

# **CITY OF PLEASANTVILLE**

**ATLANTIC COUNTY**

**NEW JERSEY**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2019**



# CITY OF PLEASANTVILLE

## TABLE OF CONTENTS

	<b>Exhibit</b>	<b>Page</b>
<b>PART 1</b>		
Independent Auditor's Report on Financial Statements		1-4
<b>CURRENT FUND</b>		
Comparative Balance Sheet - Regulatory Basis	A	5-8
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1	9-10
Statement of Revenues - Regulatory Basis	A-2	11-15
Statement of Expenditures - Regulatory Basis	A-3	16-23
<b>TRUST FUND</b>		
Comparative Balance Sheet - Regulatory Basis	B	24-25
<b>CAPITAL FUND</b>		
Comparative Balance Sheet - Regulatory Basis	C	26
Schedule of Fund Balance - Regulatory Basis	C-1	27
<b>SEWER UTILITY FUND</b>		
Comparative Balance Sheet - Regulatory Basis	D	28-29
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	D-1	30
Statement of Capital Fund Balance - Regulatory Basis	D-2	31
Statement of Revenues - Regulatory Basis	D-3	32
Statement of Expenditures - Regulatory Basis	D-4	33-34
<b>GENERAL FIXED ASSET GROUP OF ACCOUNTS</b>		
Statement of General Fixed Assets - Regulatory Basis	G	35
<b>NOTES TO FINANCIAL STATEMENTS</b>		36-68
<b>SUPPLEMENTARY DATA</b>		
Independent Auditor's Report - Government Audit Standards		69-70

# CITY OF PLEASANTVILLE

## TABLE OF CONTENTS

	<b>Exhibit</b>	<b>Page</b>
Independent Auditor's Report - OMB Uniform Guidance and New Jersey OMB 15-08		71-73
Schedule of Expenditures of Federal Awards		74
Schedule of Expenditures of State Financial Assistance		75-76
Notes to Schedule of Expenditures of Federal and State Awards		77
Audit Findings and Questioned Costs		
Part 1 - Summary of Auditor's Results		78-79
Part 2 - Schedule of Financial Statement Findings		80
Part 3 - Schedules of Federal and State Award Findings and Questioned Costs		81
Status of Prior Year Findings		82
<b>CURRENT FUND</b>		
Schedule of Cash - Treasurer	A-4	83
Schedule of Current Cash - Collector	A-5	84
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6	85-86
Schedule of Tax Title Liens	A-7	87
Schedule of Revenue Accounts Receivable	A-8	88
Schedule of Appropriation Reserves	A-9	89
Schedule of Local District School Tax	A-10	90
Schedule of State Grants Receivable	A-11	91-92
Schedule of Reserve for State Grants - Appropriated	A-12	93-95
Schedule of Reserve for State Grants - Unappropriated	A-13	96
<b>TRUST FUNDS</b>		
Schedule of Cash - Treasurer	B-2	97-98
Schedule of Reserve for Animal Control Expenditures	B-3	99
Schedule of Amount Due to Current Fund - Animal Control Fund	B-4	100

## CITY OF PLEASANTVILLE

### TABLE OF CONTENTS

	<b>Exhibit</b>	<b>Page</b>
Schedule of Amount Due From State of New Jersey - Department of Health	B-5	100
Schedule of Deposits for Tax Title Lien Redemptions	B-6	101
Schedule of Premiums Received at Tax Sale	B-7	101
Schedule of Unemployment Compensation Fund	B-8	102
Schedule of Bid Escrow Trust	B-9	102
Schedule of Reserve for Confiscated Funds	B-10	103
Schedule of Reserve for Developer's Escrow	B-11	103
Schedule of Reserve for Law Enforcement Trust	B-12	104
<b>CAPITAL FUNDS</b>		
Schedule of Cash - Treasurer	C-2	105
Analysis of Cash	C-3	106
Schedule of Capital Improvement Fund	C-4	107
Statement of Deferred Charges to Future Taxation - Funded	C-5	108
Statement of Deferred Charges to Future Taxation - Unfunded	C-6	109
Schedule of Improvement Authorizations	C-7	110
Schedule of General Serial Bonds	C-8	111
Schedule of Loans Payable	C-8a	112-113
Schedule of Bond Anticipation Notes	C-9	114
Schedule of Bonds and Notes Authorized But Not Issued	C-10	115
<b>SEWER UTILITY FUND</b>		
Schedule of Cash - Treasurer	D-5	116
Analysis of Cash - Sewer Utility Capital	D-6	117
Schedule of Cash - Collector	D-7	118
Schedule of Consumer Accounts Receivable	D-8	119
Schedule of Sewer Utility Liens	D-9	119
Schedule of Deferred Charges	D-10	N/A
Schedule of Fixed Capital - Sewer	D-11	120
Schedule of Fixed Capital Authorized and Uncompleted	D-12	121
Sewer Capital Fund - Schedule of Amount Due to Sewer Operating Fund	D-13	122
Schedule of Appropriation Reserves	D-14	123

## **CITY OF PLEASANTVILLE**

### **TABLE OF CONTENTS**

	<b>Exhibit</b>	<b>Page</b>
Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance	D-15	124
Schedule of Improvement Authorizations	D-16	125
Schedule of Capital Improvement Fund	D-17	126
Schedule of Reserve for Amortization	D-18	126
Schedule of Deferred Reserve for Amortization	D-19	127
Schedule of Serial Bonds	D-20	128-129
Schedule of Bonds and Notes Authorized But Not Issued	D-21	130
Schedule of Bond Anticipation Notes	D-22	131
 <b>PART II</b>		
General Comments		132-135
Other Financial Statement Findings		136
Status of Prior Recommendations		137
Recommendations		137

**CITY OF PLEASANTVILLE**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2019**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

## Independent Auditor's Report

The Honorable Mayor and  
Members of City Council  
City of Pleasantville, New Jersey

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Pleasantville, as of December 31, 2019 and 2018, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

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

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

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

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

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

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

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

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

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

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pleasantville's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020 on our consideration of the City of Pleasantville'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 City of Pleasantville's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Harvey C. Cocozza, Jr.*  
**Harvey C. Cocozza, Jr.**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 551**

**June 26, 2020**

**EXHIBIT A - CURRENT FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Regular Fund:		
Cash - Treasurer	\$ 3,201,136	4,768,999
Due from State of New Jersey - Senior Citizens and Veterans	<u>21,028</u>	<u>16,380</u>
	<u>3,222,164</u>	<u>4,785,379</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	56,986	131,979
Tax Title and Other Liens	2,141,118	1,839,568
Property Acquired for Taxes-Assessed Valuation	1,948,529	1,948,529
Revenue Accounts Receivable	12,017	140
Due from Local Board of Education	170,883	-
Due from:		
Animal Control Fund	6,453	6,067
Fire Prevention Penalty Fund	2,312	2,312
Veterans Memorial Funnd	100	100
Utility Operating Fund	4,603	6,178
Accumulataed Absence Trust	827	827
Payroll Trust	51,084	51,084
Payroll Clearing	<u>16,055</u>	<u>20,806</u>
	<u>4,410,967</u>	<u>4,007,590</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
ASSETS		
Deferred Charges:		
Cash Deficit in Operations	463,098	-
Overexpenditure of Appropriation	-	7,691
Emergency Appropriation	-	475,000
Special Emergency Appropriation	<u>848,502</u>	<u>886,102</u>
	<u>1,311,600</u>	<u>1,368,793</u>
Total Assets - Regular Fund	<u>8,944,731</u>	<u>10,161,762</u>
Federal and State Grant Fund:		
Cash	975,639	1,715,452
Federal Grants Receivable	1,509,939	1,417,241
State Grants Receivable	3,830,731	3,644,445
Due from Current Fund	599,322	849,870
Deferred Charges:		
Expenditure without an Appropriation	<u>30,312</u>	<u>-</u>
Total Assets - Grant Fund	<u>6,945,943</u>	<u>7,627,008</u>
Total Current Fund	<u>\$ 15,890,674</u>	<u>17,788,770</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
LIABILITIES, RESERVES AND FUND BALANCE		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 335,861	173,118
Reserve for Encumbrances and Payables	31,099	160,793
Taxes Collected in Advance	436,841	380,639
Tax Overpayments	101,905	271,942
Special Emergency Note Payable	848,502	886,102
Emergency Note Payable	-	425,000
Due to:		
Board of Education	-	97,723
Grant Fund	599,322	849,870
Utility Capital	550,555	550,555
General Capital Fund	792,082	747,055
County of Atlantic - Added/Omitted Taxes	7,550	-
State Training Fees	3,784	3,204
Reserve for:		
State Tax Appeals Pending	-	100,000
FICA Reimbursements	232	232
Tax Lien Sale Costs	27,510	27,510
Revaluation	68,092	-
Performance Bonds	<u>81,939</u>	<u>81,939</u>
	3,885,274	4,755,682
Reserves for Receivables and Other Assets	4,410,967	4,007,590
Fund Balance	<u>648,490</u>	<u>1,398,490</u>
 Total Liabilites - Regular Fund	 <u>8,944,731</u>	 <u>10,161,762</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
LIABILITIES, RESERVES AND FUND BALANCE		
Federal and State Grant Fund:		
Encumbrances Payable	106,492	250,293
Due to General Capital	662,101	662,101
Commercial Development		
Unappropriated Reserves	40,514	40,514
Reserve for Federal Grants		
Appropriated	1,335,951	1,370,776
Reserve for State Grants		
Appropriated	3,356,324	3,145,866
Unappropriated	<u>1,444,561</u>	<u>2,157,458</u>
Total Liabilities - Grant Fund	<u>6,945,943</u>	<u>7,627,008</u>
Total Current Fund	\$ <u><u>15,890,674</u></u>	<u><u>17,788,770</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 750,000	1,200,000
Miscellaneous Revenue Anticipated	6,593,119	7,700,117
Receipts from Delinquent Taxes	155,031	207,879
Receipts from Current Taxes	36,214,016	35,447,064
Non Budget Revenue	137,789	428,543
Other Credits to Income:		
Unexpended Balance of Approp Reserves	<u>95,011</u>	<u>154,143</u>
Total Income	<u>43,944,966</u>	<u>45,137,746</u>
Expenditures		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	12,357,750	12,207,931
Other Expenses	11,809,321	12,593,963
Deferred Charges and Statutory		
Expenditures	4,389,231	4,515,245
Capital Improvements	-	50,000
Municipal Debt Service	2,124,522	2,014,702
Transferred to Board of Education for Local Use	75,902	74,832
Local District School Tax	9,801,173	9,820,309
County Tax	3,894,414	3,852,873
County Share of Added Taxes	7,550	-
Interfund Created	9,983	-
Receivable Created	170,883	
Refund of Prior Year's Revenue	<u>143,524</u>	<u>241,633</u>
Total Expenditures	<u>44,784,253</u>	<u>45,371,488</u>
Excess/(Deficit) in Revenue	<u>(839,287)</u>	<u>(233,742)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	<u>2019</u>	<u>2018</u>
Adjustments to Income before Fund Balance:		
Expenditures included above with are by Statute		
Deferred Charges to Budget of Succeeding Year		
Overexpenditure of Appropriation	-	7,691
Cash Deficit in Operations	463,098	-
Emergency Appropriation	<u>376,189</u>	<u>475,000</u>
Statutory Excess to Fund Balance	<u>-</u>	<u>248,949</u>
Fund Balance January 1	<u>1,398,490</u>	<u>2,349,541</u>
	1,398,490	2,598,490
Decreased by:		
Utilization as Anticipated Revenue	<u>750,000</u>	<u>1,200,000</u>
Balance December 31	\$ <u><u>648,490</u></u>	<u><u>1,398,490</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	Anticipated		Excess or
	Budget	N.J.S. 40A:4-87	(Deficit)
Fund Balance Anticipated	\$ 750,000	750,000	
Total Fund Balance Anticipated	750,000	-	-
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	20,000	22,500	2,500
Other	35,000	30,796	(4,204)
Fees and Permits	375,000	320,565	(54,435)
Fines and Costs:			
Municipal Court	200,000	186,000	(14,000)
Interest and Costs on Taxes	200,000	200,038	38
Interest on Investments and Deposits	17,000	31,382	14,382
Anticipated Utility Operating Surplus	1,050,000	1,050,000	-
Rental of Municipal Property	65,000	66,987	1,987
Payments in Lieu of Taxes	247,000	248,598	1,598
Hotel Room Tax	38,000	35,866	(2,134)
Rental Regulation Fee	135,000	162,250	27,250
Abandoned Property Registration	280,000	125,197	(154,803)
Total Section A	2,662,000	-	(181,821)
Section B: State Aid Without			
Offsetting Appropriations			
Energy Receipts Tax	2,021,711	2,021,711	
Consolidated Municipal Property Tax Relief Act	109,729	109,729	
Total Section B	2,131,440	-	-

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section C: Dedicated Uniform Construction Code Fees Offset with Appropriations (NJS40A:4-36 & NJAC 5:23-4.17)				
Uniform Construction Code Fees	255,000		249,556	(5,444)
Total Section C	255,000	-	249,556	(5,444)
Section F: Special Items of General Revenue Anticipated -Public and Private Revenues Offset with Appropriations				
Clean Communities Program		37,853	37,853	
Body Armor Fund	6,051		6,051	
Urban Enterprise Zone: Projects				
Municipal Alliance on Alcoholism and Drug Abuse	1,050,000		1,050,000	
Safe and Secure Communities Program	19,242		19,242	
Summer Food Program	90,000		90,000	
Neighborhood Preservation Program		214,575	214,575	
		125,000	125,000	
Total Section F	1,165,293	377,428	1,542,721	-

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section G-Special Items of General Revenue				
Anticipated with Prior Written Consent of Director of				
Local Government Services - Other Special Items	45,000		42,600	(2,400)
Uniform Fire Safety Act	75,000		146,623	71,623
Special Duty of Police Officers				
Total Section G	120,000	-	189,223	69,223
Total Miscellaneous Revenues	6,333,733	377,428	6,593,119	(118,042)
Receipts from Delinquent Taxes	241,000		155,031	(85,969)
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	23,161,927		22,993,419	(168,508)
Budget Totals	30,486,660	377,428	30,491,569	(372,519)
Non-Budget Revenues:				
Other Non-Budget Revenue	-		137,789	137,789
	\$ 30,486,660	377,428	30,629,358	(234,730)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 36,214,016
--------------------------	---------------

Less: Reserve for Tax Appeals Pending	<u>-</u>
---------------------------------------	----------

Net Revenue from Collections	36,214,016
------------------------------	------------

Allocated to:

School, County Taxes	<u>13,703,137</u>
----------------------	-------------------

Balance for Support of Municipal Budget Appropriations	22,510,879
--	------------

Increased by:

Appropriation "Reserve for Uncollected Taxes"	<u>482,540</u>
---	----------------

Amount for Support of Municipal Budget Appropriations	<u><u>22,993,419</u></u>
---	--------------------------

Receipts from Delinquent Taxes:

Delinquent Tax Collections	79,207
----------------------------	--------

Tax Title Lien Collections	<u>75,824</u>
----------------------------	---------------

	<u><u>\$ 155,031</u></u>
--	--------------------------

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



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

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:

Tax Collector:

Tax Search Fees	\$	70
Miscellaneous Tax Office Receipts		2,244

Clerk:

Miscellaneous Fees		3,969
--------------------	--	-------

Treasurer:

Street Opening Surety	17,987	
Recreation Fees	6,058	
JIF Safety Award	3,235	
Board Up & Cleaning Fees	15,988	
Escrow Application Fees	7,205	
Auctioned Assets	10,598	
Insurance Reimbursements	18,668	
Prior Year Refunds	2,569	
Miscellaneous	21,957	
Escheated TTL Premiums	25,800	
Senior Citizen and Veterans Admin Fee	1,441	
		131,506
		\$ 137,789

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
GENERAL GOVERNMENT:						
General and Administrative						
Salaries and Wages	\$ 231,000	227,500	227,449		51	
Other Expenses	55,000	90,000	84,014		5,986	
Mayor and City Council						
Salaries and Wages	99,000	88,000	87,872		128	
Other Expenses	19,000	14,000	11,839	250	1,911	
Municipal Clerk						
Salaries and Wages	117,000	102,000	100,638		1,362	
Other Expenses	45,000	41,000	37,206		3,794	
Technology Support & Equipment						
Other Expenses	120,000	120,000	106,130		13,870	
Elections						
Other Expenses	10,000	12,000	11,404		596	
Financial Administration						
Salaries and Wages	155,000	140,000	139,510		490	
Other Expenses	35,000	35,000	33,532	414	1,054	
Audit Services	45,000	40,000	39,900		100	
Assessment of Taxes						
Salaries and Wages	55,000	52,000	51,276		724	
Other Expenses	10,000	7,000	6,625		375	
Other Expenses - Revaluation		376,189	376,189		-	
Collection of Taxes						
Salaries and Wages	70,000	62,000	60,805		1,195	
Other Expenses	15,000	11,000	10,043		957	

