TOWN OF GUTTENBERG

Financial Statements With Supplementary Information

December 31, 2019

(With Independent Auditors' Reports Thereon)

TOWN OF GUTTENBERG

TABLE OF CONTENTS

PART I

TOWN OF GUTTENBERG

TABLE OF CONTENTS (Continued)

PART I, (Continued)

TOWN OF GUTTENBERG

TABLE OF CONTENTS (Continued)

PART I, (Continued)

TOWN OF GUTTENBERG

TABLE OF CONTENTS (Continued)

PART I, (Continued)

PART II

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, 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 Town of Guttenberg in the County of Hudson, 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 Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Town of Guttenberg 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 Town of Guttenberg 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 balance sheets and account group as of December 31, 2019 and 2018, the regulatory basis statements of operations for the years then ended, and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

The supplemental information listed in the table of contents 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 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 24, 2020 on our consideration of the Town of Guttenberg'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 Town of Guttenberg's internal control over financial reporting and compliance.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

Wielkotz & Company, LLC

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

June 24, 2020

Exhibit A

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2019 and 2018

Assets	Ref.	2019	2018
Current Fund:			
Cash	A-4	$ 8,560,073	8,627,632
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-7	29,607	27,357
		8,589,680	8,654,989
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-5	2,038,911	2,000,145
Tax Title Liens	A-20	266,235	116,456
Revenue accounts receivable	A-6	46,606	45,225
Prepaid School Taxes	A-8		46,129
Interfunds Receivable:			
Animal License Trust Fund	A-16	1,642	2,320
Community Development Trust Fund	A-16	197	288
Escrow Trust Fund	A-16	29	136
Alcohol Education & Rehabilitation Trust Fund	A-16	5	
POAA Trust Fund	A-16	82	
Redemption Trust Fund	A-16	221	21,943
General Capital Fund	A-16	210,152	283,392
		2,564,080	2,516,034
		11,153,760	11,171,023
State and Federal Grant Fund:			
Cash	A-4	118,079	152,223
Grants receivable	A-21	81,022	64,356
Over-Expenditure of Grant Appropriation	A-22	17,832	
Interfunds Receivable:			
Current Fund	A-17	2,296	
Alcohol Education & Rehabilitation Trust Fund	A-18	988	14,092
		220,217	230,671
		$ 11,373,977	11,401,694

Exhibit A

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2019 and 2018

	Ref.		2019	2018
Liabilities, Reserves and Fund Balance				
Current Fund:				
Appropriation reserves	A-3,A-11	$	982,815	775,256
Encumbrances payable	A-12		17,333	48,750
Tax overpayments	A-13		145,149	71,133
Prepaid taxes	A-14		214,802	277,846
County Added Taxes Payable	A-10		2,012	31,105
Reserve for Amount Due to the Hudson County Treasurer - Court Fines and Costs	A-15		6,764	6,764
Interfunds Payable:				
Other Trust Fund	A-16		2,131	2,373
Federal and State Grant Fund	A-16		2,296	14,092
Reserve for:				
Pension Deferral	A-19		228,137	228,137
Revaluation	A-19		17,130	17,130
Library Contribution	A-19		20,554	20,554
State Library Aid	A-19		6,419	6,419
Tax Appeals	A-19		185,966	208,821
			1,831,508	1,708,380
Reserve for receivables and other assets	A		2,564,080	2,516,034
Fund balance	A-1		6,758,172	6,946,609
			11,153,760	11,171,023
State and Federal Grant Fund:				
Matching Funds for Grants			95,000	95,000
Appropriated reserves	A-22		82,813	111,254
Unappropriated reserves	A-23		42,404	24,417
			220,217	230,671
		$	11,373,977	11,401,694

See accompanying notes to financial statements.

Exhibit A-1

TOWN OF GUTTENBERG

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

Current Fund

Year Ended December 31, 2019 and 2018

		Dec. 31, 2019	Dec. 31, 2018
Revenue and other income realized:			
Fund balance utilized	$	2,000,000	1,700,000
Miscellaneous revenue anticipated		3,154,653	3,015,543
Receipts from delinquent taxes		1,824,150	1,453,316
Receipts from current taxes		28,051,906	27,723,637
Nonbudget revenues		496,508	375,174
Other credits to income:			
Unexpended balance of appropriation reserves		578,639	325,540
Liabilities Canceled		39,598	30,067
Interfunds Returned		354,207	110,875
Total revenue		36,499,661	34,734,152
Expenditures:			
Budget and emergency appropriations:			
Operations:			
Salaries and wages		5,739,500	5,227,600
Other expenses		9,783,932	9,880,829
Deferred charges and statutory expenditures		1,167,765	1,110,597
Municipal debt service		1,621,524	702,795
County taxes		4,723,631	4,748,819
Due county for added taxes		2,012	31,105
Local district school taxes		11,321,822	11,099,825
Prepaid School Taxes			46,129
Interfunds Advanced		200,000	283,427
Outside lien purchased by Town		94,926	
Refunds		32,986	
Total expenditures		34,688,098	33,131,126
Excess in Revenue		1,811,563	1,603,026

Exhibit A-1

TOWN OF GUTTENBERG

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

Current Fund

Year Ended December 31, 2019 and 2018

	Dec. 31, 2019	Dec. 31, 2018
Statutory excess to fund balance	1,811,563	1,603,026
Fund balance - January 1,	6,946,609	7,043,583
	8,758,172	8,646,609
Decreased by utilization as anticipated revenue	2,000,000	1,700,000
Fund balance - December 31,	$ 6,758,172	6,946,609

See accompanying notes to financial statements.

