.17 for 2018.

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

Accounting and Financial Reporting for Pensions -- GASB 68

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS)

At June 30, 2019, the State reported a net pension liability of \$16,498,592.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Township's proportion was 0.0915648219 percent, which was a decrease of 0.0014885081 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 \$1,057,227.00 for the Township's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statements based on the April 1, 2019 billing was \$925,580.00.

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	\$ 296,128.00	\$ 72,883.00
Changes of assumptions	1,647,445.00	5,726,609.00
Net difference between projected and actual earnings on pension plan investments		260,437.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>810,945.00</u>	<u>272,452.00</u>
	<u>\$ 2,754,518.00</u>	<u>\$ 6,332,381.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	(\$368,705.40)
2021	(1,437,747.40)
2022	(1,272,294.40)
2023	(540,279.40)
2024	41,163.60
	<u>(\$3,577,863.00)</u>

Actuarial Assumptions

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

Long-Term Rate of Return (Continued)

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

Discount Rate

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

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

	1% Decrease <u>5.28%</u>	June 30, 2019 At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
Township's proportionate share of the pension liability	\$20,985,383.00	\$16,498,592.00	\$12,929,325.00

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 \$11,821,384.00 for the Township'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 Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

At June 30, 2019, the Township's proportion was 0.0965971453 percent, which was an increase of 0.0098076690 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 \$1,322,056.00. The pension expense recognized in the Township's financial statements based on the April 1, 2019 billing was \$848,495.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 99,788.00	\$ 74,843.00
Changes of assumptions	405,065.00	3,820,563.00
Net difference between projected and actual earnings on pension plan investments		160,176.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>1,563,475.00</u>	<u>372,260.00</u>
	<u>\$ 2,068,328.00</u>	<u>\$ 4,427,842.00</u>

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

Year Ended		<u>Amount</u>
<u>June 30</u>		
2020	\$	(381,500.00)
2021		(1,062,697.00)
2022		(683,095.00)
2023		(215,914.00)
2024		<u>(16,308.00)</u>
	<u>\$</u>	<u>(2,359,514.00)</u>

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)

Long-Term Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.85% and 6.51% as of June 30, 2019 and June 30, 2018, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2019 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% as of June 30, 2019 and June 30, 2018 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 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% Decrease <u>5.85%</u>	At Current Discount Rate <u>6.85%</u>	1% Increase <u>7.85%</u>
Township's proportionate share of the PFRS pension liability	\$15,978,203.00	\$11,821,384.00	\$8,381,017.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

At June 30, 2019 and 2018, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,866,619.00 and \$1,595,235.00, respectively.

At June 30, 2019, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$11,821,384.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>1,866,619.00</u>
	<u>\$13,688,003.00</u>

Pension plan fiduciary net position

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

NOTE 7: COMPENSATED ABSENCES

The Township of Montgomery has established uniform personnel policy procedures which set forth the terms under which an employee may accumulate unused benefits as follows:

Sick Leave – Sick leave for permanent employees accumulates in accordance with the terms of approved contracts or personnel policies at the rate of one day per month. Any amount of sick leave allowance not used in a calendar year accumulates to the employee's credit to be used if and when needed for medical purposes only. Accumulated sick leave allowances are forfeited upon separation of services.

Vacations – Vacation pay for permanent employees also accumulated in accordance with the terms of approved contracts and policies. Vacation days are to be taken in the year earned and do not accumulate, except that a maximum of ten days vacation time may be carried over to the next succeeding year only. Upon separation of employment, an employee is entitled in time or in pay to any earned vacation accumulated and not previously used.

The payroll department maintains records of each employee's status relating to earned and unused sick and vacation pay. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which the payments are made.

NOTE 8: LITIGATION

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

NOTE 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. The balance in reserve at December 31, 2020 is \$1,300,000.00.

**NOTE 10: CONTINGENT LIABILITIES**

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II of the 2020 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2020, the Township does not believe that any material liabilities will result from such audits.

**NOTE 11: RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Township maintains commercial insurance coverage through the Mid Jersey Joint Insurance Fund covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Contributions</u>	<u>Budget Appropriation</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ 2,726.33	\$ 16,148.98	\$	\$ 26,568.59	\$ 382,425.03
2019	7,446.38	46,533.79	80,000.00	29,313.98	390,118.31
2018	4,667.96	28,701.24		27,308.58	285,452.12

**NOTE 12: DEFERRED COMPENSATION PLAN**

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

The Township has engaged a private contractor to administer the plan.

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

**NOTE 13: INTERFUND RECEIVABLES AND PAYABLES**

The following Interfund balances remained on the balance sheets at December 31, 2020:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 87,711.86	\$ 1,461,388.10
Grant Fund	1,461,388.10	
General Capital Fund		87,711.86
	<u>\$ 1,549,099.96</u>	<u>\$ 1,549,099.96</u>

All balances resulted from the time lag between the dates that payments between funds are made and will be liquidated within one year.

**NOTE 14: DEFERRED LOCAL DISTRICT SCHOOL TAXES**

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

	<u>LOCAL DISTRICT SCHOOL TAX</u>	
	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
Balance of Tax	\$ 42,374,637.50	\$ 41,826,971.00
Deferred	<u>42,374,637.50</u>	<u>41,826,971.00</u>
School Tax Payable (Prepaid)	<u>\$0.00</u>	<u>\$0.00</u>

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

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

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

Plan Description and Benefits Provided

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

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

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

Plan Description and Benefits Provided (Continued)

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.

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

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

Special Funding Situation

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

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

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

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

At June 30, 2019 and 2018, the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is \$7,599,466.00 and \$8,483,078.00 respectively.

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

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

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

Actuarial Assumptions and Other Inputs

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

	<u>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%

Actuarial Assumptions and Other Inputs (Continued)

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2019
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2019

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

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

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

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

**Health Care Trend Assumptions**

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

**Discount Rate**

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

**OPEB Plan Fiduciary Net Position**

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

**NOTE 16: SUBSEQUENT EVENTS**

The Township has evaluated subsequent events occurring after the financial statement date through June 17, 2021 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no subsequent events that need to be disclosed.

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TOWNSHIP OF MONTGOMERY  
SUPPLEMENTARY SCHEDULES  
YEAR ENDED DECEMBER 31, 2020

## TOWNSHIP OF MONTGOMERY

## CURRENT FUND

## SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2019	A	\$ 17,685,506.35	\$
Increased by Receipts:			
Property Taxes Receivable	A-5	\$ 125,676,750.01	\$
Reserve for Sale of Municipal Assets	A-15	555,091.76	
Revenue Accounts Receivable	A-12	5,480,726.96	
Miscellaneous Revenue Not Anticipated	A-2	1,192,295.53	
State of N.J.- Senior Citizens and Veterans Deductions	A-8	54,750.00	
Interfunds	A-13:A-25	483,496.38	1,229,320.28
Petty Cash Fund	A-6	1,000.00	
Grants Receivable	A-26		479,431.38
Grants-Appropriated- Refunds	A-27		4,065.00
Reserve for Miscellaneous Deposits	A-14	643,416.30	
Refunds Receivable	A-1	162,711.86	
Prior Year Appropriation Reserve Refunds	A-18	9,602.84	
		<u>134,259,841.64</u>	<u>1,712,816.66</u>
		\$ 151,945,347.99	\$ 1,712,816.66
Decreased by Disbursements:			
Current Year Appropriations	A-3	\$ 22,790,336.43	\$
Prior Year Appropriation Reserves	A-18	807,136.16	
Local District School Tax	A-23	84,201,608.50	
County Taxes Payable	A-22	19,408,970.49	
Reserve for Sale of Assets	A-15	5,403.50	
Refund of Tax Overpayments	A-16	98,825.46	
Reserve for Grants-Appropriated	A-27		1,229,320.28
Refunds Receivable	A-1	157,641.96	
Petty Cash Fund	A-6	1,000.00	
Interfunds	A-13:A-25	1,327,264.80	483,496.38
Municipal Open Space Tax	A-29	1,579,630.30	
Reserve for Miscellaneous Deposits	A-14	644,757.58	
Refund of Prior Year Revenue	A-1	32,977.58	
Refund of Current Year Revenue	A-2	242,518.00	
Refund of Miscellaneous Revenue	A-2	586.00	
Special District Taxes Payable	A-17	1,926,646.00	
		<u>133,225,302.76</u>	<u>\$ 1,712,816.66</u>
Balance, December 31, 2020	A	\$ <u>18,720,045.23</u>	

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>		
<b>Increased by Receipts:</b>			
Property Taxes Receivable	A-9	\$ 123,442,599.58	
Tax Overpayments	A-16	423,197.78	
Prepaid Taxes	A-21	1,536,077.73	
Revenue Accounts Receivable	A-12	274,624.92	
Senior Citizens Deduction Disallowed	A-8	<u>250.00</u>	
			\$ <u>125,676,750.01</u>
			<u>125,676,750.01</u>
<b>Decreased by Disbursements:</b>			
Payments to Treasurer	A-4		\$ <u><u>125,676,750.01</u></u>

"A-6"

TOWNSHIP OF MONTGOMERY  
CURRENT FUND  
SCHEDULE OF PETTY CASH FUND

<u>DEPARTMENT</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>
Clerk	\$ <u>1,000.00</u>	\$ <u>1,000.00</u>
<u>REF.</u>	A-4	A-4

"A-7"

SCHEDULE OF CHANGE FUNDS

<u>DEPARTMENT</u>	<u>BALANCE DECEMBER 31, 2019 AND 2020</u>
Tax/Sewer Collector	\$ <u>675.00</u>
<u>REF.</u>	A

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY  
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS  
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2019	A		\$ 17,858.60
Increased by:			
Senior Citizens Deductions Per Tax Billing		\$ 1,500.00	
Veterans Deductions Per Tax Billing		53,000.00	
Senior Citizens Deductions Allowed by Tax Collector		<u>250.00</u>	
			\$ <u>54,750.00</u>
			\$ <u>72,608.60</u>
Decreased by:			
Received in Cash From State	A-4	\$ 54,750.00	
2019 Deductions Disallowed by Tax Collector		250.00	
Prior Year Deductions Disallowed by Tax Collector	A-5	250.00	
Canceled	A-1	<u>17,358.60</u>	
			<u>72,608.60</u>

ANALYSIS OF STATE SHARE OF 2020  
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing		\$ 1,500.00
Veterans Deductions Per Tax Billing		53,000.00
Deductions Allowed by Tax Collector:		
Senior Citizens		<u>250.00</u>
		\$ <u>54,750.00</u>
Less: Deductions Disallowed by Tax Collector:		
Senior Citizens		<u>250.00</u>
	A-9	\$ <u>54,500.00</u>

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE	2020	CASH COLLECTIONS		CANCELED	TAX OVERPAYMENTS	TRANSFERRED	BALANCE
	DECEMBER		LEVY	2019				
	31, 2019						TITLE LIENS	31, 2020
2018	\$ 132,211.15	\$	\$	\$ 3,138.37	\$	\$ 116,979.21	\$	\$ 12,093.57
2019	806,972.87			764,236.13	2,293.54	24,989.06	953.98	14,500.16
	\$ 939,184.02	\$	\$	\$ 767,374.50	\$ 2,293.54	\$ 141,968.27	\$ 953.98	\$ 26,593.73
2020		125,124,410.59	1,272,236.54	122,729,725.08	288,181.83		24,021.96	810,245.18
	\$ 939,184.02	\$ 125,124,410.59	\$ 1,272,236.54	\$ 123,497,099.58	\$ 290,475.37	\$ 141,968.27	\$ 24,975.94	\$ 836,836.91
REF.	A		A-2:A-21	A-2		A-2:A-16	A-10	A

Cash-Collector	A-5	\$ 123,442,599.58
State of New Jersey	A-8	54,500.00
		<u>\$ 123,497,099.58</u>