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Liquidation of Tax Title Liens and Foreclosed Property Other Expenses	45,000	50,100	50,040		60	
Legal Services and Costs Other Expenses	199,000	199,000	183,994	1,600	13,406	
Public Buildings and Grounds Other Expenses	115,000	121,000	114,442		6,558	
Planning and Zoning Board of Adjustment Salaries and Wages Other Expenses	38,000 5,000	39,000 5,000	38,595 2,321		405 2,679	
PUBLIC SAFETY:						
Fire						
Salaries and Wages Other Expenses	4,150,000 99,000	4,230,000 93,000	4,211,320 87,144	181	18,680 5,675	
Police						
Salaries and Wages Other Expenses	4,635,000 490,000	4,905,000 490,000	4,873,366 474,549		31,634 15,451	
Emergency Management Service						
Salaries and Wages Other Expenses	5,000 1,500	5,000 1,500	5,000 -		- 1,500	
Uniform Fire Safety Act (PL 1983, CH 383) Fire Prevention Program						
Salaries and Wages Other Expenses	115,000 5,000	108,000 5,000	107,081 2,469		919 2,531	

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Telecommunications Unit						
Salaries and Wages	425,000	276,000	272,066		3,934	
Other Expenses	4,500	219,500	218,353		1,147	
Municipal Court						
Salaries and Wages	210,000	212,000	211,126		874	
Other Expenses	33,000	33,000	27,561	800	4,639	
Public Defender						
Salaries and Wages	12,000	12,000	9,375		2,625	
PUBLIC WORKS						
Division of Roads						
Salaries and Wages	1,075,000	1,045,000	1,039,594		5,406	
Other Expenses	225,000	221,500	212,747	1,892	6,861	
Division of Public Property						
Salaries and Wages	175,000	130,000	122,344		7,656	
Other Expenses	23,000	23,000	21,004	29	1,967	
SANITATION:						
Solid Waste (CH 74, PL 1987)						
Garbage and Trash Removal						
Other Expenses - Contractual						
Contractual Trash Pickup	600,000	597,000	596,614		386	
Contractual Recycling Pickup	190,000	158,000	157,269		731	
Solid Waste Disposal Costs	610,000	555,000	539,372		15,628	
HEALTH AND WELFARE:						
Animal Control						
Other Expenses	14,000	11,000	9,375		1,625	
Senior Citizen Board						
Other Expenses	3,000	3,000	1,606		1,394	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Recreation and Education: Parks and Playgrounds Salaries and Wages Other Expenses	256,250 27,500	240,250 27,500	238,647 23,555	180	1,603 3,765	
Insurance General Liability Workers Compensation Employee Group Health EPL Settlements Employee Group Health Opt-Outs	300,000 625,000 4,616,000 65,000 65,000	300,000 625,000 4,416,000 50,000 61,000	300,000 624,999 4,304,196 50,000 60,606	12,167	- 1 99,637 - 394	
Crossing Guards Salaries and Wages Other Expenses	120,000 1,500	120,000 1,500	118,880 -		1,120 1,500	
UNIFORM CONSTRUCTION CODE: Construction Official Salaries and Wages Other Expenses	235,000 75,000	217,500 100,000	215,833 98,548		1,667 1,452	
Housing Official Salaries and Wages Other Expenses	185,000 7,500	146,500 6,500	145,654 5,421	252	846 827	
Unclassified: Fire Hydrant Service Electricity Fuel Oil Telephone Water Gasoline Accumulated Leave	155,000 480,000 72,000 200,000 40,000 115,000 50,000	160,000 480,000 65,000 200,000 40,000 115,000 50,000	151,927 479,142 61,275 197,270 33,387 115,000 50,000		8,073 858 3,725 2,730 6,613 - -	
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>22,273,750</b>	<b>22,587,039</b>	<b>22,247,499</b>	<b>17,765</b>	<b>321,775</b>	<b>-</b>
Contingent	2,500	2,500	-	-	2,500	
<b>TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAPS"</b>	<b>22,276,250</b>	<b>22,589,539</b>	<b>22,247,499</b>	<b>17,765</b>	<b>324,275</b>	<b>-</b>
Detail: Salaries and Wages Other Expenses	12,363,250 9,913,000	12,357,750 10,231,789	12,276,431 9,971,068	- 17,765	81,319 242,956	- -

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
DEFERRED CHARGES AND STATUTORY EXPENDITURES:					
Deferred Charges:					
Overexpenditure of Appropriation	7,691	7,691	7,691	-	-
Statutory Expenditures:					
Public Employees' Retirement System	435,481	435,481	435,481	-	-
Social Security	400,000	429,400	418,705	-	10,695
Police and Firemen's Retirement System of NJ	2,582,370	2,582,370	2,582,370	-	-
Defined Contribution Pension Plan	3,000	3,000	2,294	-	706
Police and Firemen's Retirement System					
Pension Increase -					
Public Employees	35,000	42,500	42,315	-	185
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES	3,463,542	3,500,442	3,488,856	-	11,586
Cash Deficit of Preceeding Year	-	-	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	25,739,792	26,089,981	25,736,355	17,765	335,861
OPERATIONS - EXCLUDED FROM "CAPS"					
(A) Operations - Excluded from "CAPS"					
Recycling Tax	30,000	30,000	30,000	-	-
Total Other Operations - Excluded from "CAPS"	30,000	30,000	30,000	-	-

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Public and Private Revenues Offset by Appropriations						
Clean Communities Grant	-	37,853	37,853			
Neighborhood Preservation Program	-	125,000	125,000			
Municipal Alliance on Alcoholism and Drug Abuse	19,242	19,242	19,242			
Municipal Alliance on Alcoholism and Drug Abuse - Local Match	4,811	4,811	4,811			
UEZ Public Safety Police	800,000	800,000	800,000			
UEZ Direct Loan Program	250,000	250,000	250,000			
Safe and Secure Communities	90,000	90,000	90,000			
Body Armor Fund	6,051	6,051	6,051			
Summer Food Program	-	214,575	214,575			
Total Public and Private Programs Offset by Revenues	1,170,104	1,547,532	1,547,532	-	-	-
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	1,200,104	1,577,532	1,577,532	-	-	-
Detail:						
Salaries and Wages						-
Other Expenses	1,200,104	1,577,532	1,577,532	-	-	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	-	-			-	
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	-	-	-	-	-	-

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

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,208,000	1,208,000	1,208,000	-	-
Payment of Bond Anticipation Notes	407,500	407,500	407,500	-	-
Interest on Bonds	259,206	274,206	273,831	-	375
Interest on Notes	133,724	133,724	133,449	-	275
Green Trust Loan Repayments Principal and Interest	53,638	53,638	53,502	-	136
Demolition Loan Repayments Principal and Interest	37,465	48,465	48,240	-	225
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	2,099,533	2,125,533	2,124,522	-	1,011
DEFERRED CHARGES					
Emergency Authorizations	475,000	475,000	475,000		-
Special Emergency Authorizations - 5 Years	413,789	413,789	413,789	-	-
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"	888,789	888,789	888,789	-	-
Judgements	-	-			-
Transferred to Board of Education for Use of Local Schools	75,902	75,902	75,902		-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	4,264,328	4,667,756	4,666,745	-	1,011
SUBTOTAL GENERAL APPROPRIATIONS	30,004,120	30,757,737	30,403,100	17,765	1,011
Reserve for Uncollected Taxes	482,540	482,540	482,540	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 30,486,660	31,240,277	30,885,640	17,765	1,011
Budget		30,486,660			1,011
Appropriations by 40A:4-87		377,428		Cancelled Overexpenditures	-
Emergency Appropriations		376,189			1,011
		31,240,277			

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



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

	<u>PAID OR CHARGED</u>
Federal and State Grants	\$ 1,547,532
Deferred Charges	896,480
Reserve for Uncollected Taxes	482,540
Disbursed	<u>32,888,610</u>
	35,815,162
Appropriation Refunds	<u>4,929,522</u>
	<u>\$ 30,885,640</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EXHIBIT B - TRUST FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<u>Animal Control Fund</u>		
Cash - Treasurer	\$ 7,320	7,102
	<u>7,320</u>	<u>7,102</u>
<u>Other Funds</u>		
Cash - Treasurer	2,278,337	1,115,276
Due from Payroll Trust - Unemployment	9,087	9,087
	<u>2,287,424</u>	<u>1,124,363</u>
	<u>\$ 2,294,744</u>	<u>1,131,465</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>		
<u>Animal Control Fund</u>		
Reserve for Dog Expenditures	\$ 866	1,031
Due to State of New Jersey	1	4
Due to Current Account	<u>6,453</u>	<u>6,067</u>
	<u>7,320</u>	<u>7,102</u>
<u>Other Funds</u>		
Deposits for Redemption of Tax Sale		
Certificates	3,354	16,521
Premiums Received at Tax Sale	1,592,200	626,500
Reserve for Unemployment	17,927	23,186
Reserve for Bid Escrow	5,288	5,263
Reserve for Confiscated Funds	40,878	16,682
Reserve for Developer's Escrow	171,013	108,561
Reserve for Law Enforcement Trust	574	572
Reserve for Payroll Deductions	242,927	126,281
Reserve for Parking Offenses Adjudication Act	267	779
Reserve for Veterans Memorial Park Fund	24,449	24,232
Reserve for Fire Prevention Penalty	13,504	13,039
Reserve for Fire Prevention Dedicated Penalty	3,669	3,640
Reserve for Accumulated Absences	68,603	18,460
Reserve for Maintenance Escrow	23,306	56,431
Due to Unemployment Trust Fund -	9,087	9,087
Due to Current Fund -		
Accumulated Absence Trust	827	827
Fire Prevention Penalties	2,312	2,312
Veterans Memorial Park Fund	100	100
Payroll Clearing	16,055	20,806
Payroll Trust	51,084	51,084
	<u>2,287,424</u>	<u>1,124,363</u>
	<u>\$ 2,294,744</u>	<u>1,131,465</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

## **EXHIBIT C - CAPITAL FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash	\$ 4,425,746	1,473,156
Deferred Charges to Future Taxation -		
Funded	12,185,906	8,781,519
Unfunded	426,068	3,740,568
Due from Current Fund	792,082	747,055
Due from Grant Fund	662,101	662,101
Due from State of New Jersey	9,379	9,379
	<u>18,501,282</u>	<u>15,413,778</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>		
Encumbrances Payable	225,298	157,158
General Serial Bonds	11,543,000	8,172,000
Loans Payable	792,973	759,586
Bond Anticipation Note Payable	3,306,000	3,561,500
Due to Utility Capital	422,115	422,115
Reserve to Pay Loans	150,067	160,347
Improvement Authorizations		
Funded	1,928,111	299,517
Unfunded	93,349	1,825,486
Capital Improvement Fund	-	15,700
Fund Balance	40,369	40,369
	<u>\$ 18,501,282</u>	<u>15,413,778</u>

There were bonds and notes authorized but not issued at December 31, 2019 and 2018 of \$274,068 and \$179,068.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**GENERAL CAPITAL FUND**  
**STATEMENT OF FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31**

	<u>2019</u>	<u>2018</u>
Beginning Balance	\$ 40,369	40,369
No activity		
Ending Balance	\$ <u>40,369</u>	<u>40,369</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**EXHIBIT D - SEWER UTILITY FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET  
REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
Operating Fund:		
Cash - Treasurer	\$ 486,148	280,220
Due from Sewer Capital	125,544	122,415
	<u>611,692</u>	<u>402,635</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	560,005	601,461
Sewer Utility Liens	114,463	104,976
	<u>674,468</u>	<u>706,437</u>
Total of Operating Fund	<u>1,286,160</u>	<u>1,109,072</u>
Capital Fund:		
Cash - Treasurer	538,182	753,910
Due from General Capital Fund	422,115	422,115
Due from Current Fund	550,555	550,555
Fixed Capital	6,477,442	6,477,442
Fixed Capital - Authorized & Uncomp.	10,828,752	13,761,642
Total of Capital Fund	<u>18,817,046</u>	<u>21,965,664</u>
	<u><u>\$ 20,103,206</u></u>	<u><u>23,074,736</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET  
REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 32,188	44,546
Reserve for Encumbrances	-	1,780
Accounts Payable	240	240
Utility Overpayments	250,971	198,949
Due to the Current Fund	4,603	6,178
Accrued Interest on Bonds and Notes	41,549	52,380
Reserve for California Avenue Pump Station	17,000	17,000
Reserve for Woodland Avenue Pump Station	25,000	25,000
Reserve for Megan's Landing Sewer Capacity Study	4,000	4,000
	<u>375,551</u>	<u>350,073</u>
Reserve for Receivables	674,468	706,437
Fund Balance	236,141	52,562
	<u>1,286,160</u>	<u>1,109,072</u>
Total of Operating Fund		
Capital Fund:		
Serial Bonds Payable	3,455,116	3,798,738
Bond Anticipation Notes	1,500,000	1,500,000
Capital Improvement Fund	146,538	146,538
Encumbrances Payable	136,163	132,834
Due to Sewer Operating Fund Improvement Authorizations	125,544	122,415
Funded	654,941	701,198
Unfunded	1,683,375	4,792,194
Reserves for:		
Amortization	6,477,442	6,477,442
Amortization - Deferred	4,637,927	4,294,305
Fund Balance	-	-
	<u>18,817,046</u>	<u>21,965,664</u>
Total of Capital Fund		
Total Liabilities, Reserves and Fund Balance	<u>\$ 20,103,206</u>	<u>23,074,736</u>

There were Bonds and Notes Authorized but not issued at December 31, 2019 and 2018 of \$1,235,709 and \$4,168,599 respectively.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SEWER UTILITY FUND  
COMPARATIVE STATEMENT OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ 50,000	300,000
Rents	4,726,992	4,620,907
Interest on Rents Receivable	70,458	117,101
Miscellaneous Revenue Anticipated	52,113	10,461
Army Corps of Engineers	320,556	335,486
City of Absecon	81,496	77,069
Other Credits to Income:		
Unexpended Balance of Appropriation		
Reserves	42,923	40,414
 Total Income	 <u>5,344,538</u>	 <u>5,501,438</u>
 <u>Expenditures</u>		
Operating	3,472,785	3,717,922
Debt Service	478,174	489,362
Deferred Charges and Statutory		
Expenditures	110,000	171,502
Surplus (General Budget)	1,050,000	1,100,000
 Total Expenditures	 <u>5,110,959</u>	 <u>5,478,786</u>
 Excess in Revenue	 233,579	 22,652
 Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute deferred Charges to Budget of		
Succeeding Year	-	
 Excess in Operations	 233,579	 22,652
 Fund Balance January 1	 52,562	 329,910
 Decreased by:		
Utilization as Anticipated Revenue	50,000	300,000
 Balance December 31	 <u>\$ 236,141</u>	 <u>52,562</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SEWER CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE  
REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
Beginning Balance	-	-
Decreased by:		
Surplus budgeted in Operating Fund	<u>-</u>	<u>-</u>
Ending Balance	<u><u>-</u></u>	<u><u>-</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



**SEWER OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
AS OF DECEMBER 31, 2019**

	<u>ANTIC. BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Surplus Anticipated	\$ 50,000	50,000	
Rents	4,574,069	4,726,992	152,923
Miscellaneous	100,000	122,571	22,571
Army Corps of Engineers	321,276	320,556	(720)
City of Absecon	77,000	81,496	4,496
	<u>\$ 5,122,345</u>	<u>5,301,615</u>	<u>179,270</u>

**ANALYSIS OF REALIZED REVENUES**

**Rents**

Consumer Accounts Receivable:

Current Collected 4,718,536

Liens Collected 8,456

4,726,992

**Miscellaneous**

Other Miscellaneous 47,359

Plumbing Permits 1,625

Sewer Capital Interest 3,129

Interest on Sewer Rentals 70,458

122,571

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	APPROPRIATIONS			EXPENDED		UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELED	OVER- EXPENDED
OPERATING							
Salaries and Wages	\$ 365,000	365,000	348,082		16,918		
Other Expenses	1,225,850	1,225,850	1,210,619		15,231		
Atlantic County Sewerage Authority - Contractual	1,881,935	1,881,935	1,881,935		-		
	3,472,785	3,472,785	3,440,636	-	32,149	-	-
DEBT SERVICE							
Payment of Bond Principal	343,622	343,622	343,464		-	158	
Interest on Bonds	104,407	104,407	101,788			2,619	
Interest on Notes	41,531	41,531	32,922			8,609	
Total Debt Service	489,560	489,560	478,174	-	-	11,386	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES							
Contribution to:							
Public Employees' Retirement System	80,000	80,000	80,000		-		
Social Security System	30,000	30,000	29,961		39		
Surplus (General Budget)	1,050,000	1,050,000	1,050,000		-		
	1,160,000	1,160,000	1,159,961	-	39	-	-
\$	5,122,345	5,122,345	5,078,771	-	32,188	11,386	-

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SEWER OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>PAID OR CHARGED</u>
Interest on Bonds and Notes	134,710
Disbursed	4,944,061
	<u>5,078,771</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EXHIBIT G - GENERAL FIXED ASSET GROUP OF ACCOUNTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**STATEMENT OF GENERAL FIXED ASSETS  
REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
General Fixed Assets:		
Land	\$ 6,229,600	6,229,600
Buildings	11,825,155	11,825,155
Equipment and Machinery	1,686,241	1,676,706
Vehicles	<u>4,233,430</u>	<u>4,132,613</u>
	<u>23,974,426</u>	<u>23,864,074</u>
Investment in General Fixed Assets	<u>\$ 23,974,426</u>	<u>23,864,074</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL  
STATEMENTS

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Except as noted below, the financial statements of the City of Pleasantville include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the City of Pleasantville, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City has no component units.