Exhibit A-2

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Realized	Excess (deficit)
Surplus anticipated	$ 2,000,000	2,000,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	30,000	40,250	10,250
Other	100,000	171,711	71,711
Fees and permits:			
Other	90,000	131,731	41,731
Fines and costs municipal court	550,000	617,869	67,869
Parking meters	225,000	265,991	40,991
Interest and costs on taxes	185,000	298,507	113,507
Interest on investments and deposits	35,000	211,319	176,319
Consolidated Municipal Property Tax Relief Aid	166,205	129,404	(36,801)
Energy Receipts Tax	592,570	629,371	36,801
Uniform Construction Code Fees	100,000	265,139	165,139
Public and Private Programs Offset by Revenues:			
Recreational Opportunities Grant	16,666	16,666	
Alcohol Education and Rehabilitation Grant	8,439	8,439	
Summer Food Program	19,659	19,659	
Municipal Alliance	9,655	9,655	
Clean Communities	17,326	17,326	
FM Global Fire Prevention Grant	1,000	1,000	
Recycling Tonnage Grant	14,535	14,535	
Body Armor Replacement Grant	2,684	2,684	
General Capital Fund Balance	200,000	200,000	
Time Warner	48,000	51,402	3,402
Verizon	60,000	51,995	(8,005)
Total miscellaneous revenues	2,471,739	3,154,653	682,914
Receipts from delinquent taxes	1,400,000	1,824,150	424,150
Amount to be raised by taxes for support of municipal budget	14,219,229	13,772,441	(446,788)
Budget total	$ 20,090,968	20,751,244	660,276
Nonbudget revenue		496,508	
		$ 21,247,752	

Exhibit A-2

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2019

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	$ 28,051,906
Allocated to:	
Local district school tax	11,321,822
County taxes	4,725,643
	16,047,465
Balance for support of municipal budget appropriations	12,004,441
Reserve for uncollected taxes	1,768,000
	$ 13,772,441
Receipts from:	
Delinquent tax collections	$ 1,824,150

Analysis of Miscellaneous Revenue Not Anticipated

Prior Year Voided Checks	70,828
COBRA Payments	3,376
ADS Refunds - State Health Benefits	176,507
Birth/Death Certificates	4,305
Wedding Fees	4,300
Foreclosure Proceeds	24,300
Tax Title Lien Premiums cancelled to Town	51,700
Police Off Duty Administrative Fee	12,851
Vacant Property	500
PILOT	15,552
PILOT - Housing Authority	91,605
DMV Inspection Fines	2,661
Other	38,023
	$ 496,508

See accompanying notes to financial statements.

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2019

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Operations-within "CAPS"					
Administrative and executive:					
Salaries and wages	$ 350,000	380,000	375,919	4,081	
Other expenses	265,000	285,000	273,028	11,972	
Elections:					
Salaries and wages	2,000	2,000	2,000		
Other expenses	12,500	12,500	8,948	3,552	
Financial administration:					
Salaries and wages	325,000	330,000	326,445	3,555	
Other expenses	175,000	165,000	125,674	39,326	
Assessment of taxes:					
Salaries and wages	38,500	44,500	41,623	2,877	
Other expenses	34,000	34,000	24,687	9,313	
Municipal Court:					
Salaries and wages	315,000	278,000	274,458	3,542	
Other Expenses	30,000	30,000	12,649	17,351	
Collection of taxes:					
Salaries and wages	125,000	125,000	119,834	5,166	
Other expenses	16,000	20,000	17,749	2,251	
Legal services and costs:					
Other expenses	285,000	223,240	192,708	30,532	
Public building and grounds:					
Other expenses	170,000	135,000	119,934	15,066	
Engineering:					
Other expenses	125,000	145,000	133,529	11,471	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2019

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and wages	24,000	24,000	15,626	8,374	
Other expenses	4,500	4,500	1,010	3,490	
Community Action Program:					
Other expenses	10,500	10,500	10,000	500	
Insurance:					
Insurance-Other	650,000	625,000	621,849	3,151	
Group Insurance for Employees	1,750,000	1,456,000	1,455,044	956	
Insurance/Deductible	5,000	11,500	11,500		
Unemployment Insurance	20,000	20,000	20,000		
PUBLIC SAFETY:					
Police:					
Salaries and wages	2,825,000	3,135,000	3,117,156	17,844	
Other expenses	160,000	205,000	183,038	21,962	
Emergency management services:					
Other expenses	12,000	13,660	13,652	8	
Fire Official/Inspector:					
Salaries and wages	120,000	120,000	112,581	7,419	
Other expenses	10,000	10,000	2,737	7,263	
Public Works:					
Street Cleaning:					
Salaries and wages	756,000	716,000	693,648	22,352	
Other expenses	160,000	245,000	202,263	42,737	
Recycling:					
Other expenses	115,000	115,000	110,526	4,474	
Solid Waste & Garbage Removal:					
Other expenses	860,000	815,000	762,446	52,554	
Snow Removal:					
Other expenses	125,000	70,000	35,375	34,625	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2019