ANALYSIS OF 2020 PROPERTY TAX LEVY

TAX YIELD		
General Property Tax		\$ 124,209,373.21
Added and Omitted Tax (54:4-63.1 et.seq.)		915,037.38
		<u>\$ 125,124,410.59</u>

TAX LEVY		
Local District School Tax	A-23	\$ 84,749,275.00
County Taxes:		
County Tax	A-22	\$ 15,532,428.26
County Library Tax	A-22	2,284,960.76
County Open Space	A-22	1,469,149.84
Due County for Added Taxes (54:4-63.1 et.seq.)	A-22	142,431.63
		19,408,970.49
Fire District Tax	A-17	1,926,646.00
Local Tax for Municipal Purposes	A-2	16,657,279.56
Local Open Space	A-29	1,579,530.30
Additional Tax Levied		802,609.24
		<u>20,966,165.10</u>
		<u>\$ 125,124,410.59</u>

"A-10"

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2019	A		\$ 402,361.86
Increased by:			
Transfers From Taxes Receivable	A-9	\$ 24,975.94	
Interest and Costs		<u>914.15</u>	
			<u>25,890.09</u>
Balance, December 31, 2020	A		\$ <u>428,251.95</u>

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

Balance, December 31, 2019	A		\$ <u>115,210.00</u>
Balance, December 31, 2020	A		\$ <u>115,210.00</u>

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>ACCRUED IN 2020</u>	<u>COLLECTED BY TREASURER/ COLLECTOR</u>	<u>BALANCE DECEMBER 31, 2020</u>
Clerk:					
Licenses:					
Alcoholic Beverage Licenses	A-2	\$	\$ 23,564.00	\$ 23,564.00	\$
Other	A-2				
Fees and Permits	A-2		19,353.60	19,353.60	
Fire:					
Fees and Permits	A-2		71,290.00	71,290.00	
State of NJ Life Hazard Fees:					
Fees and Permits	A-2		39,424.55	39,424.55	
Board of Health:					
Fees and Permits	A-2		13,517.00	13,517.00	
Recreation:					
Fees and Permits	A-2		124,570.69	124,570.69	
Construction Code Official:					
Fees and Permits	A-2		1,168,211.00	1,168,211.00	
Planning/Zoning:					
Fees and Permits	A-2		12,300.00	12,300.00	
Miscellaneous:					
Fees and Permits	A-2		2,815.00	2,815.00	
Municipal Court:					
Fines and Costs	A-2	12,268.69	95,416.97	105,817.38	1,868.28
Police Department:					
Fees and Permits	A-2		300.00	300.00	
Tax Collector:					
Fees and Permits	A-2		160.00	160.00	
Engineering:					
Fees and Permits	A-2		16,258.00	16,258.00	
Tax Assessor:					
Fees and Permits	A-2		270.00	270.00	
Interest on Investments and Deposits	A-2		330,044.14	330,044.14	
Burglar Alarms	A-2		5,955.00	5,955.00	
Pre-K Program Registration Fees	A-2		360,240.08	360,240.08	
Energy Receipts Tax	A-2		1,379,037.00	1,379,037.00	
Shared Health Services - Pennington	A-2		44,680.00	44,680.00	
Shared Health Services - Hopewell	A-2		45,400.00	45,400.00	
Shared Health Services - Princeton	A-2		2,808.00	2,808.00	
Shared Health Services - Branchburg	A-2		18,256.75	18,256.75	
Shared Health Services - Rocky Hill	A-2		5,840.00	5,840.00	
Shared CFO Services - Manville	A-2		105,288.64	105,288.64	
Shared CFO Services - Peapack & Gladstone	A-2		64,999.98	64,999.98	
Open Space Trust Fund	A-2		590,000.00	590,000.00	
Interest and Costs on Taxes	A-2		274,624.92	274,624.92	
Utility Operating Surplus	A-2		300,000.00	300,000.00	
Cell Tower Leases	A-2		206,395.96	206,395.96	
Escrow Deposit	A-2		300,000.00	300,000.00	
Recreation Trust Surplus	A-2		50,000.00	50,000.00	
Cable TV Fees	A-2		73,922.19	73,922.19	
		<u>\$ 12,268.69</u>	<u>\$ 5,744,951.47</u>	<u>\$ 5,755,351.88</u>	<u>\$ 1,868.28</u>
	<u>REF.</u>	<u>A</u>			<u>A</u>
Receipts					
Tax Collector	A-5			\$ 274,624.92	
Treasurer	A-4			5,480,726.96	
				<u>\$ 5,755,351.88</u>	

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>SEWER UTILITY OPERATING FUND</u>
Balance, December 31, 2019					
Due To	A	\$ <u>2,210,772.99</u>	\$ <u>2,200,540.33</u>	\$ _____	\$ <u>10,232.66</u>
Increased by:					
Transfer	A-25	\$ 6,671.67	\$ 6,671.67	\$ _____	\$ _____
Treasurer-Receipts	A-4	<u>483,496.38</u>	<u>483,496.38</u>	_____	_____
		\$ 490,168.05	\$ 490,168.05	\$ _____	\$ _____
Decreased by:					
Treasurer-Disbursements	A-4	<u>1,327,264.80</u>	<u>1,229,320.28</u>	<u>87,711.86</u>	<u>10,232.66</u>
Balance, December 31, 2020					
Due From	A	\$ 87,711.86	\$ _____	\$ 87,711.86	\$ _____
Due To	A	<u>1,461,388.10</u>	<u>1,461,388.10</u>	_____	_____

TOWNSHIP OF MONTGOMERY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>
Woodsedge Park	\$ 46,000.00	\$	\$	\$ 46,000.00
Rosewood Detention	21,000.00			21,000.00
Brookside Harlingen	24,500.00			24,500.00
Outside Lien Redemptions	1,341.28	643,416.30	644,757.58	
Detention Basin	<u>114,936.96</u>			<u>114,936.96</u>
	<u>\$ 207,778.24</u>	<u>\$ 643,416.30</u>	<u>\$ 644,757.58</u>	<u>\$ 206,436.96</u>
<u>REF.</u>	A	A-4	A-4	A

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2019	A	\$ 402,993.51
Increased by:		
Cash Receipts	A-4	555,091.76
		<u>\$ 958,085.27</u>
Decreased by:		
Cash Disbursements	A-4	<u>5,403.50</u>
Balance, December 31, 2020	A	<u><u>\$ 952,681.77</u></u>

"A-16"

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	259,858.68
Increased by:			
Cash Receipts	A-5		<u>423,197.78</u>
		\$	<u>683,056.46</u>
Decreased by:			
Cash Disbursements	A-4	\$	98,825.46
Applied to Taxes Receivable	A-9		<u>141,968.27</u>
			<u>240,793.73</u>
Balance, December 31, 2020	A	\$	<u><u>442,262.73</u></u>

"A-17"

SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE

Increased by:			
Levy Calendar Year 2020	A-1:A-9	\$	<u>1,926,646.00</u>
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>1,926,646.00</u></u>

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2019	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>Salaries and Wages:</u>				
Administrative and Executive	\$ 15,048.74	\$ 15,048.74	\$	\$ 15,048.74
Mayor and Committee	461.84	461.84		461.84
Municipal Clerk	281.01	281.01		281.01
Financial Administration	1,969.25	1,969.25		1,969.25
Collector of Revenues	1,022.47	1,022.47		1,022.47
Assessor	142.94	142.94		142.94
Geographic Information Systems	3,227.44	3,227.44		3,227.44
Data Processing	2,330.85	2,330.85	2,330.85	
Engineering Services	38,830.15	38,830.15		38,830.15
Police	168,043.00	168,043.00		168,043.00
Zoning Board of Adjustment	357.05	357.05		357.05
Construction Code Official	98,221.04	98,221.04		98,221.04
Uniform Fire Safety Act	366.98	366.98		366.98
Streets and Road Maintenance	146,554.29	146,554.29		146,554.29
Public Works	1,406.61	1,406.61		1,406.61
Buildings and Grounds	192.27	192.27		192.27
Public Health Services	3,062.00	3,062.00	(9,602.84)	12,664.84
Animal Control	247.99	247.99		247.99
Recreation	82,817.78	82,817.78		82,817.78
Senior Citizen's Program	5,000.00	5,000.00		5,000.00
Parks and Playgrounds (Maintenance)	420.89	420.89		420.89
Pre-K Program	213,479.65	213,479.65		213,479.85
<u>Other Expenses:</u>				
<u>Administrative and Executive:</u>				
Special Projects Expenses	7,405.21	20,753.42	16,299.69	4,453.73
Miscellaneous Other Expenses	2,918.97	4,299.81	1,455.11	2,844.70
Mayor and Committee	2,583.66	2,668.28	604.62	2,063.66
<u>Municipal Clerk:</u>				
Miscellaneous Other Expenses	423.18	14,450.44	13,400.01	1,050.43
Newsletter	2,904.00	3,479.00	1,025.00	2,454.00
<u>Financial Administration:</u>				
Miscellaneous Other Expenses	19,394.89	31,534.52	9,853.35	21,681.17
Audit Services	1,037.50	1,037.50		1,037.50
Data Processing	4,485.13	27,650.47	4,200.43	23,450.04
Geographic Information Systems	2,253.81	3,538.87	1,246.41	2,292.58
Collector of Revenues	2,841.04	2,958.77	163.23	2,795.54
Assessor	3,619.79	4,569.79	951.50	3,618.29
Legal Services	116,674.04	117,482.04	27,111.03	90,371.01
Engineering Services	687.30	5,531.88	4,599.70	832.18
Revision of Master Plan	83,819.79	83,819.79	1,271.68	82,548.11
Zoning Board of Adjustment	6,635.84	7,075.11	459.62	6,615.49
Construction Code Official	3,382.87	5,394.12	2,048.42	3,345.70
Landmarks Commission		1,000.00	1,000.00	
Planning Board	30,721.03	31,614.17	832.42	30,681.75
Environmental Commission (R.S. 40:56A-1 et seq.):	713.15	713.15		713.15
Veterans Committee	2,050.00	2,200.00	150.00	2,050.00
Police	72,912.49	279,496.64	274,302.22	5,194.42
Emergency Management	3,283.55	3,283.55		3,283.55
Emergency Committee	475.00	475.00		475.00
First Aid/Rescue Squad Aid and Maintenance Contract	4,000.00	4,000.00	4,000.00	
Fire Hydrant Service	33,211.85	58,211.85	54,816.40	3,395.45
Uniform Fire Safety Act	1,272.83	1,296.83	22.10	1,274.73
Condominium Services Act (c.6. P.L. 1993)	27,812.62	34,470.44	3,372.12	31,098.32