**B. Description of Funds**

The accounting policies of the City of Pleasantville 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 the respect to public funds. Under this method of accounting, the City of Pleasantville accounts for its financial transactions through the following separate funds:

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds -- 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 facilities, other than those acquired in the Current Fund.

Sewer Operating and Capital Funds -- account for the operations of the sewer utility and acquisition of sewer capital facilities other than those acquired in the Current and General Capital Funds.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

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

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the City budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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. Appropriation reserves covering unencumbered 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 bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

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.

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

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Expenditures for long lived assets with an original cost in excess of \$5,000 are capitalized.

No depreciation has been provided for in the financial statements.

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

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

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. 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 costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2019 and 2018:

	Balance 12/31/2017	Additions	Retirements	Balance 12/31/2018
Land	\$ 6,229,600			6,229,600
Building	11,825,155			11,825,155
Equipment and Machinery	1,643,406	33,300		1,676,706
Vehicles	3,855,997	315,595	(38,979)	4,132,613
	<u>\$ 23,554,158</u>	<u>348,895</u>	<u>(38,979)</u>	<u>23,864,074</u>

	Balance 12/31/2018	Additions	Retirements/ Adjustment	Balance 12/31/2019
Land	\$ 6,229,600			6,229,600
Building	11,825,155			11,825,155
Equipment and Machinery	1,676,706	9,535		1,686,241
Vehicles	4,132,613	100,817		4,233,430
	<u>\$ 23,864,074</u>	<u>110,352</u>	<u>-</u>	<u>23,974,426</u>

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the City of Pleasantville to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Levy of Utility Charges – The City operates a sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in quarterly installments on December 1, March 1, June 1 and September 1.

Interest on Delinquent Utility Charges -- It is the policy of the City to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Capitalization of Interest -- It is the policy of the City of Pleasantville to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **D. Required Financial Statements**

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities.

#### **E. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the City's financial

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**F. Recent Accounting Pronouncements Not Yet Effective**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases". This statement is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the City's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred before the End of a Construction Period". This statement is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the City's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the City's financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020". This statement is effective for fiscal periods beginning after June 15, 2020, with the exception of the provisions affecting GASB 87 which is effective upon issuance, will not have any effect on the City's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement is effective for fiscal periods beginning after June 15, 2020, will not have any effect on the City's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private Partnerships and Availability Payment Arrangements". This statement is effective for fiscal periods beginning after June 15, 2022, will not have any effect on the City's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". This statement is effective upon issuance and will not have any effect on the City's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements". This statement is effective for fiscal periods beginning after June 15, 2022 and will not have any effect on the City's financial reporting.

**Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2019 and 2018 statutory budgets included a reserve for uncollected taxes in the amount of \$482,540 and \$388,351. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2019 and 2018 statutory budgets was \$750,000 and \$1,200,000. In addition, the City operates a self-liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the City. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2019 and 2018 statutory budgets was \$50,000 and \$300,000.

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by City Council. The following significant budget transfers were approved in the 2019 and 2018 calendar years:

<u>Budget Category</u>	<u>2019</u>	<u>2018</u>
<u>Current Fund:</u>		
General and Administrative		
Other Expenses	\$ 35,000	-
Legal Services		
Other Expenses	-	(97,000)
Fire		
Salaries and Wages	80,000	230,000
Police		
Salaries and Wages	270,000	147,000
Telecommunications Unit		
Salaries and Wages	(149,000)	-
Other Expenses	215,000	-
Division of Roads		
Salaries and Wages	(30,000)	-
Division of Public Property		
Salaries and Wages	(45,000)	-
Contractual Trash Pickup		(80,125)
Contractual Recycling Pickup	(32,000)	-
Solid Waste Disposal Costs	(55,000)	(103,875)
Insurance		
Employee Group Health	(200,000)	426,500
Housing Official		
Salaries and Wages	(38,500)	-
<u>Budget Category</u>	<u>2019</u>	<u>2018</u>
<u>Utility Fund</u>		
Salaries and Wages	-	-
Other Expenses	-	-

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2019 and 2018, the following significant budget insertions were approved:

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

<u>Budget Category</u>	<u>2019</u>	<u>2018</u>
Clean Communities Program	\$ 37,853	33,885
Neighborhood Preservation Program	125,000	-
FEMA- Assistance to firefighters	-	129,437
Municipal and Urban Aid Program	-	434,458
NJ DOT Transit Village Grant	-	400,000
Summer Food Service Program	214,575	226,026

The City may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The City approved a special emergency appropriation in 2015 for \$560,000 to fund payments of accumulated absences. The unfunded balance as of December 31, 2019 was \$112,000. The City approved a special emergency appropriation in 2017 for \$600,523 to fund payments of accumulated absences. The unfunded balance as of December 31, 2019 was \$260,313. The City approved a special emergency appropriation in 2019 for \$376,189 to fund a revaluation. The unfunded balance as of December 31, 2019 is \$376,189.

**Note 3: INVESTMENTS**

As of December 31, 2019 and 2018, the municipality held no investments.

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

**Credit Risk.** New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk.** The municipality places no limit on the amount the City can invest in any one issuer.

**Note 4: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2019 and 2018, \$1,830,068 and \$745,464 of the municipality's bank balance of \$13,513,799 and \$10,485,300 was exposed to custodial credit risk.

**Note 5: LONG TERM DEBT**

Long-term debt as of December 31, 2019 and 2018 consisted of the following:

	Balance 12/31/17	Issued	Retired	Balance 12/31/18	Amounts Due Within One Year
Bonds payable:					
General	\$ 9,371,000		1,199,000	8,172,000	1,208,000
Utility	4,137,360		338,622	3,798,738	327,874
Total	<u>\$ 13,508,360</u>	<u>-</u>	<u>1,537,622</u>	<u>11,970,738</u>	<u>1,535,874</u>
Other liabilities:					
Loans Payable	\$ 837,662		78,076	759,586	79,236
Compensated					
Absences Payable	3,954,756	1,919,309	1,667,461	4,206,604	
Total long-term liabilities	<u>\$ 18,300,778</u>	<u>1,919,309</u>	<u>3,283,159</u>	<u>16,936,928</u>	<u>1,615,110</u>
	Balance 12/13/18	Issued	Retired	Balance 12/31/19	Amounts Due Within One Year
Bonds payable:					
General	\$ 8,172,000	4,579,000	1,208,000	11,543,000	1,557,000
Utility	3,798,738		343,622	3,455,116	318,622
Total	<u>\$ 11,970,738</u>	<u>4,579,000</u>	<u>1,551,622</u>	<u>14,998,116</u>	<u>1,875,622</u>
Other liabilities:					
Loans Payable	\$ 759,586	112,623	79,236	792,973	94,143
Compensated					
Absences Payable	4,206,604	1,758,014	1,644,414	4,320,204	-
Total long-term liabilities	<u>\$ 16,936,928</u>	<u>6,449,637</u>	<u>3,275,272</u>	<u>20,111,293</u>	<u>1,969,765</u>



**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the City:**

\$3,302,000 General Improvement Bond dated 11/15/02 payable in annual installments through 10/15/22. Interest is paid semiannually at rates varying from 2.00% to 5.25% per annum. These bonds were issued through the New Jersey Economic Development Authority and were underwritten by Commerce Capital Markets, Inc. The balance remaining as of December 31, 2019 was \$687,000.

\$3,165,000 Refunding Bonds dated 2/10/11 payable in annual installments through 10/1/21. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2019 was \$605,000.

\$5,689,000 General Improvement Bond dated 11/1/11 payable in annual installments through 10/1/24. Interest is paid semiannually at rates varying from 1.25% to 3.50% per annum. The balance remaining as of December 31, 2019 was \$2,575,000.

\$3,857,000 General Improvement Bond dated 8/13/15 payable in annual installments through 8/1/29. Interest is paid semiannually at rates varying from 2.00% to 3.50% per annum. The balance remaining as of December 31, 2019 was \$3,097,000.

\$4,579,000 General Improvement Bond dated 11/20/19 payable in annual installments through 11/15/30. Interest is paid semiannually at rates varying from 2.00% to 2.25% per annum. The balance remaining as of December 31, 2019 was \$4,579,000.

\$250,000 Green Acres Loan dated 4/14/04 payable in semiannual installments through 8/8/24. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$7,773 are applied first to interest and then to principal. The balance remaining as of December 31, 2019 was \$73,618.

\$60,484 Green Acres Loan dated 4/7/06 payable in annual installments through 1/7/26. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$1,880 are applied first to interest and then to principal. The balance remaining as of December 31, 2019 was \$22,818.

\$434,150 Green Acres Loan dated 8/16/17 payable in annual installments through 8/16/30. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$19,046 are applied first to interest and then to principal. The balance remaining as of December 31, 2019 was \$374,445.

\$174,000 Demolition Loan dated 1/8/14 payable in annual installments through 1/8/24. Interest is paid annually at a rate of 0.72% per annum. The balance remaining as of December 31, 2019 was \$88,560.

\$262,690 Demolition Loan dated 10/13/17 payable in annual installments through 10/13/27. Interest is paid annually at a rate of 0.72% per annum. The balance remaining as of December 31, 2019 was \$233,532.

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Outstanding bonds whose principal and interest are paid from the Utility Operating Fund of the City:**

\$455,000 Refunding Bonds dated 2/10/11 payable in annual installments through 10/1/21. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2019 was \$80,000.

\$2,590,000 General Improvement Bond dated 11/1/11 payable in annual installments through 10/1/31. Interest is paid semiannually at rates varying from 2.25% to 3.50% per annum. The balance remaining as of December 31, 2019 was \$1,675,000.

\$425,000 New Jersey Environmental Infrastructure Trust Bonds dated 5/31/12 payable in annual installments through 8/1/31. Interest is paid semiannually at rates varying from 2.00% to 5.00% per annum. The balance remaining as of December 31, 2019 was \$310,000.

\$464,561 New Jersey Environmental Infrastructure Trust Bonds dated 5/31/12 payable in semiannual installments through 8/1/31. The bonds carry an interest rate of 0.00% per annum. The balance remaining as of December 31, 2019 was \$190,116.

\$1,600,000 General Improvement Bond dated 8/13/15 payable in annual installments through 8/1/30. Interest is paid semiannually at rates varying from 2.00% to 3.50% per annum. The balance remaining as of December 31, 2019 was \$1,200,000.

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<u>Year</u>	<u>General Fund</u>		<u>Utility Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	1,557,000	319,526	318,622	99,386
2021	1,624,000	275,454	323,622	91,911
2022	1,390,000	227,358	283,622	84,136
2023	1,260,000	187,808	288,622	77,436
2024	1,275,000	154,883	288,622	69,911
2025-2029	3,957,000	383,213	1,462,006	220,706
2030-2031	480,000	10,800	490,000	21,402
	<u>\$ 11,543,000</u>	<u>1,559,042</u>	<u>3,455,116</u>	<u>664,888</u>

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

Schedule of Annual Debt Service for Principal and Interest for Loans Issued and Outstanding

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 94,143	11,496
2021	95,444	10,195
2022	96,765	8,874
2023	98,109	7,531
2024	99,474	6,163
2025-2029	271,510	15,018
2030	37,528	564
	<u>\$ 792,973</u>	<u>59,841</u>

As of December 31, 2019 the carrying value of the above bonds and notes approximates the fair value of the bonds.

<u>Summary of Municipal Debt</u>	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 12,335,973	8,931,586	10,208,667
Sewer Utility - Bonds and Notes	3,455,116	3,798,738	4,137,360
Total Issued	<u>15,791,089</u>	<u>12,730,324</u>	<u>14,346,027</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	274,068	179,068	179,068
Sewer Utility - Bonds and Notes	1,235,709	4,168,599	4,168,599
Total Authorized But Not Issued	<u>1,509,777</u>	<u>4,347,667</u>	<u>4,347,667</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 17,300,866</u>	<u>17,077,991</u>	<u>18,693,694</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.711%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 9,240,000	9,240,000	-
Sewer Utility Debt	6,190,825	6,190,825	-
General Debt	15,916,041	3,209,067	12,706,974
	<u>\$ 31,346,866</u>	<u>18,639,892</u>	<u>12,706,974</u>

Net Debt \$12,706,974 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$742,523,584 = 1.711%.

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 25,988,325
Net Debt	12,706,974
Remaining Borrowing Power	<u>\$ 13,281,351</u>

The City of Pleasantville School District, as a K-12 school district, is permitted to borrow up to 4% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

**Note 6: NOTES PAYABLE**

	<u>Balance 12/31/17</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/18</u>
Bond Anticipation				
Notes payable:				
General	\$ 2,781,500	1,187,500	407,500	3,561,500
Utility	\$ 1,500,000			1,500,000
	<u>\$ 4,281,500</u>	<u>1,187,500</u>	<u>407,500</u>	<u>5,061,500</u>
	<u>Balance 12/31/18</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/19</u>
Bond Anticipation				
Notes payable:				
General	\$ 3,561,500	3,306,000	3,561,500	3,306,000
Utility	1,500,000	1,500,000	1,500,000	1,500,000
	<u>\$ 5,061,500</u>	<u>4,806,000</u>	<u>5,061,500</u>	<u>4,806,000</u>

The notes outstanding as of December 31, 2019 consist of three notes, the first was issued 8/13/19 in the amount of \$4,654,000 and is due and payable on 8/12/20 with interest at 1.29%; the second in the amount of \$152,000 was issued on 7/3/19 and is due and payable on 7/2/20 with interest at 2.499% As of December 31, 2019, the City has authorized but not issued bonds in the amount of \$274,068 and \$1,235,709 in the General Capital Fund and Utility Capital Fund respectively.

**Note 7: FUND BALANCES APPROPRIATED**

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

		<u>2020</u>	<u>2019</u>
Current Fund	\$	162,555	750,000
Utility Fund		196,210	50,000

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2019	2020 Budget Appropriation	Balance to Succeeding
Current fund:			
Cash Deficit in Operations	\$ 463,098	463,098	-
Special Emergency Appropriation	848,502	307,343	541,159
	<u>\$ 1,311,600</u>	<u>770,441</u>	<u>541,159</u>
Grant Fund:			
Expenditure without an Appropriation	\$ 30,312		30,312
	<u>\$ 30,312</u>	<u>-</u>	<u>30,312</u>

The appropriations in the 2020 Budget are not less than that required by statute.

**Note 9: SCHOOL TAXES**

Local District School Tax in the amounts of \$9,801,173 and \$9,820,309, have been raised for the 2019 and 2018 calendar years and are remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

**Note 10: TAXES COLLECTED IN ADVANCE**

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

	Balance 12/31/19	Balance 12/31/18
Prepaid Taxes	\$ 436,841	380,639
Cash Liability for Taxes Collected in Advance	<u>\$ 436,841</u>	<u>380,639</u>

**Note 11: PENSION FUNDS**

**Description of Plans**

Substantially all of the City's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

**Public Employees' Retirement System**

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State 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.

**Police and Fireman's Retirement System**

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

**Funding Policy**

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.50% of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 14.11% of covered payroll. The City's contributions to PERS for the years ended December 31, 2019, 2018, and 2017 were \$515,481, \$514,437 and \$477,560.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The City's contributions to PFRS for the years ended December 31, 2019, 2018, and 2017 were \$2,582,370, \$2,526,082, and \$2,192,475.

**Significant Legislation**

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to  $\frac{1}{60}$ th from  $\frac{1}{55}$ th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a  $\frac{1}{7}$ th of the required amount, beginning in fiscal years 2012.

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 12: PENSION LIABILITIES**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the City's pension liabilities. However, due to the fact that the City reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality's pension liabilities as June 30, 2019:

**Public Employees' Retirement System**

The City has a liability of \$9,204,398 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 that was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on a projection of the City'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 City's proportion is 0.05108309070%, which was an increase of 3.35% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the City would have recognized pension expense of \$473,617. At December 31, 2019, the City would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 919,093	3,194,817
Difference between expected and actual experience	165,207	40,661
Net difference between projected and actual earnings on pension plan investments		145,295
Changes in proportion and differences between City contributions and proportionate share of contributions	552,630	469,558
Total	<u>\$ 1,636,930</u>	<u>3,850,331</u>



**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,		
2020	\$	256,167
2021		831,000
2022		742,035
2023		348,423
2024		35,776
Total	\$	<u>2,213,401</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 was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate

Price 2.75%

Wage 3.25%

Salary increases:

Through 2026 2.00% – 6.00% (based on years of service)

Thereafter 3.00% - 7.00% (based on years of service)

Investment rate of return: 7.00%

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 200 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 disable 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 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 markets equity	12.50%	9.00%
Emerging markets 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% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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.