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Health and Welfare:					
Public Health Services:					
Other expenses	50,000	55,000	49,801	5,199	
Recreation and Education:					
Recreation:					
Salaries and wages	287,000	312,000	307,293	4,707	
Other expenses	165,000	104,000	88,359	15,641	
Celebration of public event, anniversary or holiday - other expenses	87,000	82,000	77,368	4,632	
Senior Citizens Nutrition Program:					
Salaries and wages	23,000	23,000	18,522	4,478	
Other expenses	50,000	50,000	38,771	11,229	
Senior Citizens Tranportation:					
Other expenses	20,000	42,000	36,585	5,415	
Senior Recreation Program:					
Other expenses	10,000	10,000	8,874	1,126	
Uniform construction code official:					
Salaries and wages	205,000	205,000	196,223	8,777	
Other expenses	8,000	8,000	3,540	4,460	
License inspector:					
Salaries and wages	45,000	45,000	44,129	871	
Other expenses	2,500	2,500	63	2,437	
UNCLASSIFIED:					
Utilities:					
Electricity	70,000	90,000	81,235	8,765	
Street lighting	85,000	78,000	72,108	5,892	
Telephone	110,000	95,000	90,546	4,454	
Water	30,000	20,000	17,435	2,565	
Fire hydrant service	60,000	60,000	42,656	17,344	
Sewerage	50,000	35,000	18,421	16,579	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2019

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Gasoline	92,000	82,000	71,471	10,529	
Postage - all departments	30,000	30,000	23,611	6,389	
Technology	175,000	205,000	202,689	2,311	
Salary & Wage Adjustment	5,000				
Total Operations within "CAPS"	11,534,500	11,438,900	10,907,336	531,564	
Contingent	6,125	6,125		6,125	
Total Operations Including Contingent-within "CAPS"	11,540,625	11,445,025	10,907,336	537,689	
Detail:					
Salaries & Wages	5,445,500	5,739,500	5,645,457	94,043	
Other Expenses (Including Contingent)	6,095,125	5,705,525	5,261,879	443,646	
	11,540,625	11,445,025	10,907,336	537,689	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2019

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Deferred Charges and Statutory Expenditures-					
Municipal within "CAPS"					
DEFERRED CHARGES					
Deficit in Public Defender Trust Fund	4,737	4,737	4,737		
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	270,000	290,000	285,438	4,562	
Public Employees Retirement system	262,562	262,562	262,562		
Police and Firemans Retirement System of N.J.	608,116	608,116	608,116		
Consolidated Police and Firemen's Pension Fund	12,000				
DCRP	900	2,350	2,328	22	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,158,315	1,167,765	1,163,181	4,584	
Total General Appropriations for Municipal Purposes within "CAPS"	12,698,940	12,612,790	12,070,517	542,273	
Operations-Excluded from "CAPS"					
Reserve for Tax Appeals	62,000	62,000	62,000		
911-Other Expenses	60,000	64,150	64,139	11	
Stormwater Management	30,000	30,000	13,587	16,413	
Library Service-North Bergen:					
Other expenses	365,130	385,130	382,903	2,227	
North Hudson Regional Communication:					
Other expenses	94,600	156,600		156,600	
North Hudson Regional Fire & Rescue:					
Other expenses	2,950,000	2,950,000	2,740,676	209,324	
Guttenberg Board of Education					
Electric and Gas	102,000	102,000	94,659	7,341	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2019

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Sewer	10,000	10,000	10,000		
Water	12,000	12,000	12,000		
Snow Removal	14,000	14,000		14,000	
Security	200,148	200,148	165,522	34,626	
Public and Private Programs Offset by Revenues					
Recycling	14,535	14,535	14,535		
Municipal Alliance	9,655	9,655	9,655		
Match	2,414	2,414	2,414		
Clean Communities	17,326	17,326	17,326		
Summer Food	19,659	19,659	19,659		
Body Armor	2,684	2,684	2,684		
Alcohol Education Rehab	8,439	8,439	8,439		
FM Global Fire Prevention Grant	1,000	1,000	1,000		
Recreation for Individuals with Disabilities (ROID)	16,666	16,666	16,666		
Total Operations-Excluded from "CAPS"	3,992,256	4,078,406	3,637,864	440,542	
Detail:					
Salaries and Wages					
Other Expenses	3,992,256	4,078,406	3,637,864	440,542	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2019

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	605,000	605,000	605,000		
Interest on Bonds	990,925	990,925	980,678		10,247
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	35,847	35,847	35,846		1
Total Municipal Debt Service-Excluded from "CAPS"	1,631,772	1,631,772	1,621,524		10,248
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	5,624,028	5,710,178	5,259,388	440,542	10,248
Subtotal General Appropriations	18,322,968	18,322,968	17,329,905	982,815	10,248
Reserve for Uncollected Taxes	1,768,000	1,768,000	1,768,000		
Total General Appropriations	$ 20,090,968	20,090,968	19,097,905	982,815	10,248