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2019	ADJUSTED BALANCE	PAID OR CHARGED	BALANCE LAPSED
<u>Other Expenses (Continued):</u>				
Vehicle Maintenance	\$ 2,195.28	\$ 5,590.73	\$ 2,099.57	\$ 3,491.16
Buildings and Grounds	26,281.14	43,122.68	13,487.57	29,655.11
Shade Tree		33.83	30.58	3.05
Public Works	6,910.68	15,370.08	4,041.74	11,328.34
Streets and Road Maintenance	231,974.40	342,852.88	96,626.72	246,226.16
Public Health Services	4,672.65	16,341.02	7,001.87	9,339.15
Bloodborne Pathogens	260.01	460.01	82.59	377.42
Animal Control	51.73	979.51	605.98	473.53
Administration of Public Assistance	296.70	296.70		296.70
Recreation	31,655.32	40,843.42	4,656.85	36,086.57
Senior Citizen's Program		33,919.86	31,142.33	2,777.53
Parks and Playgrounds (Maintenance)	29,172.99	47,755.12	13,374.98	34,380.14
Economic Development Committee	625.00	625.00		625.00
Garbage and Trash Removal	18,573.08	34,854.82	10,958.99	23,995.83
Municipal Court	21,120.00	47,600.00	29,656.00	17,944.00
Public Events	13,365.00	13,365.00		13,365.00
Somerset County Mandatory Recycling Program		47,901.29	47,901.29	
Deferred Compensation Plan	46,176.92	46,176.92		46,176.92
Long Term Disability Fund	22,324.06	22,324.06		22,324.06
Insurance (N.J.S.A. 40A:4-45.3(00)):				
Other Insurance Premiums	90,449.38	91,594.10	2,699.07	88,895.03
Group Insurance Plan for Employees	136,111.01	136,111.01		136,111.01
Health Benefit Waiver	36,356.68	36,356.68		36,356.68
Workers' Compensation	3,536.31	3,536.31		3,536.31
Unemployment Insurance	40,000.00	40,000.00		40,000.00
Unclassified:				
Electricity	103,561.31	103,625.72	11,244.36	82,381.36
Street Lighting	11,699.29	11,699.29	5,973.84	5,725.45
Telephone	10,756.51	12,863.75	4,362.34	8,521.41
Water	33,378.29	33,378.29	2,429.16	30,949.13
Heating Fuel (Gas)	17,249.59	32,322.87	8,103.31	24,219.56
Gasoline	86,017.08	184,044.25	58,929.32	125,114.93
Defined Contribution Retirement Program	9,322.55	9,322.55		9,322.55
Contribution to:				
Social Security System	139,447.15	139,447.15		139,447.15
Public Employees Retirement System	21,163.00	21,163.00	21,163.00	
Police and Firemen's Retirement System of NJ	1,505.00	1,505.00		1,505.00
Pre-K Program	38,989.64	42,262.66	5,068.79	37,213.87
Aid to Borough of Rocky Hill Library		22,500.00		22,500.00
	<u>\$ 2,454,941.31</u>	<u>\$ 3,218,595.14</u>	<u>\$ 797,533.32</u>	<u>\$ 2,421,061.82</u>
<u>REF.</u>	A: A-18			A-1
Cash Disbursements	A-4		\$ 807,136.18	
Less: Refunds	A-4		<u>9,602.84</u>	
			<u>\$ 797,533.32</u>	
Budget - Reserved	A-18	\$ 2,454,941.31		
Reserve for Encumbrances	A-19	<u>763,653.83</u>		
		<u>\$ 3,218,595.14</u>		

"A-19"

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	
Balance, December 31, 2019	A	\$ 769,124.67
Increased by:		
Budget Appropriations	A-3	612,783.55
		<u>\$ 1,381,908.22</u>
Decreased by:		
Transferred to Appropriation Reserves	A-18	<u>763,653.83</u>
Balance, December 31, 2020	A	<u><u>\$ 618,254.39</u></u>

"A-20"

GRANT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Balance, December 31, 2019	A	\$ 1,037,200.71
Increased by:		
Reserve for Grants Appropriated	A-27	412,187.32
		<u>\$ 1,449,388.03</u>
Decreased by:		
Transferred to Grants Appropriated	A-27	<u>1,037,200.71</u>
Balance, December 31, 2020	A	<u><u>\$ 412,187.32</u></u>

"A-21"

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2019 (2020 Taxes)	A	\$	1,272,236.54
Increased by:			
Collection - 2021 Taxes	A-5		1,536,077.73
		\$	<u>2,808,314.27</u>
Decreased by:			
Applied to Taxes Receivable	A-9		1,272,236.54
		\$	<u>1,536,077.73</u>

"A-22"

SCHEDULE OF COUNTY TAXES PAYABLE

Current Year Tax Levy:			
County Tax	A-1:A-9	\$	15,532,428.26
County Library Tax	A-1:A-9		2,264,960.76
County Open Space	A-1:A-9		1,469,149.84
Added County Taxes	A-1:A-9		<u>142,431.63</u>
		\$	<u>19,408,970.49</u>
			19,408,970.49
Decreased by:			
Cash Disbursements	A-4	\$	<u>19,408,970.49</u>

"A-23"

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019			
School Tax Deferred		\$ <u>41,826,971.00</u>	\$ 41,826,971.00
Increased by:			
Levy Calendar Year 2019	A-9		<u>84,749,275.00</u>
			\$ <u>126,576,246.00</u>
Decreased by:			
Payment to Local District School	A-1:A-4		<u>84,201,608.50</u>
Balance, December 31, 2020			
School Tax Deferred		\$ <u>42,374,637.50</u>	\$ <u><u>42,374,637.50</u></u>

"A-24"

SCHEDULE OF RESERVE FOR TAX APPEALS

Balance, December 31, 2019	A		\$ 1,100,000.00
Increased by:			
Levy Reserved for Tax Appeals	A-2		<u>200,000.00</u>
Balance, December 31, 2020	A		\$ <u><u>1,300,000.00</u></u>

"A-25"

TOWNSHIP OF MONTGOMERY

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2019			
Due From	A	\$ <u>2,200,540.33</u>	\$ <u>2,200,540.33</u>
Increased by:			
Treasurer-Receipts	A-4	<u>1,229,320.28</u>	<u>1,229,320.28</u>
Decreased by:			
Transfer	A-13	6,671.67	6,671.67
Treasurer-Disbursements	A-4	<u>483,496.38</u>	<u>483,496.38</u>
Balance, December 31, 2020			
Due From	A	\$ <u><u>1,461,388.10</u></u>	\$ <u><u>1,461,388.10</u></u>

TOWNSHIP OF MONTGOMERY

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2019	ACCRUED 2020 BUDGET	RECEIVED	UNAPPROPRIATED APPLIED	CANCELED	BALANCE DECEMBER 31, 2020
Environmental Services Grant	\$ 8,558.59	\$	\$	\$	\$	\$ 8,558.59
Smart Future Planning	45,400.00					45,400.00
Municipal Alliance Drug Program	19,143.53	13,529.30	13,300.70		7,478.07	11,894.06
Hazardous Mitigation - Energy Allocation Initiative	75,000.00					75,000.00
Somerset County Youth Recreation	977.00					977.00
Flood Mitigation Grant	7,838.00					7,838.00
Storm Water Regulation	15,036.00					15,036.00
Campbell Farm Pathway	2,032.26					2,032.26
School Link Pathway	60,000.00					60,000.00
NPDC Smalley Theatre	9,300.00					9,300.00
NJ DOT ISTEPA Pathways Master Plan Grant	667,249.47					667,249.47
NJ DOT Blue Spring Road	96,250.00					96,250.00
NJ DOT Cherry Valley Road	199,291.75					199,291.75
NJ DOT Skillman Road		360,000.00	270,000.00			90,000.00
Clean Communities Grant		56,245.03	56,245.03			
2019 Nursed Grant	5,000.00					5,000.00
2019 Wellness Grant	17,150.00					17,150.00
2018 Wellness Grant	11,230.00		11,230.00			
2020 Wellness Grant		17,987.95				17,987.95
Health Capacity Grant		237,236.00	95,000.00			142,236.00
NJ Health Officers Grant		2,320.00		2,320.00		
NJACCHO Grant		22,498.00	22,494.16			3.84
Recycling Tonnage Grant		22,048.57		22,048.57		
Body Armor Replacement Fund		3,437.71	3,437.71			
Bulletproof Vest Partnership	690.25	2,728.78	2,728.78			690.25
Radon Testing	2,000.00		1,995.00			5.00
Green Communities	3,000.00		3,000.00			
2019 ANJEC OPSP Stewardship Project	500.00					500.00
CISP Tree Planting Grant	30,000.00					30,000.00
	<u>\$ 1,275,646.85</u>	<u>\$ 738,031.34</u>	<u>\$ 479,431.38</u>	<u>\$ 24,368.57</u>	<u>\$ 7,478.07</u>	<u>\$ 1,502,400.17</u>

REF.

A

A-2

A-4

A-28

A-27

A

TOWNSHIP OF MONTGOMERY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

<u>GRANT/PROGRAM</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>ENCUMBRANCES PAYABLE</u>	<u>BUDGET APPROPRIATIONS</u>	<u>PAID OR CHARGED</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2020</u>
Municipal Alliance Drug Program:						
County and Local - 2018-18	\$ 3,937.71	\$	\$	\$	\$	\$ 3,937.71
County and Local - 2019-19		100.00		(7,421.82)		7,521.82
County and Local - 2019-20	8,038.63	4,625.85	13,529.30	18,715.71	7,478.07	
Matching Funds	4,068.39					4,068.39
Matching Funds	4,771.06	130.00		2,371.22		2,529.84
Matching Funds			3,112.67			3,112.67
Clean Communities Program	194,378.16		56,245.03	17,752.16		232,871.03
Distracted Driver Grant	2,004.70					2,004.70
Drunk Driving Enforcement Fund	16,113.50					16,113.50
Environmental Protection Grants	10,243.35					10,243.35
NJ DOT 2006	120,000.00			(215,000.00)		335,000.00
NJ DOT Blue Spring Road	310,000.00	41,858.50		351,858.50		
NJ DOT Ludlow	35,072.31					35,072.31
NJ DOT Princeton Avenue Overlay		208,626.50		208,626.50		
NJ DOT East Mountain Road	70,000.00					70,000.00
NJ DOT Bridgepoint Road	162,000.00					162,000.00
NJ DOT Cherry Valley Road	206,701.00	775,466.00		782,875.25		199,291.75
NJ DOT ISTEPA Pathways Master Planning Grant	657,186.03					657,186.03
NJ DOT Skillman Road			360,000.00	360,000.00		
Green Avenue Improvements	20,000.00					20,000.00
Recycling Tonnage Grant	78,111.32		22,048.57			100,159.89
Safe Corridors Highway Safety Grant	20,237.78			13,856.84		6,380.94
Safe Corridors Highway Safety Grant	340.84					340.84
School Link Pathway	4,000.00					4,000.00
Smart Future Planning	42,125.89					42,125.89
Somerset County Cross Acceptance Grant	2,000.00					2,000.00
Somerset County Planning Grant	7,612.45					7,612.45
Somerset County Recreation Grant	62,166.00					62,166.00
Somerset County Youth Services New Initiative	5,559.49					5,559.49
Somerset County Youth Services Grant	4,047.65	320.49		320.49		4,047.65
Somerset County Youth Services Grant		2,200.00		2,200.00		
Somerset County Youth Services Grant	5,500.00	456.87		3,076.87		2,860.00
State Park Trails	9,845.26					9,845.26
Stormwater Regulation	7,936.00	1,339.76				9,275.76

TOWNSHIP OF MONTGOMERY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

<u>GRANT/PROGRAM</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>ENCUMBRANCES PAYABLE</u>	<u>BUDGET APPROPRIATIONS</u>	<u>PAID OR CHARGED</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2020</u>
Body Armor Replacement Fund	\$ 10,092.97	\$	\$ 3,437.71	\$	\$	\$ 13,530.68
Bulletproof Vest Partnership	1,141.25		2,728.78			3,870.03
Canal Link	160,000.00					160,000.00
Mass Prophylaxis Equipment Grant	11,737.60					11,737.60
NAACHO ACCR Prep	7,282.69	1,590.00		3,617.03		5,255.66
2019 Nurses Grant	5,105.34					5,105.34
Green Communities	6,000.00					6,000.00
Hazardous Mitigation - Energy Allocation Initiative	75,000.00					75,000.00
State Health Services	529.33					529.33
2018 Wellness Grant	7,135.11	286.74		286.74		7,135.11
2019 Wellness Grant	13,760.33	200.00		415.67		13,544.66
Health Capacity Grant 2020			95,000.00	88,262.15		6,737.85
Health Capacity Grant 2021			142,236.00			142,236.00
2020 Wellness Grant			17,987.95			17,987.95
Health Officer Grant			2,320.00	2,320.00		
NJAACHO Grant			22,498.00	(801.25)		23,299.25
Supplemental Fire Grant			3,559.00	3,559.00		
CISP Tree Planting Grant	4,735.76			551.54		4,184.22
2019 ANJEC OPSP Stewardship Project	1,500.00					1,500.00
Open Space Partnership - Administrative Operations	34,600.00					34,600.00
Radon Grant	2,000.00					2,000.00
	<u>\$ 2,414,617.90</u>	<u>\$ 1,037,200.71</u>	<u>\$ 744,703.01</u>	<u>\$ 1,637,442.60</u>	<u>\$ 7,478.07</u>	<u>\$ 2,551,600.95</u>
<u>REF.</u>	<u>A</u>	<u>A-20</u>	<u>A-3</u>			<u>A</u>
Cash Disbursements	A-4			\$ 1,229,320.28	\$	
Encumbrances Payable	A-20			412,187.32		
Local Share			6,671.67			
Grants Receivable	A-26		738,031.34		7,478.07	
			<u>\$ 744,703.01</u>	<u>\$ 1,641,507.60</u>	<u>\$ 7,478.07</u>	
Less: Refunds	A-4			4,065.00		
			<u>\$ 744,703.01</u>	<u>\$ 1,637,442.60</u>	<u>\$ 7,478.07</u>	