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.28%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.28%) or 1-percentage point higher (7.28%) than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
City's proportionate share of the net pension liability	\$ 11,046,804	9,204,398	7,653,714

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**Police and Firemen's Retirement System**

The City has a liability of \$29,035,093 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2018 that was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on a projection of the City'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 City's proportion is 0.23725708940%, which is a decrease of 4.27% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the City would have recognized pension expense of \$2,018,555. At December 31, 2019, the City would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 994,900	9,383,876
Net difference between projected and actual earnings on pension plan investments		393,416
Difference in Experience	245,094	183,826
Changes in proportion and differences between City contributions and proportionate share of contributions	1,262,197	3,495,009
Total	\$ 2,502,191	13,456,127

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,		
2020	\$	1,911,897
2021		4,013,376
2022		2,842,311
2023		1,401,066
2024		785,286
Total	\$	<u>10,953,936</u>

**Actuarial Assumptions**

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

Inflation rate

Price 2.75%

Wage 3.25%

Salary increases:

Through all future years 3.25% - 15.25% (based on years of service)

Investment rate of return: 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% 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.

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 markets equity	12.50%	9.00%
Emerging markets 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% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 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.

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.*

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

	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
City's proportionate share of the net pension liability	\$ 38,036,212	29,035,093	21,586,081

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2019 State special funding situation net pension liability amounts of \$1,932,374, is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2019 State special funding situation pension expense of \$224,526,138 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2019. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required 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. For fiscal year 2019, the State contributed an amount less than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the City of Pleasantville was 0.23725708940%. The net pension liability amounts allocated to the City was \$4,584,696. For the fiscal year ending June 30, 2019 State special funding situation pension expense of \$532,704 is allocated to the City.

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Note 13: OTHER POST-RETIREMENT BENEFITS**

*General Information about the Plan:*

The City offers Other Post-Retirement Benefits (OPEB) to its employees through the State Health Benefit Local Government Retired Employees Plan (the Plan) a cost-sharing multiple employer defined benefit other postemployment benefit plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at:

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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.

*Allocation Methodology:*

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the City these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775 and \$8,182,092,807, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's non special funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and non-employer allocation percentages have been rounded for presentation purposes.

*Special Funding Situation:*

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 non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

*Net OPEB Liability:*

*Components of Net OPEB Liability*

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2019 is as follows:



**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<b>June 30, 2019</b>	
	<b>Collective Total</b>	<b>Proportionate Share</b>
Total OPEB Liability	\$ 13,819,244,582	\$ 21,254,413
Plan Fiduciary Net Position	273,173,482	420,149
Net OPEB Liability	<u>\$ 13,546,071,100</u>	<u>\$ 20,834,264</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.98%

At June 30, 2019 the City's proportionate share of the Collective Net OPEB Liability was \$20,834,264. The State's proportionate share for the Special Funding Situation that is associated with the City is \$17,608,476. The City's proportion of the Collective Net OPEB Liability was 0.153803% which was an increase from the prior year of 100.0%. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was 0.318664% which was an increase from the prior year of 0.61%.

Borough's Proportionate Share of Collective Net OPEB Liability	\$ 20,834,264
State's proportionate share that is associated with the Borough	17,608,476
Total	<u>\$ 38,442,740</u>

For the Year ended June 30, 2019 the City's Total OPEB Expense was \$4,164,508 and the State of New Jersey realized Total OPEB Expense in the amount of \$233,405 for its proportionate share of Total OPEB Expense that is associated with the City.

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases*:	
PERS Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
PFRS	
Rate for all future years	3.25% to 15.25%

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

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

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.

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

*Sensitivity of Net OPEB Liability to Changes in the Discount Rate*

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

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

		1% Decrease (2.50%)		Discount Rate (3.50%)		1% Increase (4.50%)
<hr/>						
Collective						
Net OPEB Liability	\$	15,662,704,137	\$	13,546,071,100	\$	11,826,026,995
 Proportionate Share						
Net OPEB Liability	\$	24,089,709	\$	20,834,264	\$	18,188,785

*Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate*

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

		1% Decrease		Healthcare Cost Trend Rate		1% Increase
<hr/>						
Collective						
Net OPEB Liability	\$	11,431,214,644	\$	13,546,071,100	\$	16,243,926,531
 Proportionate Share						
Net OPEB Liability	\$	17,581,551	\$	20,834,264	\$	24,983,647

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

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

	Collective Totals		Proportionate Share	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ (3,961,399,180)	\$	\$ (6,092,751)
Changes of assumptions		(4,800,426,301)		(7,383,200)
Net difference between projected and actual earnings on OPEB plan investments	11,158,226		17,162	
Changes in proportion and differences between contributions and proportionate share of contributions			30,728,791	
Total	\$ 11,158,226	\$ (8,761,825,481)	\$ 30,745,953	\$ (13,475,951)

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Collective Totals	Proportionate Share
2020	\$ (1,425,201,517)	\$ 2,812,726
2021	(1,425,201,517)	2,812,726
2022	(1,426,076,187)	2,814,453
2023	(1,427,489,995)	2,817,243
2024	(1,428,781,861)	2,819,792
Thereafter	(1,617,916,178)	3,193,061
Total	\$ (8,750,667,255)	\$ 17,270,002

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

*Collective OPEB Expenses reported by the State of New Jersey*

The components of allocable OPEB Expense related to specific liabilities of individual employers for the year ending June 30, 2019 are as follows:

Service cost	\$ 666,574,660
Interest on Total OPEB Liability	636,082,461
Expected Investment Return	(11,286,267)
Administrative Expenses	9,478,435
Changes of Benefit Terms	(1,903,958)
Current Period Recognition (Amortization) of Deferred Inflow s/ Outflow s of Resources:	
Differences between Expected and Actual Experience	(619,405,071)
Changes in Assumptions	(809,376,790)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments	3,580,344
Total Collective OPEB Expense	\$ (126,256,186)

*Schedule of City's Share of Net OPEB Liability*

	2018	2019
City's Proportionate Share of Net OPEB Liability	0.000000%	0.153803%
City's Share of Net OPEB Liability	\$ -	20,834,264
City's Covered Payroll	-	6,972,904
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	N/A	298.79%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.98%

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Note 14: ACCRUED SICK AND VACATION BENEFITS**

The City has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$4,320,204 in 2019 and \$4,206,605 in 2018. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. It is the City's policy to negotiate the final amount of each payment of accrued sick and vacation pay on an individual basis. The final amount of the settlement cannot exceed 180 days even though more may be accrued. This limitation is effective for all non-union employees, members of Police Mainland Local #77, and AFSCME Local #3103. Professional Firefighters Local #2616 permits employees to accumulate sick time without limitation. The amount shown above represents the total number of days of unpaid compensation without taking the 180 day limitation into account. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The City does not accrue the liability.

**Note 15: ECONOMIC DEPENDENCY**

The City of Pleasantville is not economically dependent on any one business or industry as a major source of tax revenue for the City.

**Note 16: RISK MANAGEMENT**

The City 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.

**Property and Liability Insurance** - The City maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2019 and 2018 the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The City is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The City is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The City has a general liability limit of \$100,000 under JIF, which increases to \$5,000,000 under MEL.

**New Jersey Unemployment Compensation Insurance** – The City has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the City 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 City is billed quarterly for amounts due to the State. The following is a summary of City contributions, employee contributions, reimbursements to the State for benefits and the ending balance of the City’s trust fund for the previous three years:

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

<u>Calendar Year</u>	<u>City Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019		19,062	62	23,546	17,927
2018		5,587	154	35,274	22,349
2017	30,000	3,643	-	22,075	51,882

**Note 17: TAX ABATEMENT PROGRAM**

The tax abatement program was established to encourage commercial and industrial development in the City of Pleasantville. It is a five-year program where real estate taxes on the approved buildings and residences are abated and payments are made in lieu. Agreements may be entered into for both improvements and construction projects. The value of the building improvements must exceed \$100,000 for commercial and the properties are tax-exempt until the project is complete. Once completed, the taxpayer pays no tax in the first year after completion. Beginning in the second year, the taxpayer is assessed taxes on 20% of the assessed value, with annual increases of 20% until the end of five years.

The tax exemption program was established to encourage residential property improvements in the City of Pleasantville. This exemption is only permitted on properties more than twenty (20) years old and is also a five-year program. The Assessor's full and true value of the home improvements must not exceed \$15,000 and will not increase the value of the property for five years.

**Note 18: DEFERRED COMPENSATION**

Employees of the City of Pleasantville may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the City has an obligation of due care in selecting the third-party administrator. In the opinion of the City's legal counsel, the City has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

**Note 19: URBAN ENTERPRISE ZONE**

In February 1995, the City of Pleasantville was designated as an Urban Enterprise Zone by the State of New Jersey. This is a twenty (20) year program that allows retail merchants, excluding automobile dealers and restaurants, to charge 3.5% sales tax to their customers. It also allows the merchant to purchase their supplies tax-free. The zone is limited to contiguous commercial and

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

industrial zones. The City's UEZ designation has been extended through 2019.

Under current legislation the Urban Enterprise Zone will no longer be funded by the State of New Jersey. As of December 31, 2011 the State has turned over all remaining funds in the City's account. All new projects must be funded with either the remaining funds provided by the State in 2011 or through the use of loan repayments made into the second generation fund maintained by the City. All funds sent to the City may be used for projects that meet the requirements of the Zone until the funds are completely spent.

**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Note 20: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2019, the following interfunds were included on the balance sheets of the various funds of the City of Pleasantville:

	Due From	Due To
Current Fund:		
Utility Operating	\$ 4,603	
Animal Control Fund	6,453	
Fire Prevention Penalty Fund	2,312	
Veterans Memorial Fund	100	
Accumulated Absence Trust	827	
Payroll Trust	51,084	
Payroll Clearing	16,055	
General Capital		792,082
Utility Capital		550,555
Grant Fund		599,322
Grant Fund:		
Current Fund	599,322	
General Capital Fund		662,101
Trust Fund:		
Current - Animal Control Fund		6,453
Current - Accumulated Absence		827
Current - Fire Prev Penalty		2,312
Current - Veterans Memorial Park		100
Current - Payroll Clearing		16,055
Current - Payroll Trust		51,084
Payroll Trust - Unemployment Trust	9,087	
Unemployment - Payroll Trust		9,087
General Capital Fund:		
Grant Fund	662,101	
Current Fund	792,082	
Utility Capital		422,115
Sewer Operating:		
Current Fund		4,603
Sewer Capital	125,544	
Sewer Capital Fund:		
Current Fund	550,555	
Sewer Operating		125,544
General Capital	422,115	
	\$ <u>3,242,240</u>	<u>3,242,240</u>



**CITY OF PLEASANTVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

The amount due to the Grant fund from the Current fund is due to the fact that there is only one bank account. The amount due to the General Capital fund from the Grant fund is due to a state grant funded improvement authorization. The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

**Note 21: CONTINGENT LIABILITIES**

From time to time, the City is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the City's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

**Note 22: LEASE OF CITY PROPERTY**

The City leases the library building to Atlantic County on an annual basis at a rate of \$65,000 per year. The City also leases boat slips at the City's marina.

**Note 23: SUBSEQUENT EVENTS**

The City has evaluated subsequent events through June 26, 2020, the date which the financial statements were available to be issued and identified no events requiring disclosure.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **SUPPLEMENTARY DATA**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

## Independent Auditor's Report

The Honorable Mayor and  
Members of City Council  
City of Pleasantville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various funds and account group of the City, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated June 26, 2020, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

### **Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *schedule of findings and questioned costs*, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying *schedule of findings and questioned costs* to be a material weakness: 2019-001.

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.

### **Compliance and Other Matters**

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

### **City's Responses to Findings**

The City's response to the findings identified in our audit is described in the accompanying *schedule of findings and questioned costs*. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Harvey C. Coccozza, Jr.*  
Harvey C. Coccozza, Jr.  
Certified Public Accountant  
Registered Municipal Accountant  
No. 551

June 26, 2020



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

## Independent Auditor's Report

The Honorable Mayor and  
Members of City Council  
City of Pleasantville, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the City of Pleasantville's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and NJ OMB Circular 15-08 that could have a direct and material effect on each of the City's major federal and state programs for the year ended December 31, 2019. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

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

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08. Those standards, the Uniform Guidance and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal and State Program***

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

### **Report on Internal Control Over Compliance**

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

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

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



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Harvey C. Coccozza, Jr.*  
Harvey C. Coccozza, Jr.  
Certified Public Accountant  
Registered Municipal Accountant  
No. 551

June 26, 2020

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal or State Grantor/Pass - Through Grantor/Program Title	CFDA Number	Federal FAIN Number	Grant Period	Program or Award Amount	Unexpended Balance at 1/1/2019	Receipts or Revenue Recognized	Budgetary Expenditures			(MEMO) Pass Through to Sub-Recipients	Adjustments	Unexpended Balance Cumulative at 12/31/2019	(Memo Only) Cumulative Expenditures
							Pass Through	Source Direct	Total				
FEDERAL													
2013 Community Development Block Grant	14.218	B-13-UC-34-0111	1/1/15-12/31/15	127,533	\$ 10,187		30,312		30,312	30,312	10,187	117,346	
FRA Grant - Pleasantville Rail Road Program	20 xxx	N/A	1/1/09-12/31/09	Subtotal 14,218	10,187	-	30,312	-	30,312	-	10,187		
Total Department of Community Affairs				152,664	152,664	-	30,312	-	30,312	-	152,664	-	
					162,851	-	30,312	-	30,312	-	162,851		
U.S. Department of Commerce	11.300	N/A	2/1/98-1/31/00	845,600	114,860						114,860	730,740	
Economic Development Administration													
Housing and Urban Development													
Pleasantville Housing Authority													
Drug Elimination	14.854	N/A	1/1/99-12/31/99	47,994	18,040						18,040	29,955	
Department of Education													
Summer Food Program	10.559	SU-011204	1/1/19-12/31/19	214,575	-	214,575	130,699		130,699		83,876	130,699	
Summer Food Program	10.559	SU-011204	1/1/18-12/31/18	226,026	71,028						71,028	154,998	
Summer Food Program	10.559	SU-011204	1/1/17-12/31/17	238,394	114,041						114,041	124,353	
Summer Food Program	10.559	SU-011204	1/1/16-12/31/16	258,892	148,600						148,600	110,292	
Summer Food Program	10.559	SU-011204	1/1/15-12/31/15	190,305	98,717						98,717	91,586	
Summer Food Program	10.559	SU-011204	1/1/13-12/31/13	169,886	38,920						38,920	130,966	
Summer Food Program	10.559	SU-011204	1/1/12-12/31/12	169,457	70,402						70,402	99,055	
Summer Food Program	10.559	SU-011204	1/1/11-12/31/11	151,392	42,842						42,842	108,550	
Summer Food Program	10.559	SU-011204	1/1/10-12/31/10	107,007	22,519						22,519	84,488	
Summer Food Program	10.559	SU-011204	1/1/09-12/31/09	160,191	16,458						16,458	143,733	
Summer Food Program	10.559	SU-011204	1/1/08-12/31/08	138,322	35,571						35,571	102,751	
Summer Food Program	10.559	SU-011204	1/1/07-12/31/07	111,535	98,679						98,679	12,866	
Total Department of Education					757,777	214,575	130,699	-	130,699	-	841,653		
U.S. Department of Justice													
School Based Partnership COPS Grant	16.710	N/A	1/1/03-12/31/03	76,170	6,981						6,981	69,189	
Local Law Enforcement Grant	16.710	N/A	1/1/03-12/31/03	93,269	41,888						41,888	51,381	
				Subtotal 16,710	48,869	-	-	-	-	-	48,869		
Body Armor Fund	16.607	N/A	1/1/19-12/31/19	6,051	-	6,051	2,711		2,711		3,340	2,711	
Body Armor Fund	16.607	N/A	1/1/17-12/31/17	17,330	15,409						15,409	1,921	
Body Armor Fund	16.607	N/A	1/1/13-12/31/13	4,050	2,038						2,038	2,012	
Body Armor Fund	16.607	N/A	1/1/12-12/31/12	9,813	4,828						4,828	4,985	
				Subtotal 16,607	22,275	6,051	2,711	-	2,711	-	25,615		
Justice Assistance Grant	16.738	JAG-1-TTF-14	1/1/15-12/31/15	15,382	383						383	14,999	
Justice Assistance Grant	16.738	N/A	1/1/12-12/31/12	22,327	5						5	22,322	
				Subtotal 16,738	388	-	-	-	-	-	388		
Total U.S. Department of Justice					71,532	6,051	2,711	-	2,711	-	74,872		
U.S. Department of Homeland Security													
Police Canine & Equipment	97.004	N/A	1/1/07 - 12/31/07	10,000	1,985						1,985	8,015	
Total U.S. Department of Homeland Security					1,985	-	-	-	-	-	1,985		
Federal Emergency Management Assistance													
Staffing for Adequate Fire & Emergency Response	97.083	EMW2014FH00822	1/1/16-12/31/18	350,000	3						3	349,997	
Assistance to Fire Fighters	97.083	EMW2014FH00822	1/1/18-12/31/18	129,437	129,437						2,804	126,633	
Sandy Shared Services Grant	97.067	EMW2015SS00039	1/1/15-12/31/15	120,000	75,120			126,633	(1,819)		76,939	43,061	
Post Sandy Planning Grant	97.067	EMW2015SS00039	1/1/15-12/31/15	280,000	4,395						4,395	275,605	
Additional Post Sandy Planning Grant	97.067	EMW2015SS00039	1/1/15-12/31/15	110,000	24,879						24,879	85,121	
Bayview Ave Pump Station Generator	97.067	EMW2015SS00039	1/1/15-12/31/15	110,000	4,398						4,398	105,602	
Hazard Mitigation - Generator	97.067	EMW2015SS00039	1/1/15-12/31/15	90,000	4,001						4,001	85,999	
Homeland Security	97.067	N/A	1/1/09-12/31/09	189,460	243,283						1,050	188,410	
Total Federal Emergency Management Assistance						-	-	124,814	-	-	118,469		
Total Federal Assistance					1,370,328	220,626	163,722	124,814	-	30,312	1,332,730		