Adopted Budget	20,028,878
Added by N.J.S.A. 40A:4-87	62,090
	$ 20,090,968

Analysis of Paid or Charged	
Deferred Charges - Due to Other Trust Fund	4,737
Reserve for Uncollected Taxes	1,768,000
Due to Federal and State Grant Fund	92,378
Reserve for Tax Appeals	62,000
Reserve for Encumbrances	17,333
Cash	17,153,457
	$ 19,097,905

Exhibit B

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2019 and 2018

Assets	Ref.	2019	2018
Animal License Fund:			
Cash	B-1	$ 6,271	7,140
Unemployment Compensation Trust Fund:			
Cash	B-1	45,113	45,783
Community Development Block Grant Trust Fund:			
Cash	B-1	11,037	11,128
Grants receivable	B-4	224,500	139,000
		235,537	150,128
Other Trust Funds:			
Cash	B-1	1,746,424	1,566,747
Interfund Receivables:			
Due from Current Fund	B-7	2,131	2,373
		1,748,555	1,569,120
		$ 2,035,476	1,772,171

Exhibit B

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2019 and 2018

Liabilities and Reserves	Ref.	2019	2018
Animal License Fund:			
Reserve for Animal License Expenditures	B-2	4,574	4,768
Due to State of New Jersey	B-3	55	52
Due to Current Fund	B-7	1,642	2,320
		6,271	7,140
Unemployment Compensation Trust Fund:			
Reserve for Expenditures	B-9	45,113	45,783
Community Development Block Grant Trust Fund:			
Reserve for Grant Expenditures	B-5	235,340	149,840
Due to Current Fund	B-7	197	288
		235,537	150,128
Other Trust Funds:			
Due to State-Marriage Licenses	B-6	2,875	1,700
Due to State-Construction Fees	B-6	254	254
Interfunds Payable:			
Federal and State Grant Fund	B-7	988	
Current Fund	B-7	337	22,079
Reserve for:			
Other Trust Deposits	B-8	1,744,101	1,545,087
		1,748,555	1,569,120
		$ 2,035,476	1,772,171

See accompanying notes to financial statements.

Exhibit C

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2019 and 2018

	Ref.		2019	2018
Assets				
Cash:				
Checking	C-2,C-3	$	5,932,286	2,329,899
Grants Receivable:				
Hudson County Open Space Grant	C-6		315,218	664,536
State of New Jersey - Dept. of Transportation	C-7		515,000	455,000
State of New Jersey - Department of Environmental Protection, Green Acres Program	C-8		64,172	217,263
State of New Jersey - Educational Facilities Construction Financing	C-9		182,587	182,587
Due from Board of Education	C-10		62,750	62,750
Deferred charges to future taxation:				
Funded	C-4		18,602,712	19,236,989
Unfunded	C-5		7,933,005	5,811,705
		$	33,607,730	28,960,729
Liabilities, Reserves and Fund Balance				
Serial Bonds	C-11		18,550,000	19,150,000
Green Acres Loans Payable	C-19		52,712	86,989
Bond Anticipation notes	C-20		5,545,000	
Capital Improvement Fund	C-12		1,093,058	1,185,758
Due to Current Fund	C-13		210,152	283,392
Reserve for Bid Deposit	C-14		12,844	
Reserve for Payment of Debt	C-15		3,058,406	2,213,870
Reserve for Grants Receivable	C-16		1,012,805	1,302,123
Reserve for Green Acres	C-17		100	100
Improvement authorizations:				
Funded	C-18		460,752	662,285
Unfunded	C-18		3,302,351	3,584,557
Fund Balance	C-1		309,550	491,655
		$	33,607,730	28,960,729

There were bonds and notes authorized but not issued at December 31, 2019 and December 31, 2018 of $2,388,005 and $5,811,705 respectively. See exhibit C-21.

See accompanying notes to financial statements.

Exhibit C-1

TOWN OF GUTTENBERG

Comparative Schedule of Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2019 and 2018

	2019	2018
Balance - December 31, 2018	$ 491,655	583,340
Increased by :		
Close out of Trustee Account	262	
Premium received on Sale of Bond Anticipation Notes	17,633	58,315
	17,895	58,315
	509,550	641,655
Decreased by:		
Budget Revenue - Due to Current Fund	200,000	150,000
Balance - December 31, 2019	$ 309,550	491,655

See Accompanying Notes to Financial Statements

Exhibit F

TOWN OF GUTTENBERG

Comparative Balance Sheets-Regulatory Basis

Payroll Account

December 31, 2019 and 2018

		2019	2018
Assets			
Cash	$	1,073	12,240
	$	1,073	12,240
Liabilities			
Net Payroll Payable	$	1,041	5,332
Withholdings Payable		32	6,908
	$	1,073	12,240

See accompanying notes to the financial statements.

Exhibit G

TOWN OF GUTTENBERG

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

December 31, 2019 and 2018

		2019	2018
Land	$	1,817,400	1,817,400
Buildings		3,378,500	3,378,500
Vehicles and equipment		2,510,199	2,321,736
	$	7,706,099	7,517,636

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

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

The Town has the following funds and account group:

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

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

> Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Town as a trustee or agent for individuals, private organizations, other governments and/or other funds.
>
> Animal License Fund - This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by NJS 4:19-15.11.