TOWNSHIP OF MONTGOMERY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

<u>GRANT/PROGRAM</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>APPLIED TO RECEIVABLES</u>
NJ Health Officers	\$ 2,320.00	\$ 2,320.00
Recycling Tonnage	<u>22,048.57</u>	<u>22,048.57</u>
	\$ <u>24,368.57</u>	\$ <u>24,368.57</u>
<u>REF.</u>	A	A-26

TOWNSHIP OF MONTGOMERY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

	<u>REF.</u>	
Increased by:		
Levy Calendar Year 2020	A-1:A-9	\$ <u>1,579,630.30</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>1,579,630.30</u></u>

TOWNSHIP OF MONTGOMERY

TRUST FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>ASSESSMENT</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2019	B	\$ <u>63,088.22</u>	\$ <u>125,149.79</u>	\$ <u>18,166,068.41</u>
Increased by Receipts:				
Due State of New Jersey	B-8	\$	\$ 1,710.60	\$
Dog License Fees	B-9		45,641.40	
Reserve for Various Trust Deposits	B-6			15,112,697.59
Reserve for Township Open Space	B-7			1,611,056.60
		\$ <u>63,088.22</u>	\$ <u>47,352.00</u>	\$ <u>16,723,754.19</u>
		\$ <u>63,088.22</u>	\$ <u>172,501.79</u>	\$ <u>34,889,822.60</u>
Decreased by Disbursements:				
Due State of New Jersey	B-8	\$	\$ 1,710.60	\$
Reserve for Various Trust Deposits	B-6			16,121,006.46
Animal Control Fund Expenditures	B-9		44,134.48	
Reserve for Township Open Space	B-7			1,448,005.33
		\$ <u>63,088.22</u>	\$ <u>45,845.08</u>	\$ <u>17,569,011.79</u>
Balance, December 31, 2020	B	\$ <u>63,088.22</u>	\$ <u>126,656.71</u>	\$ <u>17,320,810.81</u>

"B-4"

TOWNSHIP OF MONTGOMERY

TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

	<u>REF.</u>	
Balance, December 31, 2019	B	\$ <u>138,223.80</u>
Balance, December 31, 2020	B	\$ <u><u>138,223.80</u></u>

"B-5"

TOWNSHIP OF MONTGOMERY

TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2019	B		\$ 166,972.83
Increased by:			
Open Space Trust Fund	B-7	\$ 508,602.12	
Various Trust Deposits	B-6	<u>26,819.82</u>	
			\$ <u>535,421.94</u>
			\$ <u>702,394.77</u>
Decreased by:			
Open Space Trust Fund	B-7	\$ 77,292.89	
Transferred to Reserve for			
Various Trust Deposits	B-6	<u>89,679.94</u>	
			<u>166,972.83</u>
Balance, December 31, 2020	B		\$ <u><u>535,421.94</u></u>

TOWNSHIP OF MONTGOMERY

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS TRUST DEPOSITS

<u>RESERVE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>ENCUMBRANCES PAYABLE</u>	<u>BALANCE DECEMBER 31, 2020</u>
Recycling	\$ 8,415.82	\$ 1,302.60	\$	\$	\$ 9,718.42
Tax Title Lien Premiums	514,600.00	347,200.00	415,600.00		446,200.00
Police Special Duty	39,225.43	147,227.70	135,253.75		51,199.38
Arboretum Fund	17.26	1,600.00	1,017.26		600.00
Municipal Alliance Program	8,113.29				8,113.29
Public Defender	5,143.80				5,143.80
POAA	639.50				639.50
DARE	200.00				200.00
Crime Victim Rewards Fund	3,341.12				3,341.12
Miscellaneous	49,274.96	1,170.40		1,170.40	49,274.96
Patriot Media	26,202.75				26,202.75
Food Pantry	42,722.97	3,430.00	5,785.50		40,367.47
Earth Day	200.00				200.00
Firework Donations	15,201.03		6.00		15,195.03
Donations	1,235.01				1,235.01
Dog Park	1,559.81				1,559.81
Canal Link (Waterline)	5,592.00				5,592.00
Barn Preservation	82,050.00				82,050.00
Tobacco Education	2,907.00	600.00			3,507.00
Marriage Licenses - Due State	1,150.00	1,600.00	1,325.00		1,425.00
DCA Fees - Due State	20,125.00	64,573.00	63,234.00		21,464.00
Reserve for Road Repair - Transcon Gas	878.67				878.67
Housing Trust:					
Administrative Fees	12,184.65				12,184.65
Affordability Assistance	4,547.45				4,547.45
Economic Development	8,759.73	10,853.00	15,131.52		4,481.21
Unemployment Compensation Trust	390,118.31	18,875.31	26,568.59		382,425.03
Police Forfeiture Funds	22,090.34	821.10	14,951.41		7,960.03
Affordable Housing Fund	538,311.22	72,800.25	53,705.47	5,745.00	551,681.00
Recreation Trip Account	169,363.80	157,256.36	193,260.06	6,207.46	127,152.64
Escrow:					
Maintenance and Performance	2,085,392.30	245,077.27	222,723.10		2,107,746.47
Planning	692,525.81	158,802.30	283,197.75	6,113.34	562,017.02
Inspection	1,482,169.77	145,717.86	348,089.18	676.16	1,279,122.29
Waterline	279,701.13	1,703.62		6,907.46	274,497.29
Water/Fire	89,381.35	8,118.41			77,489.76
Sewer Capacity	8,056,356.40	229,136.88	750,000.00		7,535,493.28
Payroll/Payroll Agency	115,048.35	13,494,831.53	13,591,157.87		18,722.01
	<u>\$ 14,754,746.03</u>	<u>\$ 15,112,697.59</u>	<u>\$ 16,121,006.46</u>	<u>\$ 26,819.82</u>	<u>\$ 13,719,617.34</u>
		B-3	B-3	B-5	B
Balance, December 31, 2019	B \$ 14,665,066.09				
Encumbrances Payable	B-5 <u>89,679.94</u>				
	<u>\$ 14,754,746.03</u>				

Note: An analysis of trust deposits is on file in the Finance Office.

TOWNSHIP OF MONTGOMERY

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2019	B		\$ 3,277,069.03
Increased by:			
Open Space Levy	B-3	\$ 1,579,630.30	
Other Receipts	B-3	7,843.17	
Interest Earned	B-3	23,583.13	
Transferred from Encumbrances Payable	B-5	<u>77,292.89</u>	
			<u>1,688,349.49</u>
			\$ <u>4,965,418.52</u>
Decreased by:			
Cash Disbursements	B-3	\$ 1,448,005.33	
Encumbrances Payable	B-5	<u>508,602.12</u>	
			<u>1,956,607.45</u>
Balance, December 31, 2020	B		\$ <u><u>3,008,811.07</u></u>

TOWNSHIP OF MONTGOMERY

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
ANIMAL CONTROL TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2019	B	\$	190.20
Increased by:			
Cash Receipts	B-3		<u>1,710.60</u>
		\$	<u>1,900.80</u>
Decreased by:			
Cash Disbursements	B-3	\$	1,710.60
Canceled	B-9		<u>190.20</u>
		\$	<u><u>1,900.80</u></u>

"B-9"

TOWNSHIP OF MONTGOMERY

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2019	B		\$ 120,524.38
Increased by:			
License Fees Collected	B-3	\$ 45,641.40	
Due State of NJ Canceled	B-9	190.20	
Transferred from			
Encumbrances Payable	B-10	<u>4,435.21</u>	
			\$ <u>50,266.81</u>
			\$ <u>170,791.19</u>
Decreased by:			
Expenditures Under R.S.4:49-15.11:			
Cash Disbursements	B-3	\$ 44,134.48	
Encumbrances Payable	B-10	<u>9,323.82</u>	
			<u>53,458.30</u>
Balance, December 31, 2020	B		\$ <u>117,332.89</u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2018	\$ 58,979.40
2019	<u>58,972.20</u>
	\$ <u>117,951.60</u>

"B-10"

SCHEDULE OF ENCUMBRANCES PAYABLE-ANIMAL CONTROL FUND

Balance, December 31, 2019	B		\$ 4,435.21
Increased by:			
Transferred from Reserve for Animal Control Expenditures	B-9		<u>9,323.82</u>
			\$ <u>13,759.03</u>
Decreased by:			
Transferred to Reserve for Animal Control Expenditures	B-9		<u>4,435.21</u>
Balance, December 31, 2020	B		\$ <u>9,323.82</u>

TOWNSHIP OF MONTGOMERY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2019	C		\$ 10,458,470.76
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-8	\$ 95,000.00	
Deferred Charge - Raised in Budget	C-5	1,015,748.89	
Refund of Improvement Authorization	C-7	175,731.24	
Developers Deposits	C-9	39,124.30	
Interfunds	C-10	6,087,711.86	
Various Reserves	C-11	273,950.99	
Bond Anticipation Notes	C-14	<u>14,815,590.00</u>	
			<u>22,502,857.28</u>
			\$ <u>32,961,328.04</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$ 3,454,034.39	
Bond Anticipation Notes	C-14	12,300,590.00	
Developers Deposits	C-9	64.13	
Interfunds	C-10	<u>6,000,000.00</u>	
			<u>21,754,688.52</u>
Balance, December 31, 2020	C:C-3		\$ <u><u>11,206,639.52</u></u>

"C-3"

TOWNSHIP OF MONTGOMERY

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	BALANCE DECEMBER <u>31, 2020</u>
Capital Improvement Fund	\$ 473,017.25
Fund Balance	1,147,933.18
Reserve for Encumbrances	1,324,763.88
Reserve for Developers Security Deposits Exhibit "C-9"	608,311.18
Unexpended Proceeds of Bond Anticipation Notes on "C-5"	4,608,903.04
Improvement Authorizations:	
Funded Improvements Listed on "C-7"	2,820,921.39
Improvements Expended Set Forth on "C-5"	(1,427,490.75)
Various Reserves	1,562,568.49
Interfunds Payable	<u>87,711.86</u>
	<u>\$ 11,206,639.52</u>

REF.