SEE ACCOMPANYING AUDITORS REPORT

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal or State Grantor/Pass - Through Grantor/Program Title	Pass-Through Grantor's #	Grant Period	Program or Award Amount	Unexpended Balance at 1/1/2019	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance at 12/31/2019	(Memo Only) Cumulative Expenditures
<b>STATE</b>									
<b>State of New Jersey</b>									
Department of Environmental Protection									
Stormwater Grant	N/A	1/1/06-12/31/06	12,029	2,083				2,083	9,946
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/18-12/31/18	21,730	2,879				2,879	18,851
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/17-12/31/17	23,015	1,285				1,285	21,730
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/15-12/31/15	22,789	22,789				22,789	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/14-12/31/14	23,352	23,352				23,352	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/13-12/31/13	23,041	23,041				23,041	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/12-12/31/12	9,703	9,703				9,703	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/11-12/31/11	24,446	24,446				24,446	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/09-12/31/09	19,010	19,010				19,010	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/08-12/31/08	9,015	9,015				9,015	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/07-12/31/07	2,086	2,086				2,086	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/05-12/31/05	380	380				380	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/03-12/31/03	720	720				720	-
Clean Communities Act	4900-765-178920	1/1/19-12/31/19	37,853	-	37,853	2,291		35,562	2,291
Clean Communities Act	4900-765-178920	1/1/17-12/31/17	35,221	863		863		-	35,221
Clean Communities Act	4900-765-178920	1/1/16-12/31/16	73,547	450		450		-	73,547
Clean Communities Act	4900-765-178920	1/1/15-12/31/15	36,262	34,248		34,248		-	36,262
Clean Communities Act	4900-765-178920	1/1/13-12/31/13	31,802	31,802				31,802	-
Clean Communities Act	4900-765-178920	1/1/12-12/31/12	71,341	64,832				64,832	-
Total Department of Environmental Protection				272,984	37,853	37,852	-	272,985	6,509
<b>Department of Community Affairs</b>									
Livable Communities Grant		1/1/04-12/31/04	80,000	3,945				3,945	76,055
REDI Incentive Study and Implementation	N/A	1/1/01-12/31/01	47,550	9,736				9,736	37,814
Smart Growth Implementation	N/A	1/1/02-12/31/02	5,605	5,605				5,605	-
Smart Growth Implementation - Marina	N/A	1/1/01-12/31/01	120,000	49,381				49,381	70,619
Smart Growth Implementation	N/A	1/1/07-12/31/07	33,185	32,544				32,544	641
Clean Vessel Program	N/A	1/1/07-12/31/07	6,281	6,281				6,281	-
Sustainable Jersey	N/A	1/1/15-12/31/15	2,000	1,229				1,229	771
Neighborhood Preservation Program	N/A	1/1/19-12/31/19	125,000	-	125,000	4,375		120,625	4,375
Total Department of Community Affairs				108,721	125,000	4,375	-	229,346	
<b>N.J. Economic Development Authority</b>									
Economic Development Initiative		1/1/06-12/31/08	250,000	3,623				3,623	246,377
Total NJ Economic Development Authority				3,623	-	-	-	3,623	
<b>Division of Motor Vehicles</b>									
Drunk Driving Enforcement Fund	1110-101-030000-129040	1/1/11-12/31/11	11,472	5,207		(75)		5,282	6,190
Drunk Driving Enforcement Fund	1110-101-030000-129040	1/1/16-12/31/16	12,591	38				38	12,553
Buckle Up South Jersey	N/A	1/1/07-12/31/07	2,310	2,310				2,310	-
Over the Limit Under Arrest	N/A	1/1/08-12/31/08	5,000	5,000				5,000	-
Over the Limit Under Arrest	N/A	1/1/09-12/31/09	4,775	4,775				4,775	-
Over the Limit Under Arrest	N/A	1/1/11-12/31/11	29,380	29,380				29,380	-
Over the Limit Under Arrest	N/A	1/1/12-12/31/12	11,263	11,263				11,263	-
Click it or Ticket	N/A	1/1/16-12-31-16	5,000	2,850				2,850	2,150
NJ Division of Highway Safety	1160-206-030252-60	1/1/12-12/31/12	16,940	16,940				16,940	-
NJ Division of Highway Safety	1160-206-030252-60	1/1/04-12/31/04	18,000	10,062				10,062	7,938

SEE ACCOMPANYING AUDITOR'S REPORT

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal or State Grantor/Pass - Through Grantor/Program Title	Pass-Through Grantor's #	Grant Period	Program or Award Amount	Unexpended Balance at 1/1/2019	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance at 12/31/2019	(Memo Only) Cumulative Expenditures
Alcohol Education Rehabilitation	N/A	1/1/11-12/31/11	830	535	-	149	-	386	444
Aggressive Enforcement-Aggressive Driver	N/A	1/1/10-12/31/10	28,500	10,950	-	-	-	10,950	17,550
Aggressive Enforcement-Aggressive Driver	N/A	1/1/09-12/31/09	55,572	3,050	-	-	-	3,050	52,522
Emergency Management State Police Grant	N/A	1/1/08-12/31/08	5,000	5,000	-	-	-	5,000	-
Emergency Management State Police Grant	N/A	1/1/09-12/31/09	5,000	5,000	-	-	-	5,000	-
Total Division of Motor Vehicles				112,360	-	74	-	112,286	
<b>New Jersey Department of Transportation</b>									
Reconstruction of Linden Avenue-Phase II	6320-480-601385-61	1/1/03-12/31/03	153,000	18,523	-	-	-	18,523	134,477
West Jersey Avenue Streetscape	6320-480-601385-61	1/1/00-12/31/00	306,000	16,878	-	-	-	16,878	289,122
Construction of Bike Path	6320-480-601385-61	1/1/00-12/31/00	248,000	12,256	-	-	-	12,256	235,744
Portland Avenue Reconstruction	6320-480-601385-61	1/1/16-12/31/17	250,950	10,000	-	-	-	10,000	240,950
Bike Path Extension	6320-480-601385-61	1/1/11-12/31/11	380,000	92,953	-	-	-	92,953	287,047
Bike Path Lighting	6320-480-601385-61	1/1/16-12/31/17	360,000	137,690	-	-	-	137,690	222,310
Transit City Grant - Washington Avenue	6320-480-601385-61	1/1/15-12/31/16	240,000	135	-	(11,502)	-	11,637	228,363
Transit Village Grant - Ansley Avenue	6320-480-601385-61	1/1/16-12/31/17	500,000	500,000	-	-	-	500,000	-
Transit Village Grant - Ansley Avenue	6320-480-601385-61	1/1/18-12/31/18	400,000	400,000	-	-	-	400,000	-
Safe Streets Program - Rt 9 & Park Ave	6320-480-601385-61	1/1/15-12/31/16	500,000	166,255	-	(67,451)	-	233,706	266,294
2015 Municipal Aid - Decatur Avenue	6320-480-601385-61	1/1/15-12/31/16	240,950	240,950	-	11,502	-	229,448	11,502
Transportation Enhancement Fund	6320-480-601385-61	1/1/01-12/31/01	24,502	24,502	-	-	-	24,502	-
Pedestrian Safety	6320-480-078-6320	1/1/09-12/31/09	4,000	4,000	-	-	-	4,000	-
Safe Corridors	6320-480-601385-61	1/1/09-12/31/09	47,999	14,448	-	-	-	14,448	33,551
Safe Corridors	6320-480-601385-61	1/1/11-12/31/11	20,646	20,646	-	-	-	20,646	-
Safe Corridors	6320-480-601385-61	1/1/13-12/31/13	20,020	38	-	-	-	38	19,982
Municipal and Urban Aid - 2018	6320-480-601385-61	1/1/18-12/31/18	392,000	392,000	-	-	-	392,000	-
Municipal and Urban Aid - 2017	6320-480-601385-61	1/1/17-12/31/17	273,802	94,921	-	-	-	94,921	178,881
Municipal and Urban Aid - 2012	6320-480-601385-61	1/1/12-12/31/12	251,300	8,057	-	-	-	8,057	243,243
Municipal and Urban Aid - 2012	6320-480-601385-61	1/1/12-12/31/18	42,458	42,458	-	-	-	42,458	-
Commuter Path Safety Improvements	6320-480-601385-61	1/1/08-12/31/08	308,250	30,758	-	-	-	30,758	277,492
Highway Safety Grant	6320-480-601385-61	1/1/12-12/31/18	7,743	208	-	-	-	208	7,535
Highway Safety Grant	6320-480-601385-61	1/1/14-12/31/14	17,291	10,277	-	(67,451)	-	10,277	7,014
				2,237,953	-	-	-	2,305,404	
<b>New Jersey Department of Law and Public Safety</b>									
Safe and Secure Communities	100-066-1020-107-090940	1/1/18-12/31/18	90,000	-	90,000	90,000	-	-	90,000
				-	90,000	90,000	-	-	-
<b>Department of Commerce and Economic Development</b>									
Urban Enterprise Zone	763-020-2830	1/1/09-12/31/09	285,040	25,115	-	-	-	25,115	259,925
Zone Marketing Phase V	763-020-2830	1/1/19-12/31/19	800,000	-	800,000	800,000	-	-	800,000
Public Safety Year 19	763-020-2830	1/1/16-12/31/18	200,000	10,059	-	7,479	-	2,580	197,420
Bulkhead Project	763-020-2830	1/1/17-12/31/17	7,500	10	-	-	-	10	7,490
Special Engineering Grant	763-020-2830	1/1/18-12/31/18	250,000	-	250,000	234,088	-	15,912	234,088
Revolving Loan Program	763-020-2830			35,184	1,050,000	1,041,567	-	43,617	
				2,770,825	1,302,853	1,106,417	-	2,967,261	
<b>Total State Assistance</b>									

SEE ACCOMPANYING AUDITOR'S REPORT

**Notes to Schedule of Expenditures of Federal and State Awards**  
**December 31, 2019**

**Note 1: BASIS OF PRESENTATION**

The accompanying schedule of federal and state awards includes the federal and state grant activity of the City of Pleasantville, State of New Jersey and is presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining single audit threshold on major programs. The City has elected not to use the 10% de minimis indirect cost rate.

**Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedule agree with amounts reported in the City's financial statements. Receipts from Federal and State grants are realized as revenue when anticipated in the City's budget. Expenditures are recognized when they become payable. Following is a reconciliation of expenditures:

	<u>Federal</u>	<u>State</u>
Expenditure per Schedule of Federal and State Awards	\$ 288,536	1,106,417
Add local funding	10,170	10,031
Expenditure per Audit Schedule A-12	<u>\$ 298,706</u>	<u>1,116,448</u>

## Section I -- Summary of Auditor's Results

Type of auditor's report issued	<u>Adverse under GAAP, Unmodified under Regulatory Basis</u>			
Internal control over financial reporting:				
• Material weakness(es) identified?	<u>          X          </u>	yes	<u>                    </u>	no
• Significant deficiency(ies) identified?	<u>                    </u>	yes	<u>          X          </u>	none reported
Noncompliance material to financial statements noted?		yes	X	no

**Not Applicable**

Internal Control over major programs:			
• Material weakness(es) identified?	_____	yes	_____ no
• Significant deficiency(ies) identified?	_____	yes	_____ none reported
Type of auditor's report issued on compliance major programs		_____	
Any audit findings disclosed that are required to be reported in accordance with OMB Uniform Guidance			
		yes	no

CFDA Number(s)Name of Federal Program or Cluster


Dollar Threshold used to distinguish between type A and type B programs: \$

Auditee qualified as low-risk auditee?	yes	no
--	-----	----

**State Awards**

Internal Control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Type of auditor's report issued on  
compliance major programsUnmodifiedAny audit findings disclosed that are required to  
be reported in accordance with OMB Circular 15-08\_\_\_\_\_ yes   X   no

Identification of major programs:

GMIS Number(s)Name of State Program763-020-2830-044Urban Enterprise Zone Assistance Fund

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dollar Threshold used to distinguish between type A and  
type B programs:\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes   X   no



## ***Part 2 -- Schedule of Financial Statement Findings***

### **2019-001. Criteria**

The general ledger is required to be maintained in an accurate manner in order for City personnel to determine the financial status at any point in time.

### **Condition**

Significant adjusting entries were not posted to the general ledger during the 2019 calendar year which resulted in incomplete financial information provided to City officials throughout the year.

### **Cause**

Due to staffing problems, the City's finance office did not post adjusting entries, such as interfund transfers and noncash budget items, to the general ledger and therefore did not have sufficient information to properly monitor the financial condition of the City.

### **Effect**

The City does not have sufficient information to accurately monitor financial activity throughout the year.

### **Recommendation**

That the Finance Department adequately monitor the financial information on an ongoing basis and post any necessary adjustments in a timely manner. We also suggest that a monthly report be submitted to City Council at the first meeting following the close of the month.

### **Management Response**

The Finance Office will monitor the general ledger on a regular basis and ensure that all required journal entries are posted.

***Part 3 -- Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs***

NONE

## **STATUS OF PRIOR RECOMMENDATIONS**

### **Finding 2018-001**

#### **Condition**

The general ledger is required to be maintained in an accurate manner in order for City personnel to determine the financial status at any point in time.

#### **Current Status**

This recommendation was not cleared during 2019.