Unemployment Trust Fund - This fund is used to account for all employee deductions and budget appropriations and subsequent payment of unemployment compensation bills from the State of New Jersey.

Community Development Block Grant - This fund is used to account for the award and receipt of grant monies and subsequent expenditure of grants awarded through the Department of Housing and Urban Development passed through the County of Hudson as required by the grant agreements.

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

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

Payroll Account - This fund is used to account for the receipt and disbursement of net payroll and all deductions and withholdings.

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting

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

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

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

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

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

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

General Capital Fund
Trust Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2019, the Mayor and Council approved additional revenues and appropriations of $62,090 in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were also approved by the governing body.

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

Encumbrances - Contractual orders outstanding at June 30 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

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

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

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

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

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

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Town of Guttenberg has developed a fixed assets accounting and reporting system.

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

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

No depreciation has been provided for in the financial statements.

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

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

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

Use of Estimates

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

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

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

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

C. Basic Financial Statements

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

NOTE 2. PENSION PLANS

Description of Plans:

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

Public Employees' Retirement System (PERS)

Plan Description

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

NOTE 2. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS), (continued)

Benefits Provided

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

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

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

Police and Firemens' Retirement System (PFRS)

Plan Description

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

NOTE 2. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

Benefits Provided

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

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

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

Defined Contribution Retirement Program

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

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

NOTE 2. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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

Contribution Requirements

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

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

Year	PERS	PFRS	DCRP
2019	$253,490	$577,802	$2,328
2018	253,712	550,473	900
2017	223,354	483,285	113

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At December 31, 2019, the Town had a liability of $5,495,264 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2019, the Town's proportion was .0304979276 percent, which was an increase of .0050132676 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Town recognized pension expense of $253,490. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	98,633	24,276
Changes of assumptions	548,722	1,907,389
Net difference between projected and actual earnings on pension plan investments		86,745
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,426,826	326,184
Town contributions subsequent to the measurement date		
Total	$2,074,181	$2,344,594

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

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

Year ended June 30:	
2020	$(158,678)
2021	(514,749)
2022	(459,641)
2023	(215,825)
2024	(22,161)

Changes in Proportion

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

Additional Information

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

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	$3,149,522,616	$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
Town's Proportion	.0304979276%	.0254846600%

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

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

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

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

Mortality Rates

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

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

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

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%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Discount Rate

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

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

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

	June 30, 2019		
	1% Decrease 5.28%	At Current Discount Rate 6.28%	1% Increase 7.28%
Town's proportionate share of the pension liability	$6,951,472	$5,495,264	$4,268,203

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2019, the Town had a liability of $6,176,938 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2019, the Town's proportion was .0504741760 percent, which was a decrease of .008627095 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Town recognized pension expense of $577,802. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in actual and expected experience	$52,141	$39,107
Changes of assumptions	211,656	1,996,330
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between Town contributions and proportionate share of contributions	341,469	83,696
Town contributions subsequent to the measurement date		1,485,760
Total	$605,266	$3,604,893

NOTE 2. PENSION PLANS, (continued)

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

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

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

Year ended June 30:	
2020	$(323,830)
2021	(679,770)
2022	(481,420)
2023	(237,307)
2024	(133,009)

Changes in Proportion

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

Additional Information

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

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	$1,198,936,924	$1,988,215,695
Collective deferred inflows of resources	4,874,748,912	4,286,994,294
Collective net pension liability	12,237,818,793	13,531,648,591
Town's Proportion	.0504741760%	.05910127100%

NOTE 2. PENSION PLANS, (continued)

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

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

Actuarial Assumptions

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

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

Mortality Rates

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

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

NOTE 2. PENSION PLANS, (continued)

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

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

Long-Term Rate of Return

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

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%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

NOTE 2. PENSION PLANS, (continued)

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

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

Discount Rate

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

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

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

	June 30, 2019		
	1% Decrease 5.85%	At Current Discount Rate 6.85%	1% Increase 7.85%
Town's proportionate share of the pension liability	$8,691,938	$6,176,938	$4,095,414

NOTE 2. PENSION PLANS, (continued)

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

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

Special Funding Situation - PFRS

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

At December 31, 2019 and 2018, the State proportionate share of the net pension liability attributable to the Town for the PFRS special funding situation is $975,350 and $1,086,311, respectively. For the years ended December 31, 2019 and 2018, the pension system has determined the State's proportionate share of the pension expense attributable to the Town for the PFRS special funding situation is $113,328 and $128,672, respectively, which is more than the actual contributions the State made on behalf of the Town of $65,718 and $64,336, respectively. The State's proportionate share attributable to the Town was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Town's financial statements.