C:C-2

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2019	C	\$ 24,868,270.23
Decreased by:		
2020 Budget Appropriation to Pay:		
Bond Principal	C-13	\$ 1,555,000.00
Loan Principal	C-12	<u>128,204.73</u>
		<u>1,683,204.73</u>
Balance, December 31, 2020	C	<u>\$ 23,185,065.50</u>

TOWNSHIP OF MONTGOMERY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER		BALANCE DECEMBER 31, 2019	AUTHORIZATIONS	RAISED IN BUDGET	CANCELED	BALANCE DECEMBER 31, 2020	ANALYSIS OF BALANCE DECEMBER 31, 2020		
							BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE
	General Improvements:								
1201	Acquisition of Land (Zelcof)	\$ 135,269.41	\$	\$ 135,269.41	\$	\$	\$	\$	\$
1223	Purchase of Johnson Farm	7,906.08		7,906.08					
2016 - 1521	Various Capital Improvements	394,758.25		394,758.25	0.01				
2017 - 1542	Various Capital Improvements	372,710.15		372,710.15					
2017 - 1549	Acquisition of Land for Open Space etc.	105,105.00		105,105.00					
2017 - 1562	Acquisition of Land for Open Space etc.	9,500,000.00				9,500,000.00	9,500,000.00		
2018 - 1576	Various Capital Improvements	2,800,590.00				2,800,590.00	2,800,590.00		
2019 - 1611	Various Capital Improvements	2,515,000.00				2,515,000.00	2,515,000.00		
2020 - 1639	Various Capital Improvements		1,918,400.00			1,918,400.00		1,427,490.75	490,909.25
		<u>\$ 15,831,338.80</u>	<u>\$ 1,918,400.00</u>	<u>\$ 1,015,748.89</u>	<u>\$ 0.01</u>	<u>\$ 16,733,990.00</u>	<u>\$ 14,815,590.00</u>	<u>\$ 1,427,490.75</u>	<u>\$ 490,909.25</u>
	REF.	C	C-7	C-2	C-7	C	C-14	C-3	
	Improvement Authorizations - Unfunded								\$ 5,099,812.29
	Unexpended Proceeds of Bond Anticipation Notes								<u>4,808,903.04</u>
									<u>\$ 490,909.25</u>

TOWNSHIP OF MONTGOMERY

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	C		\$ 559,982.40
Increased by:			
Improvement Authorizations	C-7	\$ 4,208,434.81	
Developers' Contribution Deposits	C-9	<u>22,709.57</u>	
			<u>4,231,144.38</u>
			\$ 4,791,126.78
Decreased by:			
Cash Disbursements	C-2	\$ 3,454,034.39	
Developers' Contribution Deposits	C-9	<u>12,328.51</u>	
			<u>3,466,362.90</u>
Balance, December 31, 2020	C		\$ <u><u>1,324,763.88</u></u>

TOWNSHIP OF MONTGOMERY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2019		2020 AUTHORIZATIONS	PAID OR CHARGED	CANCELED	BALANCE DECEMBER 31, 2020	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
985/1004	Various Capital Improvements	10/21/1999	\$ 9,000,000.00	\$ 924,202.43	\$	\$	\$	\$	\$ 924,202.43	\$
1184	Road Improvements		1,746,500.00	3,270.94					3,270.94	
1153	Tigers Tale Loop		140,000.00	8,050.07					8,050.07	
2010 - 1343	Replacement of Furnace	02/04/2010	15,000.00	94.00					94.00	
2011 - 1387	Various Capital Improvements	06/16/2011	951,485.00	68,021.13			20,062.84		47,958.29	
2012 - 1416	Various Capital Improvements	06/07/2012	2,482,250.00	6,068.02			2,850.89		3,217.03	
2013 - 1442	Acquisition of Certain Equipment	07/01/2013	18,950.00	5,000.00					5,000.00	
2013 - 1443	Various Capital Improvements	07/01/2013	1,648,550.00	9,774.91					9,774.91	
2014 - 1471	Acquisition of Certain Equipment	06/19/2014	65,700.00	433.92					433.92	
2014 - 1472	Various Capital Improvements	06/19/2014	2,135,500.00	96,711.55			(875.14)		97,586.69	
2014 - 1481	Installation of Check Valve NJAW Meter Pit	11/08/2014	15,775.00	4,375.00					4,375.00	
2015 - 1493	Acquisition of Certain Equipment	06/18/2015	65,950.00	7,148.00					7,148.00	
2015 - 1494	Various Capital Improvements	06/18/2015	4,690,000.00	340,610.61			9,401.68		331,208.93	
2016 - 1520	Acquisition of Certain Equipment	06/16/2016	49,100.00	11,522.92			1,328.40		10,194.52	
2016 - 1521	Various Capital Improvements	06/16/2016	4,404,750.00	580,168.50	394,758.28		453,145.81	0.01	521,780.94	
2017 - 1542	Various Capital Improvements	04/06/2017	4,674,000.00	349,111.38	372,710.15		9,366.62		712,454.91	
2017 - 1549	Acquisition of Land for Open Space etc.	06/15/2017	1,260,000.00	28,691.34	106,105.00				133,796.34	
2017 - 1561	Paving Projects and Acq. Of Property	11/02/2017	440,000.00	305,378.47			305,000.00		376.47	
2017 - 1562	Acquisition of Land for Open Space etc.	12/07/2017	10,000,000.00		5,944,837.73		1,507,142.30			4,437,695.43
2018 - 1576	Various Capital Improvements	05/03/2018	2,947,989.00		81,641.47		65,371.53			16,269.94
2019 - 1611	Various Capital Improvements	05/02/2019	2,641,800.00		289,255.46		134,317.79			154,937.67
2020 - 1639	Various Capital Improvements	07/02/2020	2,016,500.00			2,016,500.00	1,525,590.75			490,909.25
				\$ 2,748,629.19	\$ 7,188,308.07	\$ 2,016,500.00	\$ 4,032,703.57	\$ 0.01	\$ 2,820,921.39	\$ 5,099,812.29
		REF.		C	C			C-5	C:C-3	C:C-5
Capital Improvement Fund		C-8				\$ 98,100.00	\$			
Bonds and Notes Authorized		C-5				1,918,400.00				
Contracts Payable		C-6					4,208,434.81			
Less: Refunds		C-2					175,731.24			
						\$ 2,016,500.00	\$ 4,032,703.57			

"C-8"

TOWNSHIP OF MONTGOMERY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	476,117.25
Increased by:			
2020 Budget Appropriation	C-2		95,000.00
		\$	<u>571,117.25</u>
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-7		<u>98,100.00</u>
Balance, December 31, 2020	C	\$	<u><u>473,017.25</u></u>

"C-9"

SCHEDULE OF DEVELOPERS' CONTRIBUTION DEPOSITS

Balance, December 31, 2019	C	\$	579,632.07
Increased by:			
Cash Receipts	C-2	\$	39,124.30
Contracts Payable	C-6		<u>12,328.51</u>
			51,452.81
		\$	<u>631,084.88</u>
Decreased by:			
Cash Disbursements	C-2	\$	64.13
Contracts Payable	C-6		<u>22,709.57</u>
			<u>22,773.70</u>
Balance, December 31, 2020	C:C-3	\$	<u><u>608,311.18</u></u>

Note: An analysis of Developers' Deposits is on file in the Finance Office.

TOWNSHIP OF MONTGOMERY

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Cash Receipts	C-2	\$ <u>6,087,711.86</u>	\$ <u>6,087,711.86</u>
Cash Disbursements	C-2	\$ <u>6,000,000.00</u>	\$ <u>6,000,000.00</u>
Balance, December 31, 2020 Due To	C	\$ <u><u>87,711.86</u></u>	\$ <u><u>87,711.86</u></u>

TOWNSHIP OF MONTGOMERY

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

<u>RESERVE</u>	BALANCE DECEMBER 31, 2019	CASH RECEIPTS	BALANCE DECEMBER 31, 2020
Payment of Debt Service	\$ 1,261,411.92	\$ 273,950.99	\$ 1,535,362.91
Preliminary Expenses	151.54		151.54
Unallocated Interest	16,300.84		16,300.84
Unallocated Receipts	10,753.20		10,753.20
	<u>\$ 1,288,617.50</u>	<u>\$ 273,950.99</u>	<u>\$ 1,562,568.49</u>
<u>REF.</u>	C	C-2	C

TOWNSHIP OF MONTGOMERY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES TRUST LOANS PAYABLE

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>OUTSTANDING DECEMBER 31, 2020</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Open Space	7/20/2001	\$ 45,000.00	2021	\$ 1,385.27	2.000%	\$ 4,114.79	\$ 2,729.52	\$ 1,385.27
Open Space	10/19/2001	2,025,000.00	2021	63,680.23	2.000%	<u>189,155.44</u>	<u>125,475.21</u>	<u>63,680.23</u>
						<u>\$ 193,270.23</u>	<u>\$ 128,204.73</u>	<u>\$ 65,065.50</u>
					<u>REF.</u>	C	C-4	C

TOWNSHIP OF MONTGOMERY  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2020</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>			
			<u>DATE</u>	<u>AMOUNT</u>							
2012 General Improvement Bonds	08/21/2012	\$ 13,225,000.00	09/01/2021	\$ 465,000.00	5.00	\$	\$	\$			
			09/01/2022	475,000.00	5.00						
			09/01/2023	490,000.00	3.00						
			09/01/2024	505,000.00	3.00						
			09/01/2025	520,000.00	3.00						
			09/01/2026	535,000.00	3.00						
			09/01/2027	555,000.00	3.00						
			09/01/2028	575,000.00	3.00						
			09/01/2029	590,000.00	3.00						
			09/01/2030	605,000.00	3.00						
			09/01/2031	620,000.00	3.00						
			09/01/2032	635,000.00	3.00						
			09/01/2033	650,000.00	3.00						
			09/01/2034	665,000.00	3.00						
			09/01/2035	680,000.00	3.25						
			09/01/2036	695,000.00	3.25						
			09/01/2037	710,000.00	3.25				10,425,000.00	455,000.00	9,970,000.00
2017 General Improvement Bonds	09/26/2017	8,155,000.00	09/01/2021	540,000.00	4.00						
			09/01/2022	545,000.00	4.00						
			09/01/2023	555,000.00	4.00						
			09/01/2024	565,000.00	5.00						
			09/01/2025	570,000.00	4.00						
			09/01/2026	590,000.00	4.00						
			09/01/2027	600,000.00	5.00						
			09/01/2028	625,000.00	4.00						
			09/01/2029	645,000.00	2.50						
			09/01/2030	660,000.00	2.50						
			09/01/2031	680,000.00	2.75				7,105,000.00	530,000.00	6,575,000.00

TOWNSHIP OF MONTGOMERY  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2020</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>				
2018 General Improvement Bonds	02/21/2018	\$ 7,700,000.00	02/01/2021	\$ 590,000.00	5.00	\$	\$	\$
			02/01/2022	605,000.00	5.00			
			02/01/2023	615,000.00	5.00			
			02/01/2024	635,000.00	5.00			
			02/01/2025	650,000.00	5.00			
			02/01/2026	670,000.00	5.00			
			02/01/2027	680,000.00	5.00			
			02/01/2028	695,000.00	5.00			
			02/01/2029	705,000.00	4.00			
			02/01/2030	730,000.00	4.00			
						<u>7,145,000.00</u>	<u>570,000.00</u>	<u>6,575,000.00</u>
						<u>\$ 24,675,000.00</u>	<u>\$ 1,555,000.00</u>	<u>\$ 23,120,000.00</u>
					<u>REF.</u>	<u>C</u>	<u>C-4</u>	<u>C</u>

TOWNSHIP OF MONTGOMERY  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>	
17-1562	Various Capital Improvements	8/29/2019	8/29/2019 08/20/20	08/28/20 08/20/21	2.00% 1.50%	\$ 9,500,000.00	\$ 9,500,000.00	\$ 9,500,000.00	\$ 9,500,000.00	
18-1576	Various Capital Improvements	8/29/2019	8/29/2019 08/20/20	08/28/20 08/20/21	2.00% 1.50%	2,800,590.00	2,800,590.00	2,800,590.00	2,800,590.00	
19-1611	Various Capital Improvements	08/20/20	08/20/20	08/20/21	1.50%		2,515,000.00		2,515,000.00	
						<u>\$ 12,300,590.00</u>	<u>\$ 14,815,590.00</u>	<u>\$ 12,300,590.00</u>	<u>\$ 14,815,590.00</u>	
						<u>REF.</u>	<u>C</u>	<u>C-2</u>	<u>C-2</u>	<u>C:C-5</u>

"C-15"

TOWNSHIP OF MONTGOMERY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2020</u>
2020 - 1639	Various Capital Improvements	\$ <u>1,918,400.00</u>
		\$ <u>1,918,400.00</u>