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Current Fund</u>	<u>State Grant Fund</u>
Balance December 31, 2018	\$ 4,768,999	1,715,452
Increased by Receipts:		
Tax Collector	36,541,174	
Clerk	53,296	
Revenue Accounts Receivable	3,600,441	
Miscellaneous Revenue	131,506	
Anticipated Utility Surplus - Sewer	1,050,000	
Appropriation Refunds	4,929,522	
Due to General Capital	29,528	
Due to Grant Fund	1,049,384	
UEZ Second Generation Loan Repayments		309,571
State of New Jersey:		
Senior Citizens & Veterans	73,470	
DCA Training Fees	14,367	
	<u>47,472,688</u>	<u>309,571</u>
	52,241,687	2,025,023
Decreased by Disbursements:		
2019 Appropriations	32,888,610	
2018 Appropriation Reserve	225,566	
County Taxes	3,894,414	
Local District School Tax	9,898,896	
Due to Local School - BPPT	97,723	
State of NJ - DCA Training Fees	13,787	
Emergency Note Payable	425,000	
Special Emergency Note Payable	37,600	
Due to Grant Fund	1,558,955	
Due to the Current Fund		1,049,384
	<u>49,040,551</u>	<u>1,049,384</u>
Balance December 31, 2019	\$ <u><u>3,201,136</u></u>	<u><u>975,639</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**CURRENT FUND  
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2018		\$	-
Increased by Receipts:			
Prepaid Taxes - 2020	436,841		
Revenue Accounts Receivable	200,038		
Taxes Receivable	35,826,157		
Miscellaneous Revenue	2,314		
Tax Title and Other Liens	<u>75,824</u>		
			<u>36,541,174</u>
			36,541,174
Payments to Treasurer			<u>36,541,174</u>
Balance December 31, 2019		\$	<u><u>-</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Arrears	Balance Dec. 31, 2018	2019 Levy	Added Taxes	Overpayments Created	Collections by Cash		Overpayments Applied	Cancellations	Cut and Clean	Transferred To Tax Title Lien		Arrears	Balance Dec. 31, 2019
						2018	2019							
		\$ 45,667					3,663		15,453		6,630		11,145	31,066
	2017	9,388					5,385							4,003
	2018	76,924		9,982			70,159				1,359		(11,145)	4,243
		131,979		9,982	-	-	79,207	-	15,453		7,989		-	39,312
2019			36,857,029	71,273		380,639	35,833,377		318,000		378,612			17,674
		\$ 131,979	36,857,029	81,255	-	380,639	35,912,584	-	333,453		386,601		-	56,986

Cash Collected	35,826,157
Senior Citizen & Veteran Allowances	<u>86,427</u>
	<u><u>35,912,584</u></u>

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS  
OF PROPERTY TAX LEVY**

Analysis of 2019 Property Tax Levy

Tax Yield

General Property Tax	\$ 36,857,029	
Added Taxes (54:4-63.1,63.12 et.seq.)	<u>71,273</u>	
		<u>36,928,302</u>

Tax Levy

Local District School Tax (Abstract)	9,801,173	
County Tax (Abstract)	3,894,414	
Due County for Added and Omitted Taxes (54:4-63.1,63.12 et. seq.)	<u>7,550</u>	
		13,703,137

Local Tax for Municipal  
Purposes

Add: Additional Tax Levied	<u>23,161,927</u>	
	<u>63,238</u>	

Local Tax for Municipal Purposes  
Levied

		<u>23,225,165</u>
\$		<u>36,928,302</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**CURRENT FUND  
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2018		\$ 1,839,568
Increased by:		
Interest and Costs Accrued by Sale of December 20, 2019	6,130	
Cut & Clean Liens	1,324	
Transfers from Taxes Receivable	386,601	
		<u>394,055</u>
		2,233,623
Decreased by:		
Cancellation	16,681	
Collection	75,824	
		<u>92,505</u>
Balance December 31, 2019		<u><u>2,141,118</u></u>

**ANALYSIS OF BALANCE**

Tax Title Liens	1,929,060	
Boarding Up/Demolition Liens	167,137	
Cleaning Liens	44,921	
		\$ <u><u>2,141,118</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT



**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2018	Accrued In 2019	Collected by Collector	Treasurer	Clerk	Balance Dec. 31, 2019
Clerk:						
Licenses:						
Alcoholic Beverages		22,500			22,500	
Other		30,796			30,796	
Fees and Permits		320,565		320,565		
Construction Code		249,556		249,556		
Interest on Delinquent Taxes		200,038	200,038			
Interest on Investments and Deposits		31,382		31,382		
Municipal Court:						
Fines and Costs	140	197,877		186,000		12,017
Uniform Fire Safety		42,600		42,600		
Rental of Municipal Property		66,987		66,987		
Payments in Lieu of Taxes		248,598		248,598		
Hotel Room Tax		35,866		35,866		
Rental Regulation Fee		162,250		162,250		
Energy Receipts Tax		2,021,711		2,021,711		
Abandoned Property Registration		125,197		125,197		
Consolidated Municipal Property						
Tax Relief Act		109,729		109,729		
	<u>140</u>	<u>3,865,652</u>	<u>200,038</u>	<u>3,600,441</u>	<u>53,296</u>	<u>12,017</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - 2018**

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
General and Administrative					
Other Expenses	\$ 19,582	19,582	14,300	5,282	
City Clerk's Office					
Other Expenses	2,316	2,316	323	1,993	
Financial Administration					
Other Expenses	531	1,617	1,617	-	
Assessment of Taxes					
Other Expenses	3,526	3,526	2,995	531	
Collection of Taxes					
Other Expenses	1,165	1,165	881	284	
Legal Services					
Other Expenses	17,864	17,864	17,607	257	
Public Buildings and Grounds					
Other Expenses	4,468	4,468	3,945	523	
Fire					
Other Expenses	4,354	4,354	1,687	2,667	
Police					
Other Expenses	12,169	12,169	6,109	6,060	
Emergency Management Service					
Other Expenses	790	790	408	382	
Fire Prevention Program					
Other Expenses	433	433	123	310	
Municipal Court					
Other Expenses	7,166	7,166	3,848	3,318	
Technology Support & Equipment					
Other Expenses	4,102	4,102	3,854	248	
Division of Roads					
Other Expenses	16,358	16,358	14,945	1,413	
Division of Public Property					
Other Expenses	4,746	4,746	4,165	581	
Recreation					
Other Expenses	1,301	1,301	765	536	
Insurance					
Employee Group Health	6,371	6,371	2,225	4,146	
Construction Code Official					
Other Expenses	2,115	2,115	152	1,963	
Housing Official					
Other Expenses	153	153	63	90	
Unclassified:					
Fire Hydrant	30,389	30,389	30,000	389	
Electricity	12,349	12,349	8,201	4,148	
Fuel Oil	8,752	8,752	5,932	2,820	
Telephone	3,394	3,394	1,751	1,643	
Water	5,128	5,128	1,631	3,497	
Gasoline	27,272	27,272	23,207	4,065	
Transferred to Local BOE	74,832	74,832	74,832	-	
Other Accounts - No Changes	48,951	47,865	-	47,865	
	<u>\$ 320,577</u>	<u>320,577</u>	<u>225,566</u>	<u>95,011</u>	<u>-</u>

**CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2018		\$	97,723
Increased By:			
Levy - Calendar Year 2019			<u>9,801,173</u>
			9,898,896
Decreased By:			
Payments	<u>9,898,896</u>		<u>9,898,896</u>
Balance December 31, 2019		\$	<u><u>-</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANT RECEIVABLES

Purpose	Balance	Transferred			Balance
	Dec. 31, 2018	from 2019 Revenues	Received	Adjustment	Dec. 31, 2019
<b>STATE GRANTS:</b>					
NJ Transportation Trust Fund Authority Act of 1984					
Transit Village - Ansley Avenue	\$ 500,000				500,000
Reconstruction of Milan Avenue	67,584				67,584
Municipal and Urban Aid - 2012	42,457				42,457
Local Aid/Pedestrian Safety	7,293				7,293
Bikeway Lighting	183,980				183,980
Transportation Enhancement Fund	24,502				24,502
Portland Avenue	70,237		60,238		9,999
E. West Jersey Avenue Transit Village	12,374				12,374
Safe Corridors	20,646				20,646
2012 Municipal Aid Program	42,458				42,458
2015 Transit Village	60,690				60,690
2015 Safe Streets	184,715			133,657	318,372
2015 Municipal Aid - Decature Ave	240,950				240,950
2017 Highway Safety Fund	208				208
2018 Transit Village - Ansley Blvd.	400,000				400,000
2018 Municipal Aid Program	392,000				392,000
Highway Safety NJ Safe Corridors	20,020				20,020
JIF Safety Award	2,500				2,500
Municipal Alliance Program	31,138	19,242	6,938		43,442
Clean Communities Program	78,312	37,853	37,853		78,312
Click it or Ticket	200				200
Aggressive Enforcement - Aggressive Driver	23,987				23,987
Drunk Driving Enforcement Fund	7,712				7,712
Safe and Secure Neighborhoods Program	180,000	90,000	90,000		180,000
NJ Division of Highway Safety - Seat Belt Usage	8,400				8,400
NJ Division of Highway Safety - Buckle Up South Jersey	150				150
NJ Division of Highway Safety - Safety Belt Performance	2,000				2,000
NJ Department of Highway Safety	18,900				18,900
Green Acres - Brighton Recreation Complex Expansion	175,000				175,000
Smart Growth Community Planning & Implementation	45,605				45,605
COPS In Schools Grant	4,483				4,483
South Jersey Industries Recreation Grant	500				500
Department of Law & Public Safety-Click It or Ticket	4,978				4,978
Pedestrian Safety Grant	4,000				4,000
Highway Safety Grant	23,571				23,571
Highway Safety Grant - 2012	16,940				16,940
Donation - Pleasantville Dental Scoreboard	5,000				5,000
Commuter Path Systems Improvement	313,965				313,965
NJ Division of Engineering & Construction	83,457				83,457
Community Development Fund	130,041				130,041
Econ Dev Division Property Info System	16,500				16,500
Neighborhood Preservation Program	-	125,000			125,000
Tarentino Community Policing Grant	15,684				15,684
Municipal Aid & Urban Aid - California Avenue	181,308		24,437		156,871
Pleasantville Urban Enterprise Zone					
Projects -					
Direct Loan Program	-	250,000	250,000		-
Public Safety Year 19	-	800,000	800,000		-
Total State	3,644,445	1,322,095	1,269,466	133,657	3,830,731

CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANT RECEIVABLES

<u>Purpose</u>	Balance Dec. 31, 2018	Transferred from 2019 Revenues	Received	Adjustment	Balance Dec. 31, 2019
<b>FEDERAL GRANTS</b>					
Small Cities Community Development Block Grant (1995,1997,1998,1999) Housing Rehabilitation					
2009 CDBG	19,541				19,541
2011 CDBG	27,183				27,183
2013 CDBG	2,072				2,072
Federal Emergency Management Assistance -					
Hazard Mitigation Grant - Generator	4,023				4,023
Assistance to Firefighters	129,437				129,437
Additional Post Sandy Planning Grant	110,000		100,000		10,000
Bay Avenue Pump Station	200,000				200,000
US Department of Justice					
School Based Partnerships-Cops Grant	85,749				85,749
Local Law Enforcement Program	76,422				76,422
Body Armor Fund	1,684	6,051	6,051		1,684
Bulletproof Vest Partnership Grant	1,832				1,832
COPS Hiring Grant - ARRA	76,796				76,796
US Department of Agriculture					
Summer Food Program	458,135	214,575	21,877		650,833
Federal Transit Administration - FRA Grant	152,664				152,664
US Dept of Commerce-Economic Development Administration	71,703				71,703
	1,417,241	220,626	127,928	-	1,509,939
\$	5,061,686	1,542,721	1,397,394	133,657	5,340,670

CURRENT FUND  
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS APPROPRIATED

Grant	Balance Dec. 31, 2018	Transferred from 2019 Budget Appropriations	Expended	Encumbered	Prior Year Encumbrances Cancelled	Overexpended	Adjustment	Cancelled	Balance Dec. 31, 2019
STATE GRANTS:									
NJ Transportation Trust Fund Authority Act of 1984									
Reconstruction of Linden Avenue-Phase II	\$								18,523
West Jersey Avenue Streetscape									16,878
Construction of Bike Path									12,256
Bike Path Extension									92,953
Transportation Enhancement Fund									24,502
Municipal and Urban Aid - 2012									8,057
Portland Avenue			21,393	536	(21,929)				10,000
Recycling Tonnage Grant									138,706
Clean Communities Act									96,634
Clean Communities Act - 2015			34,248						-
Clean Communities Act - 2016			450						-
Clean Communities Act - 2017			863						-
Clean Communities Act - 2019		37,853	2,291						35,562
Neighborhood Preservation program		125,000	4,375						120,625
NJ DOT - Commuter Path Systems Improvements									30,758
NJ DOT - 2012 Municipal Aid Program									42,458
NJ DOT - 2014 Highway Safety Grant									10,277
NJ DOT - 2015 Transit Village Imp. Washington Avenue					(11,502)				11,637
NJ DOT - 2015 Safe Streets to Imp Rt 9 & Park Avenue Safety			26,302		(93,753)				233,706
NJ DOT - 2015 Municipal Aid Program - Decature Ave Imp				11,502					229,448
NJ DOT - Bikepath Lighting				1,677	(1,677)				137,690
NJ DOT - Transit Village - Ansley Avenue									500,000
NJ DOT - 2018 Transit Village - Ansley Avenue									400,000
NJ DOT - 2018 Municipal Audi Program									392,000
NJ DOT - 2017 Highway Safety Fund	208								208
REDI - Incentive Study & Implementation	9,736								9,736
Drunk Driving Enforcement Fund	5,245				(75)				5,320
Safe and Secure Communities Program	-	90,000	90,000						-
Atlantic County Open Space Program - Financial Asst.	95,993								95,993
Municipal Drug Alliance	59,921	19,242	10,031						69,132
Municipal Drug Alliance - Local	4,588	4,811							9,399
Click it or Ticket	2,850								2,850
Aggressive Enforcement - Aggressive Driver	14,000								14,000
JIF Safety Fund	2,500								2,500
Alcohol Education Rehabilitation	535		374		(225)				386
NJ State Police Emergency Management Assistance	10,000								10,000
NJ Division of Highway Safety	10,062								10,062
NJ Division of Highway Safety Grant	16,940								16,940
NJ Division of Highway Safety - Buckle Up South Jersey	2,310								2,310
NJ Division of Highway Safety - Over the Limit Under Arrest	50,418								50,418
Smart Growth Implementation	54,986								54,986
Livable Communities Grant	3,945								3,945
NJ Economic Development Initiative	3,623								3,623
Smart Growth Marina Facility	32,544								32,544

CURRENT FUND  
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS APPROPRIATED

Grant	Balance Dec. 31, 2018	Transferred from		Expended	Encumbered	Prior Year Encumbrances Cancelled	Overexpended	Adjustment	Cancelled	Balance Dec. 31, 2019
		2019 Budget Appropriations	2019 Budget from							
NJ Dept of Transportation-Safe Corridors	35,132									35,132
Donation - Recreation Boxing Program	12,145									12,145
Donation - Recreation Department	25,000									25,000
Donation - Pleasant Dental Scoreboard	1,437									1,437
Project Vision Club - Combat Youth Gang Activity	16,142									16,142
ACIA - Drainage Improvements	147,643									147,643
Stormwater Grant	2,083									2,083
Pedestrian Safety Grant	4,000									4,000
NJ Clean Vessel Grant	6,281									6,281
South Jersey Industries Recreation Grant	500									500
Sustainable Jersey Small Grants Program - 2015	1,229									1,229
2015 O.C.E.A.N. Inc. - After School Program	49									49
Muni Aid - 2017 California Ave	94,921			8,632	17,027	(25,659)				94,921
Tarentino Community Policing Grant	9,123									9,123
Pleasantville Urban Enterprise Zone Revolving Loan Program (97-61)	-	250,000		241,905	37,318	(45,135)				15,912
Zone Marketing Phase V (09-192)	25,115									25,115
Public Safety Year 19	-	800,000		800,000						-
Bulkhead Project	10,059			7,479	20,001	(20,001)				2,580
Special Engineering Grant	10									10
Total State	3,145,866	1,326,906		1,248,343	88,061	(219,956)	-	-	-	3,356,324

CURRENT FUND  
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS APPROPRIATED

Grant	Balance Dec. 31, 2018	Transferred from 2019 Budget Appropriations	Expended	Encumbered	Prior Year Encumbrances Cancelled	Overexpended	Adjustment	Cancelled	Balance Dec. 31, 2019
<b>FEDERAL GRANTS:</b>									
Small Cities Community Development Block Grant									
2013 CDBG	8,547								8,547
2013 CDBG - Superstorm Sandy	-			402	(402)				-
2011 CDBG	-			3	(3)				-
2018 CDBG	-		22,309	8,003		30,312			-
CDBG Park Ave	1,640								1,640
US Department of Agriculture									
Summer Food Program	325,391								325,391
Summer Food Program - 2015	98,717								98,717
Summer Food Program - 2016	148,600								148,600
Summer Food Program - 2017	114,041								114,041
Summer Food Program - 2018	71,028								71,028
Summer Food Program - 2019	-	214,575	130,699						83,876
US Department of Justice									
School Based Partnership COPS Grant	6,981								6,981
Local Law Enforcement Program	41,888								41,888
Body Armor Fund	22,275	6,051	2,711						25,615
Justice Assistance Grant - 2012	5								5
Justice Assistance Grant - 2015	383								383
US Department of Homeland Security									
Police Canine & Equipment	1,985								1,985
Federal Emergency Management Assistance									
Homeland Security	1,050								1,050
SAFER Grant	3								3
Additional Post Sandy Planning	24,879								24,879
Bayview Avenue Pump Station Generator	4,398								4,398
Post Sandy Planning Grant	4,395								4,395
Hazard Mitigation - Generator	4,001			23	(23)				4,001
Hazard Mitigation - Generator - Local Match	448								448
Sandy Shared Services - Capital Grant	75,120		18,090	10,000	(29,909)				76,939
Asistance to Firefighters	129,437		126,633						2,804
Asistance to Firefighters - Match	-		10,170				12,943		2,773
Housing and Urban Development									
Pleasantville Housing Authority Drug Elimination	18,040								18,040
Federal Transit Administration									
FRA grant - Pleasantville Railroad Rehabilitation	152,664								152,664
US Department of Commerce									
Economic Development									
	114,860								114,860
Total Federal	1,370,776	220,626	310,612	18,431	(30,337)	30,312	12,943	-	1,335,951
Total All Grants	\$ 4,516,642	1,547,532	1,558,955	106,492	(250,293)	30,312	12,943	-	4,692,275