Pension Plan Fiduciary Net Position

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

NOTE 3. LONG-TERM DEBT

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

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	$19,150,000	$	$600,000	$18,550,000	$605,000
Total Bonds Payable	19,150,000		600,000	18,550,000	605,000
Other Liabilities:					
Deferred PERS/PFRS Pension Contribution	137,412		20,728	116,684	22,407
Green Acres Loan Obligation Debt	86,989		34,277	52,712	34,966
Total Other Liabilities	224,401		55,005	169,396	57,373
	$19,374,401	$	$655,005	$18,719,396	$662,373

	Balance December 31, 2017	Additions	Reductions	Balance December 31, 2018	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	$	$19,150,000	$	$19,150,000	$600,000
Total Bonds Payable		19,150,000		19,150,000	600,000
Other Liabilities:					
Deferred PERS/PFRS Pension Contribution	156,364		18,952	137,412	20,728
Green Acres Loan Obligation Debt	120,590		33,601	86,989	34,277
Total Other Liabilities	276,954		52,553	224,401	55,005
	$276,954	$19,150,000	$52,553	$19,374,401	$655,005

NOTE 3. LONG-TERM DEBT, (continued)

Summary of Municipal Debt (Excluding Current Operating Debt)

	2019	2018	2017
Issued-general-bonds, loans and notes	$24,147,712	$19,236,989	$21,095,590
Authorized but not issued-general-bonds and notes	2,388,005	5,811,705	3,335,178
	26,535,717	25,048,694	24,430,768
Less funds on hand to pay debt and other deductions	3,058,406	2,213,870	3,190,990
Net bonds and notes issued and authorized but not issued	$23,477,311	$22,834,824	$21,239,778

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 2.114% for 2019.

	Gross Debt	Deductions	Net Debt
General debt	$26,535,717	$3,058,406	$23,477,311
School debt	-0-	-0-	-0-
	$26,535,717	$3,058,406	$23,477,311

Net debt of $23,477,311 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $1,110,522,329 equals 2.114%.

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 2.218% for 2018.

	Gross Debt	Deductions	Net Debt
General debt	$25,048,694	$2,213,870	$22,834,824
School debt	-0-	-0-	-0-
	$25,048,694	$2,213,870	$22,834,824

Net debt of $22,834,824 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $1,029,493,083 equals 2.218%.

NOTE 3. LONG-TERM DEBT, (continued)

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

	2019	2018
3 ½% of equalized valuation basis (municipal)	$38,868,282	$36,032,258
Net Debt	23,477,311	22,834,824
Remaining borrowing power	$15,390,971	$13,197,434

The Town's long-term debt consisted of the following at December 31, 2019 and 2018:

Paid by Current Fund:

	2019	2018
$19,150,000 General Obligation Bonds, due in annual installments of $600,000 to $1,190,000 through August 2042, interest at 3.00%-5.00%	$18,550,000	$19,150,000
	$18,550,000	$19,150,000

Aggregate bonded debt service requirements are as follows:

Year	Principal	Interest	Total
2020	$605,000	$810,825	$1,415,825
2021	605,000	786,625	1,391,625
2022	605,000	756,375	1,361,375
2023	605,000	726,125	1,331,125
2024	605,000	695,875	1,300,875
2025-29	3,285,000	3,012,125	6,297,125
2030-34	4,025,000	2,233,225	6,258,225
2035-39	4,810,000	1,445,275	6,255,275
2040-44	3,405,000	346,000	3,751,000
	$18,550,000	$10,812,450	$29,362,450

NOTE 3. LONG-TERM DEBT, (continued)

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

At December 31, 2019 and 2018, the Town had authorized but not issued debt as follows:

	2019	2018
General Capital Fund	$2,388,005	$5,811,705

NOTE 4. INTERGOVERNMENTAL LOAN PAYABLE

The Town has entered into a loan agreement with the State of New Jersey for the financing relating to the development of recreation facilities. Aggregate Green Acres Loan payment requirements is as follows:

Year	Total	Principal	Interest
2020	$35,846	$34,966	$880
2021	17,924	17,746	178
	$53,770	$52,712	$1,058

NOTE 5. BOND ANTICIPATION NOTES

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

NOTE 5. BOND ANTICIPATION NOTES, (continued)

On December 31, 2019 and 2018, the Town had $5,545,000 and $-0-, respectively, in outstanding General Capital Fund bond anticipation notes.

	Balance Dec. 31, 2018	Additions	Reductions	Balance Dec. 31, 2019
General Capital Notes Payable				
TD Securities (USA) LLC	$0	$5,545,000	$0	$5,545,000
	$0	$5,545,000	$0	$5,545,000

	Balance Dec. 31, 2017	Additions	Reductions	Balance Dec. 31, 2018
General Capital Notes Payable				
Roosevelt & Cross, Inc.	$	$21,841,000	$21,841,000	$0
Jeffries, LLC	20,975,000	0	20,975,000	0
	$20,975,000	$21,841,000	$42,816,000	$0

NOTE 6. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2019 and 2018 which as been appropriated as revenue in the 2020 and 2019 budgets is as follows:

	2020	2019
Current Fund	$2,100,000	$2,000,000

NOTE 7. ACCRUED SICK AND VACATION BENEFITS

The Town no longer permits employees to accrue unused sick and vacation pay; therefore, there is no liability for unpaid compensation at December 31, 2019.