TOWNSHIP OF MONTGOMERY

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2019	D	\$ <u>5,367,574.21</u>	\$ <u>15,979,206.66</u>
Increased by Receipts:			
Collector	D-6	\$ 6,291,053.96	
Miscellaneous	D-3	82,647.17	
Interfunds	D-15	10,232.66	10,000,000.00
Bond Anticipation Notes	D-22		1,692,500.00
Deferred Amortization	D-20		200,000.00
Sewer Capacity	D-3	750,000.00	
Reserve for Debt Service	D-25		18,482.10
		\$ <u>7,133,933.79</u>	\$ <u>11,910,982.10</u>
		\$ <u>12,501,508.00</u>	\$ <u>27,890,188.76</u>
Decreased by Disbursements:			
Current Year Appropriations	D-4	\$ 5,503,803.17	
Prior Year Appropriation Reserves	D-10	218,361.10	
Sewer Overpayment Refunds	D-9	717.38	
Refund of Prior Years Revenue	D-1	50.00	
Contracts Payable	D-17		1,824,643.62
Interfunds	D-15		10,000,000.00
Bond Anticipation Notes	D-22		642,500.00
Accrued Interest	D-12	923,331.52	
		\$ <u>6,646,263.17</u>	\$ <u>12,467,143.62</u>
Balance, December 31, 2020	D	\$ <u>5,855,244.83</u>	\$ <u>15,423,045.14</u>

"D-6"

TOWNSHIP OF MONTGOMERY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>		<u>OPERATING</u>
Increased by Receipts:			
Consumer Accounts Receivable	D-7	\$ 6,226,570.71	
Overpayments	D-9	24,005.94	
Interest on Delinquent Accounts	D-3	40,472.13	
Prepaid Sewer Charges	D-13	5.18	
			\$ <u>6,291,053.96</u>
Decreased by Disbursements:			
Payment to Treasurer:			
Sewer Operating Fund	D-5		\$ <u>6,291,053.96</u>

"D-7"

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance, December 31, 2019	D		\$ 406,188.15
Increased by:			
Sewer Rents Levied-Net			6,202,010.70
			\$ <u>6,608,198.85</u>
Decreased by:			
Collection	D-3:D-6	\$ 6,226,570.71	
Prepays Applied	D-3:D-13	19,532.74	
Overpayments Applied	D-3:D-9	5,820.25	
			<u>6,251,923.70</u>
Balance, December 31, 2020	D		\$ <u>356,275.15</u>

"D-8"

TOWNSHIP OF MONTGOMERY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2019:			
Due From	D	\$ <u>10,232.66</u>	\$ <u>10,232.66</u>
Increased by:			
Cash Receipts	D-5	\$ <u>10,232.66</u>	\$ <u>10,232.66</u>

TOWNSHIP OF MONTGOMERY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2019	D	\$	6,524.27
Increased by:			
Collector Receipts	D-6		24,005.94
		\$	<u>30,530.21</u>
Decreased by:			
Cash Disbursements	D-5	\$	717.38
Canceled	D-1		260.55
Overpayments Applied	D-7		<u>5,820.25</u>
			<u>6,798.18</u>
Balance, December 31, 2020	D	\$	<u><u>23,732.03</u></u>

TOWNSHIP OF MONTGOMERY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2019 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</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	\$ 62,345.36	\$ 62,345.36		\$ 62,345.36
Other Expenses	256,324.60	494,070.58	218,361.10	275,709.48
Statutory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	<u>9,524.62</u>	<u>9,524.62</u>		<u>9,524.62</u>
	<u>\$ 328,194.58</u>	<u>\$ 565,940.56</u>	<u>\$ 218,361.10</u>	<u>\$ 347,579.46</u>
	<u>D</u>			<u>D-1</u>
Balance, December 31, 2019	D-10	\$ 328,194.58		
Cash Disbursements	D-5		218,361.10	
Encumbrances Payable	D-11	<u>237,745.98</u>		
		<u>\$ 565,940.56</u>	<u>\$ 218,361.10</u>	

TOWNSHIP OF MONTGOMERY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	D	\$	237,745.98
Increased by:			
Charges to Current Year Appropriations	D-4		202,357.12
		\$	<u>440,103.10</u>
Decreased by:			
Transferred to Appropriation Reserves	D-10		<u>237,745.98</u>
Balance, December 31, 2020	D	\$	<u><u>202,357.12</u></u>

"D-12"

TOWNSHIP OF MONTGOMERY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST

	<u>REF.</u>		
Balance, December 31, 2019	D	\$	358,886.22
Increased by:			
Budget Appropriation	D-4		<u>955,216.07</u>
		\$	<u>1,314,102.29</u>
Decreased by:			
Cash Disbursements	D-5	\$	923,331.52
Canceled	D-1		<u>50,453.58</u>
			<u>973,785.10</u>
Balance, December 31, 2020	D	\$	<u><u>340,317.19</u></u>

"D-13"

TOWNSHIP OF MONTGOMERY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF PREPAID SEWER RENTS

	<u>REF.</u>		
Balance, December 31, 2019	D	\$	19,532.74
Increased by:			
Prepaid Sewer Rents	D-6	\$	<u>5.18</u>
			19,537.92
Decreased by:			
Prepayments Applied	D-7		<u>19,532.74</u>
Balance, December 31, 2020	D	\$	<u><u>5.18</u></u>

"D-14"

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2019	D	\$	<u>902,634.02</u>
Balance, December 31, 2020	D	\$	<u><u>902,634.02</u></u>

"D-15"

TOWNSHIP OF MONTGOMERY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Increased by:			
Cash Receipts	D-5	\$ <u>10,000,000.00</u>	\$ <u>10,000,000.00</u>
Decreased by:			
Cash Disbursements	D-5	\$ <u>10,000,000.00</u>	\$ <u>10,000,000.00</u>

TOWNSHIP OF MONTGOMERY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE	AUTHORIZED	BALANCE
		DATE	AMOUNT	DECEMBER 31, 2019		DECEMBER 31, 2020
General Improvements:						
2005 - 1186	Study of Sewer Treatment Plant	06/05/2005	\$ 607,100.00	\$ 607,100.00	\$	\$ 607,100.00
2005 - 1190	NPDC STP Acquisition	06/05/2005	5,600,000.00	5,600,000.00		5,600,000.00
2006 - 1226	Sewer Plant and Collection Improvements	07/20/2006	410,500.00	361,000.00		361,000.00
2007 - 1253	Study of Sewer Treatment Plant	08/02/2007	208,700.00	208,700.00		208,700.00
2008 - 1292	Acquisition of Equipment and Study of STP	07/24/2008	356,000.00	355,805.60		355,805.60
2009 - 1320	Upgrade to Pike Brook Wastewater Treatment	06/18/2009	19,000,000.00	19,000,000.00		19,000,000.00
2009 - 1321	Skillman Village Wastewater Treatment	06/18/2009	16,000,000.00	11,678,097.22		11,678,097.22
2009 - 1328	Acquisition of Equipment	06/18/2009	477,000.00	477,000.00		477,000.00
2010 - 1362	Acquisition of Equipment	07/29/2010	129,500.00	127,846.43		127,846.43
2010 - 1363	Sewer Utility Improvements	08/19/2010	1,500,000.00	1,500,000.00		1,500,000.00
2011 - 1388	Various Sewer Utility Improvements	05/16/2011	5,095,000.00	5,089,248.00		5,089,248.00
2011 - 1384	Acquisition of Various Equipment	06/16/2011	100,000.00	100,000.00		100,000.00
2012 - 1414	Acquisition of Certain Equipment	06/07/2012	96,400.00	96,400.00		96,400.00
2012 - 1417	Various Sewer Utility Improvements	06/07/2012	400,000.00	400,000.00		400,000.00
2013 - 1441	Acquisition of Certain Equipment	07/11/2013	100,000.00	100,000.00		100,000.00
2013 - 1444	Various Sewer Utility Improvements	07/11/2013	261,000.00	261,000.00		261,000.00
2014 - 1470	Acquisition of Certain Equipment	06/19/2014	382,500.00	382,500.00		382,500.00
2014 - 1473	Various Sewer Utility Improvements	06/19/2014	150,000.00	150,000.00		150,000.00
2015 - 1492	Acquisition of Certain Equipment	06/18/2015	4,500.00	4,500.00		4,500.00
2015 - 1495	Various Sewer Utility Improvements	06/18/2015	6,626,000.00	6,626,000.00		6,626,000.00
2016 - 1519	Acquisition of Certain Equipment	06/16/2016	3,600.00	3,600.00		3,600.00
2016 - 1522	Various Sewer Utility Improvements	06/16/2016	2,273,500.00	2,273,500.00		2,273,500.00
2017 - 1543	Various Sewer Utility Improvements	04/06/2017	996,000.00	996,000.00		996,000.00
2018 - 1575	Various Capital Projects	05/03/2018	642,500.00	642,500.00		642,500.00
2019 - 1610	Various Sewer Utility Improvements	05/02/2019	1,320,000.00	1,320,000.00		1,320,000.00
2020 - 1638	Various Sewer Utility Improvements	07/02/2020	1,150,000.00		1,150,000.00	1,150,000.00
				\$ 58,360,797.25	\$ 1,150,000.00	\$ 59,510,797.25

REF.

D

D-19

D

"D-17"

TOWNSHIP OF MONTGOMERY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	D	\$	1,483,500.33
Increased by:			
Charges to Improvement Authorizations	D-19		<u>823,434.82</u>
		\$	<u>2,306,935.15</u>
Decreased by:			
Cash Disbursements	D-5		<u>1,824,643.62</u>
Balance, December 31, 2020	D	\$	<u><u>482,291.53</u></u>

TOWNSHIP OF MONTGOMERY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	BALANCE DECEMBER <u>31, 2019</u>	BALANCE DECEMBER <u>31, 2020</u>
Various Sewer Utility Improvements	\$ 896,345.93	\$ 896,345.93
Copper Translator	<u>49,500.00</u>	<u>49,500.00</u>
	<u>\$ 945,845.93</u>	<u>\$ 945,845.93</u>
<u>REF.</u>	D	D