SEE ACCOMPANYING AUDITOR'S REPORT



CURRENT FUND  
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

<u>Grant</u>	Balance Dec. 31, 2018	Transferred to		Adjustments	Balance Dec. 31, 2019
		2019 Appropriations	Received		
NJ Dot - 2014 Municipal Aid	\$ 59,973				59,973
Alcohol Education & Rehabilitation	513		330		843
Recycling Tonnage Grant	18,851		27,202		46,053
Urban Enterprise Zone					
Second Generation Funds	2,078,121	1,050,000	309,571		1,337,692
	\$ 2,157,458	1,050,000	337,103	-	1,444,561

**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2018	\$ 7,102	1,115,276
Increased By:		
Dog License Fees	434	
State License Fees	195	
Employee Withholdings		18,225
Tax Title Lien Redemption		4,494,347
Premiums Received		1,280,100
Confiscated Funds		27,506
Developers Deposits		145,549
Payroll Agency Trust		6,048,850
Payroll Clearing		9,156,259
Bid Deposit Escrow		25
Law Enforcement Trust Fund		2
Fire Prevention Penalty Fund		465
Fire Prevention Dedicated Penalty		29
Parking Offenses Adjudication Act		56
Veterans Memorial Park Fund		217
Maintenance Escrow		52,620
Accumulated Absence Trust		50,143
Due from Current	<u>36</u>	
	<u>665</u>	<u>21,274,455</u>
	7,767	22,389,731
Decreased By:		
State of New Jersey	198	
Animal Control Fund Expenditures	249	
Unemployment Claims		23,546
Redemption of Tax Sale Certificates		4,507,514
Refund of Tax Sale Premiums		314,400
Confiscated Funds		3,310
Developers Escrow		83,097
Payroll Agency Trust		5,925,408
Payroll Clearing		9,167,806
Maintenance Escrow		85,745
Parking Offenses Adjudication Act		568
	<u>447</u>	<u>20,111,394</u>
Balance December 31, 2019	\$ <u><u>7,320</u></u>	<u><u>2,278,337</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

**Analysis of Other Cash**

Bid Escrow Deposits	5,288
Tax Title Lien Redemption	1,595,554
Unemployment Trust	8,840
Developers Escrow	132,442
Zoning Board Escrow	38,571
Payroll Clearing Account	16,055
Payroll Agency Trust	303,098
Fire Prevention Penalty Fund	13,504
Fire Prevention Dedicated Penalty	5,981
Parking Offenses Adjudication Act	267
Law Enforcement Trust Fund	574
Veterans Memorial Park Fund	24,549
Maintenance Escrow	23,306
Accumulated Absence Trust	69,430
Confiscated Funds Account	<u>40,878</u>
\$	<u><u>2,278,337</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance December 31, 2018	\$ 1,031
Increased by:	
Dog License Fees Collected	<u>434</u>
	1,465
Decreased by:	
Expenditures	249
Statutory Excess	<u>350</u>
Balance December 31, 2019	\$ <u><u>866</u></u>

License Fees Collected	<u>Year</u>	<u>Amount</u>
	2018	443
	2017	<u>423</u>
		<u><u>866</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO/(FROM) CURRENT FUND -**  
**ANIMAL CONTROL FUND**

Balance December 31, 2018	\$	6,067
Increased by:		
Due to Current		36
Statutory Excess		350
		<u>6,453</u>
Decreased by:		
None		
Balance December 31, 2019	\$	<u><u>6,453</u></u>

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY -**  
**DEPARTMENT OF HEALTH**

Balance December 31, 2018	\$	4
Increased by:		
State License Fees	105	
Pilot Clinic Fee	21	
Animal Population Control Fee	<u>69</u>	
		<u>195</u>
		199
Decreased By:		
Payments		<u>198</u>
Balance December 31, 2019	\$	<u><u>1</u></u>

**TRUST FUND**  
**SCHEDULE OF DEPOSITS FOR TAX TITLE LIEN REDEMPTIONS**

Balance December 31, 2018	\$ 16,521
Increased by:	
Deposits for Redemptions	<u>4,494,347</u>
	4,510,868
Decreased by:	
Refunds - Certificates Received	4,507,514
Due to Current Fund	<u>                    </u>
Balance December 31, 2019	<u><u>\$ 3,354</u></u>

**TRUST FUND**  
**SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE**

Balance December 31, 2018	\$ 626,500
Increased by:	
Premiums Received at Tax Sale	<u>1,280,100</u>
	1,906,600
Decreased by:	
Refunds upon Redemption	<u>314,400</u>
Balance December 31, 2019	<u><u>\$ 1,592,200</u></u>

**TRUST FUND**  
**SCHEDULE OF UNEMPLOYMENT COMPENSATION TRUST**

Balance December 31, 2018		\$ 23,186
Increased By:		
Interest Earned	62	
Employee Withholdings	<u>18,225</u>	
		<u>18,287</u>
		41,473
Decreased by:		
Payments to State of New Jersey		<u>23,546</u>
Balance December 31, 2019		<u><u>\$ 17,927</u></u>

**TRUST FUND**  
**SCHEDULE OF BID ESCROW TRUST**

Balance December 31, 2018		\$ 5,263
Increased by:		
Bid Deposited Received		<u>25</u>
		5,288
Decreased by:		
Bid Deposits Refunded	<u>                    </u>	<u>-</u>
Balance December 31, 2019		<u><u>\$ 5,288</u></u>

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR CONFISCATED FUNDS**

Balance December 31, 2018	\$	16,682
Increased by:		
City's Share of Forfeited Funds		27,506
		44,188
Decreased by:		
Miscellaneous		3,310
Balance December 31, 2019	\$	40,878

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW**

Balance December 31, 2018	\$	108,561
Increased by:		
Deposits from Developer's	145,286	
Interest Earned	263	
		145,549
		254,110
Decreased by:		
Payments to Professionals	76,092	
Refunds to Developers	7,005	
		83,097
Balance December 31, 2019	\$	171,013



**TRUST FUND**  
**SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST**

Balance December 31, 2018		\$	572
Funds Received	<u>2</u>		
			2
			<u>          </u>
Balance December 31, 2019		\$	<u><u>574</u></u>

**SCHEDULE OF CASH TREASURER  
GENERAL CAPITAL FUND**

Balance December 31, 2018		\$	1,473,156
Increased by:			
Bond Proceeds	4,579,000		
Interest Earned	8,993		
	<hr/>		<hr/>
			4,587,993
			6,061,149
Decreased by:			
Due to Current Fund			
Improvement Authorizations	1,635,403		
	<hr/>		<hr/>
			1,635,403
Balance December 31, 2019		\$	<hr/> <hr/> 4,425,746

SEE ACCOMPANYING AUDITOR'S REPORT

GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Receipts			Disbursements		Transfers		Balance Dec. 31, 2019	
	Balance Dec. 31, 2018	Misc.	Bonds Issued	Note Issue	Improvement Authorizations	Misc.	From		To
Fund Balance	\$ 40,369								40,369
Capital Improvement Fund	15,700						88,000	72,300	-
Due to Current Fund	(747,055)	8,993					214,020	160,000	(792,082)
Encumbrances Payable	157,158						157,158	225,298	225,298
Due from Grant Fund	(662,101)								(662,101)
Due from State of NJ	(9,379)								(9,379)
Due to Utility Capital Fund	422,115								422,115
Reserve to Pay Notes	160,347						10,280		150,067
<u>Improvement Authorizations</u>									
#18-05 Installation of Cresson Ave. Water Lines	(110,000)								(110,000)
#9-06 Installation of Cresson Ave. Water Lines	(64,368)								(64,368)
#20-07 Various General Improvements	223								223
#17-11 Various General Improvements	-				8,174			8,174	-
#7-12 Demolition of Unsafe Buildings	(4,000)								(4,000)
#9-13 Various Capital Improvements	-				(15,143)		17,442	2,858	559
#5-14 Various Capital Improvements	434,320				180,313		53,441	80,025	280,591
#21-14 Replace Dispatch System	15,041								15,041
#10-15 Various Capital Acquisitions	(639)								(639)
#10-17 Various Capital Improvements	808,585		1,966,500		152,304		9,290	49,230	2,662,721
#6-18 Various Capital Improvements	1,016,840		1,187,500		77,286			25,000	2,152,054
#2-19 Various Police Equipment	-						160,000	160,000	-
#10-19 Various Capital Improvements	-		1,140,000		1,206,712			65,000	(1,712)
#11-19 Various Heavy Equipment	-		285,000		25,757		153,254	15,000	120,989
\$	1,473,156	8,993	4,579,000	-	1,635,403	-	862,885	862,885	4,425,746

**GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2018	\$	15,700
Increased by:		
Adjustment		<u>72,300</u>
		88,000
Decreased by:		
Improvement Authorization		<u>88,000</u>
Balance December 31, 2019	\$	<u><u>-</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance December 31, 2018		\$	8,781,519
Increased by:			
Loan Issued	112,623		
Bonds Issued	<u>4,579,000</u>		
			<u>4,691,623</u>
Decreased by:			
2019 Budget Appropriation			
to Pay Bonds	1,208,000		
to Pay Loan	<u>79,236</u>		
			<u>1,287,236</u>
Balance December 31, 2019		\$	<u><u>12,185,906</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**GENERAL CAPITAL FUND**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance #	Improvement Description	Balance Dec. 31, 2018	2019 Authorization	Raised in 2019 Budget	Adjustment	Transfer to Deferred Charges to Future Taxation- Funded	Balance Dec. 31, 2019	Analysis of Balance - December 31, 2019		
								Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
18-05	Installation of Water Lines - Cresson Avenue	\$ 110,000					110,000			
9-06	Installation of Water Lines - Cresson Avenue	64,368					64,368		64,368	
7-12	Demolition of Unsafe Buildings	4,000					4,000		4,000	
10-15	Acquisition of Various Capital	700					700		639	61
1-17	Emergency Refunding	407,500		407,500			-	-		
10-17	Various Capital Improvements	1,966,500				1,966,500	-	-		
6-18	Various Capital Improvements	1,187,500				1,187,500	-	-		
2-19	Various Police Equipment	-	152,000				152,000	152,000		
10-19	Various Capital Improvements	-	1,235,000			1,140,000	95,000		1,712	93,288
11-19	Various Heavy Equipment	-	285,000			285,000	-			
		\$ 3,740,568	1,672,000	407,500	-	4,579,000	426,068	152,000	180,719	93,349

SEE ACCOMPANYING AUDITOR'S REPORT

GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. #	Improvement Description	Ord. Date	Amount	December 31, 2018		2019 Authorizations		Prior Year Encumbered	Paid or Charged	Encumbered	Adjustment	Canceled	December 31, 2019	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation						Funded	Unfunded
20-07	Various General Improvements	4/16/07	1,384,000	\$ 223									223	
17-11	Various General Improvements	10/5/11	2,169,950	-				(45)	8,174	-	8,129		-	
9-13	Various Capital Improvements	10/21/13	1,000,000	-	-			(2,858)	(15,143)	17,442			559	
5-14	Various Capital Improvements	4/21/14	2,400,000	284,253	-			(80,025)	180,313	45,312	(8,129)		130,524	
21-14	Replacement of Dispatch System	10/20/14	126,000	15,041	-								15,041	-
10-15	Acquisition of Various Capital	5/18/15	1,040,000	-	61								-	61
10-17	Various Capital Improvements	7/17/17	2,070,000	-	808,585			(49,230)	152,304	9,290			696,221	
6-18	Various Capital Improvements	6/18/18	1,250,000	-	1,016,840			(25,000)	77,286				964,554	
2-19	Various Police Equipment	3/18/19	160,000	-	-	8,000	152,000		160,000				-	
10-19	Various Capital Improvements	8/19/19	1,300,000	-	-	65,000	1,235,000		1,206,712				-	93,288
11-19	Various Heavy Equipment	10/7/19	300,000	-	-	15,000	285,000		25,757	153,254			120,989	
				\$ 299,517	1,825,486	88,000	1,672,000	(157,158)	1,795,403	225,298	-	-	1,928,111	93,349
										Disbursed				
										Due to Current Fund				
										1,635,403				
										160,000				
										1,795,403				

GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			December 31, 2019						
			Date	Amount					
General Improvement Bonds	11/15/02	3,302,000	10/15/20	218,000	4.625%				
			10/15/21	229,000	4.625%				
			10/15/22	240,000	4.750% \$	895,000	208,000	687,000	
Refunding Bond Issue	1/27/11	3,165,000	10/1/20	300,000	4.000%				
			10/1/21	305,000	4.000%	890,000	285,000	605,000	
General Improvement Bonds	11/1/11	5,689,000	10/1/20	515,000	2.500%				
			10/1/21	515,000	2.625%				
			10/1/22	515,000	3.000%				
			10/1/23	515,000	3.500%				
			10/1/24	515,000	3.500%	3,090,000	515,000	2,575,000	
General Improvement Bonds	8/13/15	3,857,000	8/1/20	200,000	2.000%				
			8/1/21	200,000	2.000%				
			8/1/22	250,000	2.000%				
			8/1/23	350,000	2.000%				
			8/1/24	350,000	3.000%				
			8/1/25	350,000	3.000%				
			8/1/26	350,000	3.000%				
			8/1/27	350,000	3.500%				
			8/1/28	350,000	3.500%				
	8/1/29	347,000	3.500%	3,297,000	200,000	3,097,000			
General Improvement Bonds	11/20/19	4,579,000	11/15/20	324,000	2.000%				
			11/15/21	375,000	2.000%				
			11/15/22	385,000	2.000%				
			11/15/23	395,000	2.000%				
			11/15/24	410,000	2.125%				
			11/15/25	420,000	2.125%				
			11/15/26	430,000	2.250%				
			11/15/27	440,000	2.250%				
			11/15/28	455,000	2.250%				
			11/15/29	465,000	2.250%				
			11/15/30	480,000	2.250%				
						4,579,000			4,579,000

SEE ACCOMPANYING AUDITOR'S REPORT



GENERAL CAPITAL FUND  
SCHEDULE OF LOANS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
State of New Jersey Department of Community Affairs Multi Park Improvements	11/04/05	250,000	2/08/20	7,037	2.00%	87,483		13,865	73,618
			8/08/20	7,107					
			2/08/21	7,178					
			8/08/21	7,250					
			2/08/22	7,322					
			8/08/22	7,395					
			2/08/23	7,469					
			8/08/23	7,544					
			2/08/24	7,620					
			8/08/24	7,696					
Brighton Recreation Complex Acquisition (A)	4/7/06	60,484	1/7/20	1,652	2.00%	26,074		3,256	22,818
			7/7/20	1,669					
			1/7/21	1,686					
			7/7/21	1,702					
			1/7/22	1,719					
			7/7/22	1,737					
			1/7/23	1,754					
			7/7/23	1,772					
			1/7/24	1,789					
			7/7/24	1,807					
			1/7/25	1,825					
			7/7/25	1,844					
			1/7/26	1,862					

GENERAL CAPITAL FUND  
SCHEDULE OF LOANS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			December 31, 2019						
			Date	Amount					
Demolition Loan	2014	170,000	1/8/20	17,459	4.00%	105,894		17,334	88,560
			1/8/21	17,585					
			1/8/22	17,711					
			1/8/23	17,839					
			1/8/24	17,966					
Demolition Loan	10/13/2017	262,690	10/13/20	28,464	4.00%	135,540	112,623	14,631	233,532
			10/13/21	28,669					
			10/13/22	28,875					
			10/13/23	29,083					
			10/13/24	29,292					
			10/13/25	29,503					
			10/13/26	29,716					
			10/13/27	29,930					
Multi Park Recreation Sports Facility	8/16/2017	434,150	2/16/20	15,301	2.00%	404,595		30,150	374,445
			8/16/20	15,454					
			2/16/21	15,609					
			8/16/21	15,765					
			2/16/22	15,923					
			8/16/22	16,082					
			2/16/23	16,243					
			8/16/23	16,405					
			2/16/24	16,569					
			8/16/24	16,735					
			2/16/25	16,902					
			8/16/25	17,071					
			2/16/26	17,242					
			8/16/26	17,414					
			2/16/27	17,588					
			8/16/27	17,764					
			2/16/28	17,942					
			8/16/28	18,121					
			2/16/29	18,303					
			8/16/29	18,486					
			2/16/30	18,670					
			8/16/30	18,856					
						759,586	112,623	79,236	792,973

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
Emergency Refunding	1-17	12/20/2017	12/20/2018	12/19/2019	2.91%	\$ 407,500		407,500	-
Various Capital Improvements	10-17	8/17/2017	8/13/2019	1/15/2020	2.000%	1,966,500	1,966,500	1,966,500	1,966,500
Various Capital Improvements	6-18	8/15/2018	8/13/2019	1/15/2020	2.000%	1,187,500	1,187,500	1,187,500	1,187,500
Various Police Equipment	2-19	7/3/2019	7/3/2019	7/2/2020	2.499%	-	152,000		152,000
						<u>\$ 3,561,500</u>	<u>3,306,000</u>	<u>3,561,500</u>	<u>3,306,000</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Authorizations Cancelled	Bonds Issued	Notes Issued	Balance Dec. 31, 2019
18-05	Installation of Cresson Ave. Water Lines	\$ 110,000					110,000
9-06	Installation of Water Lines-Cresson Avenue	64,368					64,368
7-12	Demolition of Unsafe Buildings	4,000					4,000
10-15	Acquisition of Various Capital	700					700
2-19	Various Police Equipment	-	152,000			152,000	-
10-19	Various Capital Improvements	-	1,235,000		1,140,000		95,000
11-19	Various Heavy Equipment	-	285,000		285,000		-
		\$ 179,068	1,672,000	-	1,425,000	152,000	274,068