NOTE 8. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2019 and 2018, $-0- of the Town's bank balance of $16,591,116 and $13,191,741, respectively, was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Town 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 allowance investments are Bonds of the United States of America, bonds or other obligations of the municipality or bonds or other obligations of the local unit or units within which the municipality is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

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

NOTE 9. FIXED ASSETS

The following is a summary of charges in the General Fixed Assets Account Group as of December 31, 2019 and 2018:

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019
Land	$1,817,400	$	$	$1,817,400
Building	3,378,500			3,378,500
Equipment	2,321,736	356,151	167,688	2,510,199
	$7,517,636	$356,151	$167,688	$7,706,099

	Balance December 31, 2017	Additions	Retirements	Balance December 31, 2018
Land	$1,817,400	$	$	$1,817,400
Building	3,378,500			3,378,500
Equipment	2,085,522	464,544	228,330	2,321,736
	$7,281,422	$464,544	$228,330	$7,517,636

NOTE 10. DUE TO/FROM OTHER FUNDS

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

$988	Due to the Federal and State Grant Fund from the Alcohol Education and Rehabilitation Trust Fund to reimburse expenditures made.
1,642	Due to the Current Fund from the Animal License Trust Fund for the current year's statutory excess calculation and interest earnings not turned over.
197	Due to the Current Fund from the Community Development Trust Fund for interest earnings.
221	Due to the Current Fund from the Redemption Trust Fund for interest earned.
2,131	Due to the Other Trust Fund from the Current Fund to correct deposit errors and for a deferred charge raised in the 2019 budget less interest earnings.
29	Due to the Current Fund from the Escrow Trust Fund for interest earnings.
210,152	Due to the Current Fund from the General Capital Fund for budget revenue and interest earnings.
2,296	Due to the Federal and State Grant Fund from the Current Fund for matching budget appropriations less interest earned.82
82	Due to the Current Fund from the POAA Trust Fund for interest earnings.
5	Due to the Current Fund from the Alcohol Education and Rehabilitation Trust Fund for interest expense.
$217,743	

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

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB)

In addition to the pension described in Note 2, the Town provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

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

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

Total OPEB Liability

At December 31, 2019, the Town had a liability of $11,628,489 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2019 the Town's proportion was .085844000 percent which was a decrease of .003956000% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Town recognized OPEB expense of $732,475. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$	$3,400,624
Changes of assumptions		4,120,878
Net difference between projected and actual earnings on OPEB plan investments	9,579	
Changes in proportion		3,627,371
Total	$9,579	$11,148,873

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

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

Year ended June 30:	
2020	$(1,223,450)
2021	(1,223,450)
2022	(1,224,201)
2023	(1,225,415)
2024	(1,226,524)
Thereafter	(1,388,884)

Changes in Proportion

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

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2016 , which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

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

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

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less that 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.

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	June 30, 2019		
	1% Decrease 2.50%	At Current Discount Rate 3.50%	1% Increase 4.50%
Town's proportionate share of Net OPEB liability	$13,445,492	$11,628,489	$10,151,935

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

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

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Town's proportionate share of Net OPEB liability	$9,813,012	$11,628,498	$13,944,436

NOTE 12. CONTINGENT LIABILITIES

A. Grants

The Town received financial assistance from the State of New Jersey and the U.S. Government in the form of grants and revenue sharing entitlements. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. During 2019, the Town is subject to the requirements of the Single Audit Act Amendments of 1996 which mandated that all Federal grant revenues and expenditures be audited in conjunction with a municipal audit. In addition, substantially all State grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors.

B. Other Litigation

The Town is involved in several other claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Town.

NOTE 13. ECONOMIC DEPENDENCY

The Town receives a substantial amount of its support from Federal and State governments. A significant reduction in the level of support, if this were to occur, may cause an increase in the local tax rate, and could also have a detrimental effect on the level of service that the Town would be able to provide.

NOTE 14. NORTH HUDSON REGIONAL FIRE AND RESCUE

Second Amended and Restated Consolidated Municipal Services Agreement for the Formation of a Joint Meeting Pursuant to N.J.S.A. 40:48B-1 et seq., known as North Hudson Regional Fire and Rescue (the "Agreement")

Background of the Agreement

On December 30, 1998, the Town adopted a resolution approving it to enter into a joint contract with the municipalities of North Bergen, Union City, Weehawken and West New York (the "Other Municipalities"), in order to form a joint meeting pursuant to the Consolidated Municipal Services Act, N.J.S.A. 40:48B-1 et seq. (the "Act"). The entity created by the formation of this joint meeting is known as the North Hudson Regional Fire

NOTE 14. NORTH HUDSON REGIONAL FIRE AND RESCUE, (continued)

and Rescue (the "NHRFR"), which is a public body, corporate and politic, constituting a political subdivision of the State of New Jersey, having all powers and authorities permitted by the Act. The purpose of the NHRFR is to provide for the joint operation of fire protection, rescue and emergency services, and other related governmental services.

The NHRFR was in effect from October 1, 1998, as the Other Municipalities had already formed the Agreement before the Town entered on December 30, 1998. The term of the Agreement expires September 30, 2023, but may be subject to earlier termination pursuant to the Act. The operations of the NHRFR commenced on January 1, 1999. The NHRFR is governed by a five member management committee, consisting of one representative from each municipality, and this committee may appoint one or two executive director(s), and other such officers, employees and counsel as it deems necessary. A municipality's admission to or withdrawal from the NJFRF requires four votes from the management committee.