TOWNSHIP OF MONTGOMERY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2019		2020 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2020	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
2005 - 1186	Study of Sewer Treatment Plants	06/02/2005	\$ 607,100.00	\$ 344,517.42	\$	\$	\$	344,517.42	\$
2005 - 1190	NPDC STP Acquisition	06/02/2005	5,600,000.00	1,699,257.68				1,699,257.68	
2006 - 1226	Sewer Plant and Collection Improvements	07/20/2006	410,500.00	1,800.00				1,800.00	
2007 - 1253	Study of Sewer Treatment Plants	08/02/2007	208,700.00	77,463.51				77,463.51	
2008 - 1292C	Improvement to Pike Brook	07/24/2008	200,000.00	32,298.75			(5,500.00)	37,798.75	
2009 - 1320	Upgrade to Pike Brook Wastewater Treatment	06/18/2009	19,000,000.00	2,022,425.08	1,734,097.00		48,638.86	2,173,786.22	1,534,097.00
2009 - 1321	Skillman Village Wastewater Treatment	06/18/2009	16,000,000.00	156,363.30				156,363.30	
2009 - 1328	Acquisition of Miscellaneous Equipment	06/18/2009	477,000.00	124,519.71				124,519.71	
2011 - 1384	Various Sewer Utility Improvements	06/16/2011	100,000.00	0.65				0.65	
2011 - 1388	Various Sewer Utility Improvements	05/16/2011	5,095,000.00	4,602,790.00			(20,097.48)	4,622,887.48	
2012 - 1414	Acquisition of Certain Equipment	06/07/2012	96,400.00	55,283.93				55,283.93	
2012 - 1417	Sewer Utility Improvements	06/07/2012	400,000.00	43,857.00			(9,165.67)	53,022.67	
2013 - 1441	Acquisition of Certain Equipment	07/11/2013	100,000.00				(14,883.15)	14,883.15	
2013 - 1444	Various Sewer Utility Improvements	07/11/2013	261,000.00	92,227.50				92,227.50	
2014 - 1470	Acquisition of Certain Equipment	06/19/2014	362,500.00	367,504.44				367,504.44	
2014 - 1473	Various Sewer Utility Improvements	06/19/2014	150,000.00	13,423.35				13,423.35	
2015 - 1492	Acquisition of Certain Equipment	06/18/2015	4,500.00	2,333.93				2,333.93	
2015 - 1495	Various Sewer Utility Improvements	06/18/2015	6,626,000.00	187,620.90	389,414.00		187,428.74	20,192.16	389,414.00
2016 - 1519	Acquisition of Certain Equipment	06/16/2016	3,600.00	720.86				720.86	
2016 - 1522	Various Sewer Utility Improvements	06/16/2016	2,273,500.00	493,588.16	134,086.00		45,966.93	447,621.23	134,086.00
2017 - 1543	Various Sewer Utility Improvements	04/06/2017	996,000.00	138,748.39			95,110.84	43,637.55	
2018 - 1575	Various Capital Projects	05/03/2018	642,500.00		82,223.29		39,079.62		43,143.67
2019 - 1810	Various Sewer Utility Improvements	05/02/2019	1,320,000.00		816,125.26		311,690.08		504,435.18
2020 - 1638	Various Sewer Utility Improvements	07/02/2020	1,150,000.00			1,150,000.00	185,166.05		984,833.95
				\$ 10,456,744.56	\$ 3,155,945.55	\$ 1,150,000.00	\$ 823,434.82	\$ 10,349,245.49	\$ 3,590,009.80
		REF.		D	D		D-17	D	D
	Deferred Charges to Future Taxation - Unfunded	D-25				\$ 1,150,000.00			
		D-16				\$ 1,150,000.00			

TOWNSHIP OF MONTGOMERY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>CASH RECEIPTS</u>	<u>DEBT PAID BY BUDGET</u>	<u>BALANCE DECEMBER 31, 2020</u>
General Improvements:						
2005 - 1186	Study of Sewer Treatment Plant	06/05/2005	\$ 607,100.00	\$	\$	\$ 607,100.00
2005 - 1190	NPDC STP Acquisition	06/05/2005	1,238,319.55		145,751.89	1,384,071.44
2006 - 1226	Sewer Plant and Collection Improvements	07/20/2006	361,000.00			361,000.00
2007 - 1253	Study of Sewer Treatment Plant	08/02/2007	208,700.00			208,700.00
2008 - 1292	Acquisition of Equipment and Study of STP	07/24/2008	355,806.00			355,806.00
2009-1315	Copper Translator	05/21/09				
2009 - 1328	Acquisition of Equipment	06/18/2009	477,000.00			477,000.00
2009 - 1320	Upgrade to Pike Brook Wastewater	06/18/2009	7,259,478.56	200,000.00	1,013,809.82	8,473,288.38
2009 - 1321	Skillman Village Wastewater Treatment	06/18/2009	6,717,195.70		523,974.11	7,241,169.81
2010 - 1362	Acquisition of Miscellaneous Equipment	07/29/2010	133,846.43			133,846.43
2010 - 1363	Sewer Utility Improvements	08/19/2010	279,563.59		40,582.17	320,145.76
2011 - 1384	Acquisition of Various Equipment	06/16/2011	100,000.00			100,000.00
2011 - 1388	Various Sewer Utility Improvements	05/16/2011	964,214.57		137,844.01	1,102,058.58
2012 - 1414	Acquisition of Certain Equipment	06/07/2012	96,400.00			96,400.00
1999 - 0984	Beden Brook Watershed	1999	141,086.40			141,086.40
2012 - 1417	Acquisition of Certain Equipment	06/07/2012	70,060.86		11,094.22	81,155.08
2013 - 1441	Acquisition of Certain Equipment	07/11/2013	100,000.00			100,000.00
2013 - 1441	Acquisition of Certain Equipment	07/11/2013	33,963.12		10,152.06	44,115.17
2014 - 1470	Acquisition of Certain Equipment	06/19/2014	382,500.00			382,500.00
2014 - 1473	Various Sewer Utility Improvements	06/19/2014	19,519.02		5,834.51	25,353.54
2015 - 1492	Acquisition of Certain Equipment	06/18/2015	4,500.00			4,500.00
2015 - 1495	Various Sewer Utility Improvements	06/18/2015	231,563.78		238,264.99	469,828.77
2016 - 1519	Acquisition of Certain Equipment	06/16/2016	3,600.00			3,600.00
2016 - 1522	Various Sewer Utility Improvements	06/16/2016	79,436.22		81,735.01	161,171.23
2017 - 1543	Various Sewer Utility Improvements	04/06/2017	129,607.28		38,741.14	168,348.42
			<u>\$ 19,994,461.09</u>	<u>\$ 200,000.00</u>	<u>\$ 2,247,783.93</u>	<u>\$ 22,442,245.02</u>
		<u>REF.</u>	D	D-5:D-26		D
	Loans Payable	D-24			\$ 1,537,783.93	
	Bonds Payable	D-23			<u>710,000.00</u>	
					<u>\$ 2,247,783.93</u>	

"D-21"

TOWNSHIP OF MONTGOMERY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2019	D	\$ <u>804,759.53</u>
Balance, December 31, 2020	D	\$ <u><u>804,759.53</u></u>

TOWNSHIP OF MONTGOMERY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>	
2018 - 1575	Various Sewer Utility Improvements	8/29/2019	8/29/2019 8/20/2020	8/28/2020 8/20/2021	2.00% 1.50%	\$ 642,500.00	\$ 642,500.00	\$ 642,500.00	\$ 642,500.00	
2019 - 1610	Various Sewer Utility Improvements	8/20/2020	8/20/2020	8/20/2021	1.50%		1,050,000.00		1,050,000.00	
						<u>\$ 642,500.00</u>	<u>\$ 1,692,500.00</u>	<u>\$ 642,500.00</u>	<u>\$ 1,892,500.00</u>	
						<u>REF.</u>	<u>D</u>	<u>D-S;D-26</u>	<u>D-5</u>	<u>D</u>

TOWNSHIP OF MONTGOMERY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2020</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Sewer Utility Bonds	8/21/2012	\$ 12,095,000.00	9/1/2021	\$ 345,000.00	5.00%			
			9/1/2022	350,000.00	5.00%			
			9/1/2023	360,000.00	3.00%			
			9/1/2024	370,000.00	3.00%			
			9/1/2025	380,000.00	3.00%			
			9/1/2026	390,000.00	3.00%			
			9/1/2027	400,000.00	3.00%			
			9/1/2028	410,000.00	3.00%			
			9/1/2029	420,000.00	3.00%			
			9/1/2030	425,000.00	3.00%			
			9/1/2031	435,000.00	3.00%			
			9/1/2032	445,000.00	3.00%			
			9/1/2033	455,000.00	3.00%			
			9/1/2034	465,000.00	3.00%			
			9/1/2035	470,000.00	3.25%			
			9/1/2036	480,000.00	3.25%			
			9/1/2037	490,000.00	3.25%			
			9/1/2038	500,000.00	3.25%			
			9/1/2039	510,000.00	3.25%			
			9/1/2040	520,000.00	3.25%			
9/1/2041	530,000.00	3.25%						
9/1/2042	540,000.00	3.25%	10,025,000.00	335,000.00	9,690,000.00			

TOWNSHIP OF MONTGOMERY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2020</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Sewer Utility Bonds	9/13/2017	\$ 1,340,000.00	9/1/2021	\$ 55,000.00	4.00%	\$	\$	\$
			9/1/2022	55,000.00	4.00%			
			9/1/2023	60,000.00	4.00%			
			9/1/2024	60,000.00	5.00%			
			9/1/2025	60,000.00	4.00%			
			9/1/2026	60,000.00	4.00%			
			9/1/2027	65,000.00	5.00%			
			9/1/2028	65,000.00	4.00%			
			9/1/2029	70,000.00	2.50%			
			9/1/2030	70,000.00	2.50%			
			9/1/2031	75,000.00	2.75%			
			9/1/2032	75,000.00	3.00%			
			9/1/2033	75,000.00	3.00%			
			9/1/2034	80,000.00	3.00%			
			9/1/2035	80,000.00	3.00%			
			9/1/2036	85,000.00	3.00%			
			9/1/2037	85,000.00	3.00%			
						1,230,000.00	55,000.00	1,175,000.00

TOWNSHIP OF MONTGOMERY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2020</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Sewer Utility Bonds	2/07/2018	\$ 8,376,000.00	2/1/2021	\$ 320,000.00	5.000%	\$	\$	\$
			2/1/2022	330,000.00	5.000%			
			2/1/2023	340,000.00	5.000%			
			2/1/2024	350,000.00	5.000%			
			2/1/2025	355,000.00	5.000%			
			2/1/2026	365,000.00	5.000%			
			2/1/2027	385,000.00	5.000%			
			2/1/2028	400,000.00	5.000%			
			2/1/2029	420,000.00	4.000%			
			2/1/2030	435,000.00	4.000%			
			2/1/2031	455,000.00	3.000%			
			2/1/2032	465,000.00	3.000%			
			2/1/2033	480,000.00	3.000%			
			2/1/2034	495,000.00	3.000%			
			2/1/2035	515,000.00	3.125%			
			2/1/2036	530,000.00	3.125%			
			2/1/2037	545,000.00	3.250%			
			2/1/2038	560,000.00	3.250%			
						<u>8,065,000.00</u>	<u>320,000.00</u>	<u>7,745,000.00</u>
						<u>\$ 19,320,000.00</u>	<u>\$ 710,000.00</u>	<u>\$ 18,610,000.00</u>
					<u>REF.</u>	D	D-20	D

TOWNSHIP OF MONTGOMERY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FUND LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2020		INTEREST RATE	BALANCE DECEMBER 31, 2019	DECREASED	BALANCE DECEMBER 31, 2020						
			DATE	AMOUNT										
Skillman - Fund Loan	2010	\$ 10,939,534.00	2021-2027	\$ 329,974.11	0%	\$ 2,945,901.12	\$ 329,974.11	\$ 2,615,927.01						
	Loan Forgiveness	(5,000,000.00)	2029	306,108.24	0%									
	Loan Deceased	(353,840.00)												
		\$ 5,585,694.00												
Skillman - Trust Loan	2010 Loan Deceased Svg Credit	\$ 3,780,000.00 (325,000.00) (120,000.00) \$ 3,335,000.00	08/01/2021	202,000.00	3.00%	2,015,000.00	184,000.00	1,821,000.00						
			08/01/2022	209,000.00	4.00%									
			08/01/2023	218,000.00	4.00%									
			08/01/2024	228,000.00	4.00%									
			08/01/2025	237,000.00	4.00%									
			08/01/2026	246,000.00	3.50%									
			08/01/2027	252,000.00	4.00%									
			08/01/2028	229,000.00	4.00%									
			Pike Brook - Fund Loan	2010	\$ 3,310,235.00				2021-2028 2029	183,901.93 183,902.19	0% 0%	1,839,019.56	183,901.93	1,555,117.63
			Pike Brook - Trust Loan	2010 Svg Credit	\$ 4,400,000.00 (160,000.00) \$ 4,240,000.00				08/01/2021	235,000.00	3.00%	2,697,000.00	223,000.00	2,474,000.00
08/01/2022	241,000.00	4.00%												
08/01/2023	251,000.00	4.00%												
08/01/2024	265,000.00	4.00%												
08/01/2025	275,000.00	4.00%												
08/01/2026	284,000.00	3.50%												
08/01/2027	295,000.00	4.00%												
08/01/2028	309,000.00	4.00%												
08/01/2029	319,000.00	4.00%												

TOWNSHIP OF MONTGOMERY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FUND LOANS PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2020</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Pike Brook - Fund Loan	2010	\$ 8,111,250.00	2021-2029	\$ 426,907.89	0%	\$ 4,365,404.88	\$ 426,907.89	\$ 3,938,496.99
	Loan Defeased	(330,582.00)	2029	96,325.98	0%			
		\$ 7,780,668.00						
Pike Brook - Trust Loan	2010	\$ 1,675,000.00	8/1/2021	75,000.00	4.00%	1,105,000.00	180,000.00	925,000.00
	Loan Defeased	(110,000.00)	8/1/2022-23	80,000.00	4.00%			
		\$ 1,565,000.00	8/1/2024	85,000.00	4.00%			
			8/1/2025	90,000.00	4.00%			
			8/1/2026	95,000.00	4.00%			
			8/1/2027	100,000.00	4.13%			
			8/1/2028-29	105,000.00	4.25%			
			8/1/2030	110,000.00	4.38%			
					\$ 14,967,325.56	\$ 1,537,783.93	\$ 13,429,541.63	
					D	D-20	D	

REF.