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2018	280,220	753,910
Increased By Receipts:		
Collector	4,931,018	
Miscellaneous Revenue	367,915	3,129
	<u>5,298,933</u>	<u>3,129</u>
	<u>5,579,153</u>	<u>757,039</u>
Decreased by Disbursements:		
2019 Appropriations	4,944,061	
2018 Appropriations	3,403	
Accrued Interest on Bonds and Notes	145,541	
Improvement Authorizations		218,857
	<u>5,093,005</u>	<u>218,857</u>
Balance December 31, 2019	<u><u>486,148</u></u>	<u><u>538,182</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Cash Receipts			Cash Disbursements			Transfers		Balance Dec. 31, 2019
	Balance Dec. 31, 2018	Other	Bonds	Improvement Authorizations	Other	From	To		
Capital Improvement Fund	146,538								146,538
Due to Sewer Operating Fund	122,415	3,129			-				125,544
Due from Current Fund	(550,555)								(550,555)
Due from General Capital Fund	(422,115)								(422,115)
Encumbrances Payable	132,834					132,834	136,163		136,163
<u>Improvement Authorizations:</u>									
#13-93 Various Sewer Improvements	(380,000)								(380,000)
#1-12 Various Sewer Improvements	(180,620)			43,338		6	31,486		(192,478)
#5-14 Various Sewer Improvements	421,600			-					421,600
#9-15 Various Sewer Improvements	279,598			46,257		16,424	16,424		233,341
#6-17 Sewer Lines and Improvements	(267,110)			34,874			84,924		(217,060)
#11-17 Various Sewer Improvements	1,451,325			94,388		119,733			1,237,204
	753,910	3,129	-	218,857	-	268,997	268,997		538,182

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR**

Balance December 31, 2018		-
Increased by Receipts:		
Consumer Accounts Receivable	4,519,587	
Sewer Utility Liens	8,456	
Sewer Overpayments	330,892	
Penalties on Delinquent Accounts	70,458	
Plumbing Permits	1,625	
	<u>                    </u>	<u>4,931,018</u>
		4,931,018
Decreased by Disbursements:		
Payments to Treasurer		<u>4,931,018</u>
Balance December 31, 2019		<u><u>-</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

D-8

**SEWER OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2018		601,461
Increased by Receipts:		
Utility Rents Levied		<u>4,703,079</u>
		5,304,540
Decreased by Disbursements:		
Collection	4,519,587	
Overpayments Applied	198,949	
Transfer to Liens	3,625	
Cancellations	<u>22,374</u>	
		4,744,535
Balance December 31, 2019		<u><u>560,005</u></u>

D-9

**SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER UTILITY LIENS**

Balance December 31, 2018		104,976
Increased by:		
Penalties and Costs	1,003	
Adjustment	16,329	
Transfer from Consumer Accounts Receivable	<u>3,625</u>	
		<u>20,957</u>
		125,933
Decreased by:		
Collections	8,456	
Cancellations	<u>3,014</u>	
		<u>11,470</u>
Balance December 31, 2019		<u><u>114,463</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT



**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL**

Account	Additions			Balance Dec. 31, 2019
	Balance Dec. 31, 2018	By Budget Capital Outlay	By Ordinance	
Northfield Sewer Extension and Woodland Ave. Sewer Pumping Station	46,000			46,000
Ansley Blvd. Sewer Extension	33,922			33,922
Sewer Extensions	18,077			18,077
Sewer Connection Project	1,149,375			1,149,375
Sewer Extensions - Maplewood Park	76,495			76,495
Sewer System Improvements	206,850			206,850
Sewer Expansions and Reconstruction	2,467,632			2,467,632
Acquisition of Equipment	87,149			87,149
Reconstruction of Sewer Lines	152,927			152,927
Reconstruction of Black Horse Pike & Doughty Road Pumping Station	44,415			44,415
Various Sewer Improvements	873,600			873,600
Various Sewer Improvements-1987	1,036,000			1,036,000
Reconstruction of California Avenue Pumping Station	105,000			105,000
Sewer Improvements -Video Camera and the Replacement of Sewer Mains along Chestnut Avenue	180,000			180,000
	6,477,442	-	-	6,477,442

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2018	Authorized	Adjustment	Balance Dec. 31, 2019
13-93	Various Sewer Improvements	5/17/93	2,700,000	2,700,000			2,700,000
30-05	Various Sewer Improvements	11/7/05	640,000	640,000			640,000
25-08	Various Sewer Improvements	10/20/08	1,250,000	1,250,000			1,250,000
41-09	Costs of Refunding	10/19/09	15,000	15,000			15,000
18-11	Various Sewer Improvements	10/5/11	1,340,000	1,340,000			1,340,000
1-12	Various Sewer Improvements	2/22/12	1,750,000	1,516,642			1,516,642
5-14	Various Sewer Improvements	4/21/14	500,000	500,000			500,000
9-15	Various Sewer Improvements	5/18/15	1,100,000	1,100,000			1,100,000
6-17	Sewer Lines and Improvements	5/1/2017	3,200,000	3,200,000		(2,932,890)	267,110
11-17	Various Sewer Improvements	7/17/2017	1,500,000	1,500,000			1,500,000
				13,761,642	-	(2,932,890)	10,828,752

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER CAPITAL FUND**  
**SCHEDULE OF AMOUNT DUE TO/(FROM) SEWER OPERATING FUND**

Balance December 31, 2018		122,415
Increased by:		
From Sewer Operating		
Interest Earned	<u>3,129</u>	<u>3,129</u>
Decreased by:		
Payments	<u>-</u>	<u>-</u>
Balance December 31, 2019		<u><u>125,544</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER OPERATING FUND**  
**SCHEDULE OF 2018 APPROPRIATION RESERVES**

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	604	604		604	
Other Expenses	42,469	42,469	3,403	39,066	
Atlantic County Utilities Authority	95	95		95	
Contribution to:					
Social Security	3,158	3,158		3,158	
	<u>46,326</u>	<u>46,326</u>	<u>3,403</u>	<u>42,923</u>	<u>-</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER OPERATING FUND**  
**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES AND ANALYSIS**  
**OF BALANCE - DECEMBER 31, 2019**

Balance December 31, 2018		52,380
Increased by:		
Budget Appropriation for:		
Interest on Bonds & Notes		<u>134,710</u>
		187,090
Decreased by Disbursements:		
Interest Paid - Treasurer	<u>145,541</u>	
		<u>145,541</u>
Balance December 31, 2019		<u><u>41,549</u></u>

**ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2019**

	Principal Outstanding December 31, 2019	Interest Rate	From	To	Period	Amount
Serial Bonds						
	80,000	various	10/1/19	12/31/19	3 mos.	800
	1,675,000	various	10/1/19	12/31/19	3 mos.	13,838
	310,000	various	8/1/19	12/31/19	5 mos.	5,280
	1,200,000	various	8/1/19	12/31/19	5 mos.	14,375
BAN						
	1,500,000	1.29%	8/17/19	12/31/19	4.5 mos.	<u>7,256</u>
				Total		<u><u>41,549</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATION

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance		2019 Authorizations		Paid or Charged	Prior Year Encumbrances	Canceled	Adjustment	Encumbered	Balance	
				Funded	Unfunded	Down Payment or Capital Improvement Fund	Debt Authorized						Funded	Unfunded
1-12	Various Sewer Improvements	2/22/12	1,750,000		\$ 407,979			43,338	(31,486)			6		396,121
5-14	Various Sewer Improvements	4/21/14	500,000	421,600									421,600	
9-15	Various Sewer Improvements	5/18/15	1,100,000	279,598				46,257	(16,424)			16,424	233,341	
6-17	Sewer Lines and Improvements	5/1/2017	3,200,000		2,932,890			34,874	(84,924)	(2,932,890)				50,050
11-17	Various Sewer Improvements	7/17/2017	1,500,000		1,451,325			94,388				119,733		1,237,204
				701,198	4,792,194	-	-	218,857	(132,834)	(2,932,890)	-	136,163	654,941	1,683,375

D-17

**SEWER CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2018	146,538
No Activity in 2019	
Balance December 31, 2019	<u>146,538</u>

D-18

**SEWER CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION**

Balance December 31, 2018	6,477,442
No Activity in 2019	
Balance December 31, 2019	<u>6,477,442</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2018	To Reserve for Amortization Fixed Capital	Capital Grant	Adjustment	Canceled	Paid From Operating Budget Bonds	Balance Dec. 31, 2019
13-93	Various Sewer Improvements	5/17/93	2,320,000						2,320,000
30-05	Various Sewer Improvements	11/7/05	523,955					38,681	562,636
25-08	Various Sewer Improvements	1020/08	374,034					60,328	434,362
41-09	Costs of Refunding	10/19/2009	11,045					1,319	12,364
18-11	Various Sewer Improvements	10/5/11	405,966					74,672	480,638
1-12	Various Sewer Improvements	2/22/12	384,305					43,622	427,927
5-14	Various Sewer Improvements	4/21/14	85,939					39,063	125,002
9-15	Various Sewer Improvements	5/18/15	189,061					85,937	274,998
			4,294,305	-	-	-	-	343,622	4,637,927

-

SEE ACCOMPANYING AUDITOR'S REPORT



**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
Refunding Bonds	1/27/11	455,000	10/1/20	40,000	4.000%				
			10/1/21	40,000	4.000%	\$ 120,000		40,000	80,000
Various Sewer Improvements	11/1/11	2,590,000	10/1/20	135,000	2.500%				
			10/1/21	140,000	2.625%				
			10/1/22	140,000	3.000%				
			10/1/23	140,000	3.500%				
			10/1/24	140,000	3.500%				
			10/1/25	140,000	3.500%				
			10/1/26	140,000	3.500%				
			10/1/27	140,000	3.500%				
			10/1/28	140,000	3.500%				
			10/1/29	140,000	3.500%				
			10/1/30	140,000	3.500%				
			10/1/31	140,000	3.500%	1,810,000		135,000	1,675,000
NJEIT Series 2012A	5/3/12	425,000	8/1/20	20,000	5.000%				
			8/1/21	20,000	5.000%				
			8/1/22	20,000	5.000%				
			8/1/23	25,000	5.000%				
			8/1/24	25,000	5.000%				
			8/1/25	25,000	5.000%				
			8/1/26	25,000	5.000%				
			8/1/27	30,000	3.000%				
			8/1/28	30,000	3.000%				
			8/1/29	30,000	3.125%				
			8/1/30	30,000	3.200%				
			8/1/31	30,000	3.250%	330,000		20,000	310,000
NJEIT Series 2012ABC	5/3/12	371,218	2/1/20	7,874	0.000%				
			8/1/20	15,748	0.000%				
			2/1/21	7,874	0.000%				
			8/1/21	15,748	0.000%				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS**

Purpose	Date of Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
		Original Issue	Date	Outstanding December 31, 2019 Amount					
			2/1/22	7,874	0.000%				
			8/1/22	15,748	0.000%				
			2/1/23	7,874	0.000%				
			8/1/23	15,748	0.000%				
			2/1/24	7,874	0.000%				
			8/1/24	15,748	0.000%				
			2/1/25	7,874	0.000%				
			8/1/25	15,748	0.000%				
			2/1/26	7,874	0.000%				
			8/1/26	15,748	0.000%				
			2/1/27	7,874	0.000%				
			8/1/27	15,748	0.000%				
			2/1/28	1,140	0.000%	213,738		23,622	190,116
Various Sewer Improvements	8/13/2015	1,600,000	8/1/2020	100,000	2.000%				
			8/1/2021	100,000	2.000%				
			8/1/2022	100,000	2.000%				
			8/1/2023	100,000	2.000%				
			8/1/2024	100,000	3.000%				
			8/1/2025	100,000	3.000%				
			8/1/2026	100,000	3.000%				
			8/1/2027	100,000	3.500%				
			8/1/2028	100,000	3.500%				
			8/1/2029	150,000	3.500%				
			8/1/2030	150,000	3.500%	1,325,000	125,000		1,200,000
						\$ 3,798,738	-	343,622	3,455,116

SEE ACCOMPANYING AUDITOR'S REPORT

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	Debt Authorized	Raised in Budget	Cancelled	Notes Issued	Capital Grant	Balance Dec. 31, 2019
13-93	Various Sewer Improvements	380,000						380,000
1-12	Various Sewer Improvements	588,599						588,599
6-17	Sewer Lines and Improvements	3,200,000			2,932,890			267,110
		4,168,599	-	-	2,932,890	-	-	1,235,709

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
Various Sewer Improvements	8/17/2017	8/13/2019	8/12/2020	1.29%	1,500,000	1,500,000	1,500,000	1,500,000
					1,500,000	1,500,000	1,500,000	1,500,000

SEE ACCOMPANYING AUDITOR'S REPORT

**CITY OF PLEASANTVILLE**

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2019**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **GENERAL COMMENTS**

### **Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4**

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of 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 after public advertising for bids and bidding therefore, except as 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 \$40,000, except by contract or agreement".

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed \$40,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Counsel's opinion should be sought before a commitment is made.

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

- Summer food program
- Sewer system improvements
- Pump Station generator
- Body Cameras
- Fire Truck

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or 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.

My examination of expenditures did not reveal individual payments, contracts or agreements in excess of \$40,000 "for the performance of any work 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. 40A:11-6.

### **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on May 20, 1991 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, NJS 54:4-67 permits the governing body of a municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, NJSA 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500 and allows an

additional penalty of 6% be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Pleasantville, County of Atlantic, and the State of New Jersey, as follows: 1) The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500 becoming delinquent after due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency; 2) effective January 1, 1991, there will be a ten day grace period of quarterly tax payments made by cash, check or money order.

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

### **Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 20, 2019 and was complete.

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

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

<u>Year</u>	<u>Number of Tax Title Liens</u>	<u>Liens Sewer &amp; Other</u>
2019	160	2
2018	182	61
2017	174	76

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.

### **Verification of Delinquent Taxes and Other Charges**

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2019 and 2020 Taxes	10
Payment of Delinquent Taxes & Liens	12
Payment of 2019 and 2020 Sewer Utility Charges	10
Municipal Court	10

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.



## Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percent of Collections</u>
2019	\$36,928,302	36,214,016	98.07%
2018	36,227,249	35,447,064	97.85%
2017	34,996,075	34,413,830	98.34%
2016	35,462,631	34,158,500	96.32%
2015	34,309,272	33,518,526	97.70%

## Comparative Schedule of Tax Rate Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	4.824	4.673	4.409	3.995	3.827
Apportionment of Tax Rate:					
Municipal	3.031	2.910	2.747	2.460	2.372
County	.511	.496	.484	.479	.435
Local School	1.282	1.267	1.178	1.056	1.020
Net Valuation Taxable	764,078,700	775,246,000	792,869,600	879,715,134	895,092,223

## Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last five years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2019	\$1,929,060	56,986	1,986,049	5.38%
2018	1,777,542	131,979	1,909,521	5.27%
2017	1,319,048	131,689	1,450,737	4.15%
2016	1,230,364	128,774	1,359,138	3.83%
2015	1,199,975	107,548	1,307,523	3.81%

## Uniform Construction Code

The City of Pleasantville construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b) 2 and NJAC 5:23.4.17(b) 3.

## Law Enforcement Trust Fund

In order to promote statewide uniformity and accountability, the State Attorney General has issued standards concerning the administration of seized and forfeited property and monies. Funds distributed to a municipality from seizures or forfeitures, or the sale of forfeited property is to be deposited into a special law

enforcement trust fund to be used for a law enforcement purpose. NJAC 13:77-1.4 defines a law enforcement purpose as a purpose which is calculated to enhance a law enforcement agency's ability to conduct criminal investigations, surveillance, arrests, and prosecutions and to respond more fully to the effects of crime and, for the purposes of these rules, shall be beyond that allocated by the law enforcement agency's annual budget. This special law enforcement trust fund must be under the direct control of funding entity. Any local governmental body which receives forfeited proceeds or property shall comply with auditing requirements specified under NJSA 40A:5-4.

***Other Financial Statement Findings***

None

## STATUS OF PRIOR RECOMMENDATIONS

None

## RECOMMENDATIONS

\* 1. That the Finance Department adequately monitor the financial information on an ongoing basis and post any necessary adjustments in a timely manner.

\* - similar recommendation made in prior years.

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

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

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Harvey C. Cocozza, Jr.*  
**Harvey C. Cocozza, Jr.**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 551**

**June 26, 2020**