"D-25"

TOWNSHIP OF MONTGOMERY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

	BALANCE DECEMBER <u>31, 2019</u>	CASH <u>RECEIVED</u>	BALANCE DECEMBER <u>31, 2020</u>
Reserve for Debt Service	\$ <u>608,558.87</u>	\$ <u>18,482.10</u>	\$ <u>627,040.97</u>
<u>REF.</u>	D	D-5	D

TOWNSHIP OF MONTGOMERY

SEWER 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>	<u>AUTHORIZATIONS</u>	<u>CASH RECEIPTS</u>	<u>NOTES ISSUED</u>	<u>BALANCE DECEMBER 31, 2020</u>
2009 - 1320	Upgrade to Pike Brook Wastewater Treatment Plant	\$ 1,734,097.00	\$	\$ 200,000.00	\$	\$ 1,534,097.00
2015 - 1495	Various Sewer Utility Improvements	389,414.00				389,414.00
2016 - 1522	Various Sewer Utility Improvements	134,086.00				134,086.00
2018 - 1575	Various Sewer Utility Improvements	642,500.00			642,500.00	
2019 - 1610	Various Sewer Utility Improvements	1,320,000.00			1,050,000.00	270,000.00
2020 - 1638	Various Sewer Utility Improvements		1,150,000.00			1,150,000.00
		<u>\$ 4,220,097.00</u>	<u>\$ 1,150,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 1,692,500.00</u>	<u>\$ 3,477,597.00</u>
	<u>REF.</u>		D-19	D-20	D-22	

PART II

TOWNSHIP OF MONTGOMERY

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

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

	YEAR 2020		YEAR 2019	
	AMOUNT	%	AMOUNT	%
<b><u>REVENUE AND OTHER INCOME REALIZED</u></b>				
Fund Balance Utilized	\$ 4,554,000.00	3.27	\$ 4,554,000.00	3.27
Miscellaneous-From Other Than Local				
Property Tax Levies	10,026,348.43	7.20	12,165,464.34	8.74
Collection of Delinquent Taxes and Tax Title Liens	909,342.77	0.65	764,044.19	0.55
Collection of Current Tax Levy	<u>123,801,961.62</u>	<u>88.88</u>	<u>121,680,838.72</u>	<u>87.44</u>
<b><u>TOTAL INCOME</u></b>	<b><u>\$ 139,291,652.82</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 139,164,347.25</u></b>	<b><u>100.00%</u></b>
<b><u>EXPENDITURES</u></b>				
Budget Expenditures:				
Municipal Purposes	\$ 27,329,113.42	20.28	\$ 28,512,756.41	21.33
County Taxes	19,408,970.49	14.40	19,223,528.02	14.38
School Taxes	84,201,608.50	62.49	82,299,702.50	61.57
Municipal Open Space Taxes	1,579,830.30	1.17	1,566,154.88	1.17
Special District Taxes	1,926,646.00	1.43	1,888,283.00	1.41
Other	<u>295,690.00</u>	<u>0.22</u>	<u>175,123.93</u>	<u>0.13</u>
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>\$ 134,741,658.71</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 133,665,548.74</u></b>	<b><u>100.00%</u></b>
Excess in Revenue	\$ 4,549,994.11		\$ 5,498,798.51	
Fund Balance, January 1	<u>9,026,334.01</u>		<u>8,081,535.50</u>	
	\$ 13,576,328.12		\$ 13,580,334.01	
Less: Utilization as Anticipated Revenue	<u>4,554,000.00</u>		<u>4,554,000.00</u>	
Fund Balance, December 31	<b><u>\$ 9,022,328.12</u></b>		<b><u>\$ 9,026,334.01</u></b>	

**COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE-SEWER UTILITY FUND**

	YEAR 2020		YEAR 2019	
	AMOUNT	%	AMOUNT	%
<b><u>REVENUE AND OTHER INCOME REALIZED</u></b>				
Fund Balance Utilized	\$ 750,000.00	9.07	\$ 750,000.00	9.02
Collection of Sewer Use Charges	6,251,923.70	75.57	5,889,068.27	70.86
Miscellaneous-From Other Than Sewer Use	1,271,412.89	15.37	1,671,544.12	20.11
<b><u>TOTAL INCOME</u></b>	<b>\$ 8,273,336.59</b>	<b>100.00%</b>	<b>\$ 8,310,612.39</b>	<b>100.00%</b>
<b><u>EXPENDITURES</u></b>				
Budget Expenditures:				
Operating	\$ 3,452,807.00	47.53	\$ 3,462,807.00	46.66
Debt Service	3,093,000.00	42.58	3,079,000.00	41.48
Deferred Charges and Regulatory Expenditures	418,000.00	5.75	479,992.60	6.47
Surplus (General Budget)	300,000.00	4.13	400,000.00	5.39
Other	50.00	0.00	220.03	0.00
<b><u>TOTAL EXPENDITURES</u></b>	<b>\$ 7,263,857.00</b>	<b>100.00%</b>	<b>\$ 7,422,019.63</b>	<b>100.00%</b>
Excess in Revenue	\$ 1,009,479.59		\$ 888,592.76	
Fund Balance, January 1	4,426,923.08		4,288,330.32	
	<b>\$ 5,436,402.67</b>		<b>\$ 5,176,923.08</b>	
Decreased by:				
Utilization as Anticipated Revenue	750,000.00		750,000.00	
Fund Balance, December 31	<b>\$ 4,686,402.67</b>		<b>\$ 4,426,923.08</b>	

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$3.119</u>	<u>\$3.098</u>	<u>\$3.025</u>
Appointment of Tax Rate:			
Municipal	\$0.424	\$0.413	\$0.400
Municipal Open Space	0.040	0.040	0.040
County	0.397	0.397	0.387
County Open Space	0.038	0.037	0.037
County Library	0.058	0.058	0.058
Regional School	<u>2.162</u>	<u>2.153</u>	<u>2.103</u>

Assessed Valuation:

2020	\$ <u>3,920,178,277.00</u>		
2019		\$ <u>3,885,578,917.00</u>	
2018			\$ <u>3,848,704,985.00</u>

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH</u> <u>COLLECTIONS</u>	<u>PERCENTAGE</u> <u>OF</u> <u>COLLECTION</u>
2020	\$ 125,124,410.59	\$ 124,001,961.62	99.10%
2019	123,213,158.54	\$ 122,280,838.72	99.24%
2018	118,923,624.25	117,930,775.43	99.16%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2020	\$ 428,251.95	\$ 836,838.91	\$ 1,265,090.86	1.01%
2019	402,361.86	939,184.02	1,341,545.88	1.09%
2018	381,096.65	908,117.39	1,289,214.04	1.08%

**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>
2020	\$ 115,210.00
2019	115,210.00
2018	115,210.00

**COMPARISON OF SEWER UTILITY LEVIES**

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS *</u>
2020	\$ 6,202,010.70	\$ 6,251,923.70
2019	6,039,864.62	5,889,068.27
2018	5,972,391.09	5,845,226.92

\* Includes Collection of Prior Year Levies

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2020	\$ 9,022,328.12	\$ 5,000,000.00
	2019	9,026,334.01	4,554,000.00
	2018	8,081,535.50	4,554,000.00
	2017	8,311,332.11	4,325,000.00
	2016	7,179,257.91	4,325,000.00
Sewer Utility Operating Fund	2020	\$ 4,686,402.67	\$ 750,000.00
	2019	4,426,923.08	750,000.00
	2018	4,288,330.32	750,000.00
	2017	3,698,621.64	750,000.00
	2016	2,891,704.71	750,000.00

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>
Sadaf Jaffer	Mayor		
Marvin Schuldiner	Deputy Mayor		
Catherine Gural	Committeeperson		
Devra Keenan	Committeeperson		
Kent Huang	Committeeperson		
Kevin Van Hise	Township Attorney		
Donato Nieman	Administrator		
Donna Kukla	Township Clerk		
Michael W. Pitts, Jr.	Chief Financial Officer/ Tax Collector	\$1,000,000.00	M.J.J.I.F.
Glenn Stives	Tax Assessor		
Francesco Taddeo	Magistrate	\$1,000,000.00	M.J.J.I.F.
Susan Keeth	Court Administrator		
James Gill	Police Captain/Director		
Roy Mondì	Construction Code Official		
Gail Smith	Municipal Engineer		

All other employees were covered under a blanket bond in the amount of \$950,000.00 issued by the Mid Jersey Joint Insurance Fund (M.J.J.I.F.)

All bonds were examined and were properly executed.

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00. In accordance with N.J.S.A. 40A:11-3 and authorized by a resolution dated July 2, 2015 of the governing body, the bid threshold for all purchases made by the Township's qualified purchasing agent is \$40,000.00.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Counsel's opinion should be sought before a commitment is made.

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

Manhole Rehabilitation Project  
Collection & Disposal of Solid Waste  
Skillman Park Pathway  
2020 Road Improvement Project  
Submersible Pump Repair Services

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed. Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$40,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolution authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 was advertised during 2020 for the following professional services:

Township Auditor  
Township Engineer  
Township Attorney  
Bond Counsel

Risk Management Consultant  
Landscape Architect  
Financial Advisors  
Township Planner

**COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS**

The governing body on January 2, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes.

WHEREAS, N.J.S.A. 54:4-67 permits the Township to establish by resolution the rate of interest to be charged for the nonpayment of taxes or assessments on any installment which is not made within the tenth calendar day following the date upon which same became due and payable; and

WHEREAS, Chapter 75, P.L. 1991, now permits the governing body to establish a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year: and

WHEREAS, the Township Committee of the Township of Montgomery finds it to be in the best interests of the Township to establish said penalty.

BE IT RESOLVED By the Township Committee of the Township of Montgomery as follows:

1. Pursuant to N.J.S.A. 54:4-67, the Township Committee of the Township of Montgomery reaffirms that the following interest shall be charged for the nonpayment of taxes or assessments on any installment which is not made within the tenth calendar day following the date upon which same became payable: 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 was payable until the date of actual payment. The term "delinquent" as used herein shall mean the sum of all taxes and municipal charges due on a given parcel of property covering any number of quarters or years.
2. In addition, the Township Committee hereby fixes as a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year an additional sum of 6% of the amount of the delinquency.

BE IT RESOLVED, that the Tax Collector is hereby authorized to waive the interest charge on delinquent taxes where payment is received within 10 days after the due date and that any installment receiver after the expiration of this grace period bear interest from the due date.

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

**DELINQUENT TAXES AND TAX TITLE LIENS**

The last tax sale was held on November 17, 2020 and was complete.

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

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2020	27
2019	25
2018	25

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

**CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES**

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

<u>TYPE</u>	<u>NUMBER</u>
Delinquent Tax Positive Confirmation	10
Delinquent Utility Rent Positive Confirmation	10
Information Tax Current Positive Confirmation	10
Information Utility Rent Positive Confirmation	10

**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.

RECOMMENDATIONS

None