Required Contributions by the Town

The Town adopted an ordinance on December 30, 1998, authorizing the sale, lease transfer, conveyance or other disposition of and improvement of real and personal property to the NHRFR, pursuant to New Jersey Statutes. The Town has agreed to convey two parcels of its real property, the value of which will be determined by a qualified appraiser. The Town had also agreed to convey four items of its personal property, which consist of vehicles with an aggregate minimum purchase price of $341,000. The estimated proceeds of all property conveyed, real and personal, was approximately $1,000,000.

The Town was required to contribute $1,500,000 annually to the NHRFR. This annual contribution is subject to an increase based on the percentage of increase of the total fire and rescue related appropriations over the base year (SFY 1998) of the Other Municipalities. The Agreement also contains provisions for cost and budget balance allocations, and a growth value adjustment to be made in calendar year 2001, but these provisions do not pertain to the Town. As of December 31, 2019, the town budgeted $2,950,000 and contributed $2,740,676.

NOTE 15. 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 periods:

	Balance December 31, 2019	Balance December 31, 2018
Prepaid Taxes	$214,802	$277,846
Cash Liability for Taxes Collected in Advance	$214,802	$277,846

NOTE 16. DEFERRED CHARGES

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 sheet of the various funds:

	Balance December 31, 2019	2020 Budget Appropriation	Balance to Succeeding Year's Budget
Trust Fund:			
Overexpenditure of Appropriated Grants	$17,832	$17,832	$ -0-
Total Trust Fund	$17,832	$17,832	$ -0-

NOTE 17. RISK MANAGEMENT

The Town of Guttenberg is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained insurance coverage to guard against these events which will provide minimum exposure to the Town should they occur. During the year ended December 31, 2019, the Town did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

NOTE 17. RISK MANAGEMENT, (continued)

The Town of Guttenberg is a member of the New Jersey Intergovernmental Insurance Fund (the "NJIIF"). The NJIIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The Town of Guttenberg pays an annual assessment to the NJIIF and should it be determined that payments received by the NJIIF are deficient, additional assessments may be levied.

The NJIIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be sued to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The NJIIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program.

Financial statements for the Funds are available at the office of the Funds' Executive Director, New Jersey Intergovernmental Insurance Fund.

The Town of Guttenberg continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 18. SUBSEQUENT EVENT

The Town has evaluated subsequent events through June 24, 2020, the date which the financial statements were available to be issued, and besides the item described below, no other items were noted for disclosure.

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

SUPPLEMENTARY DATA

TOWN OF GUTTENBERG

Supplementary Data

Comparative Schedule of Tax Rate Information

	2019	2018	2017
Tax rate	3.830	3.727	3.675
Apportionment of tax rate:			
Local school	1.433	1.407	1.416
County	0.598	0.603	0.592
Municipal	1.799	1.717	1.667

Year Ended December 31,	Assessed Valuation
2019	$ 790,403,519
2018	788,947,145
2017	787,777,940

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.

Year Ended December 31,	Tax Levy	Cash Collections	Percentage of Collections
2019	$ 30,285,318	28,051,906	92.63%
2018	29,596,600	27,723,637	93.67%
2017	29,203,146	27,616,480	94.57%

TOWN OF GUTTENBERG

Supplementary Data

Delinquent Taxes and Tax Title Liens

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

Year Ended December 31,	Amount of tax title liens	Amount of delinquent taxes	Total delinquent	Percentage of tax levy
2019	266,235	2,038,911	2,305,146	7.61%
2018	116,456	2,000,145	2,116,601	7.15%
2017	80,591	1,714,104	1,794,695	6.15%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2019 by foreclosure or deed, as a result of liquidation of tax title liens.

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

Year		Amount
2019	$	None
2018		None
2017		None

Comparative Schedule of Fund Balances

	Year Ended December 31,		Year ended	Utilized in budget of succeding year
Current Fund:	2019	$	6,758,172	2,100,000
	2018		6,946,609	2,000,000
	2017		7,043,583	1,700,000
	2016		6,389,489	1,702,073
	2015		5,265,949	1,051,000

TOWN OF GUTTENBERG

Supplementary Data

Official in Office and Surety Bonds

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

Name	Title	Amount of bond	Name of corporate surety
Wayne Zitt	Mayor		
William Hokien	Councilman		
Richard Delafuente	Councilman		
Monica Fundora	Councilwoman		
Juana Malave	Councilwoman		
John D. Habermann	Councilman		
Michael Jimenez	Town Attorney		
Cosmo Cirillo	Town Administrator		
Vincent Buono	Chief Financial Officer		
Nicholas Goldsack	Tax Collector/Treasurer	1,000,000	(A)
Alberto Cabrera	Town Clerk		
Ann Setliff	Deputy Tax Collector		
Lilia Munoz	Municipal Court Judge	1,000,000	(A)
Ashley Mazure	Court Administrator	1,000,000	(A)
Bleydeliz Collado	Deputy Court Administrator		
Maria Rodriguez	Violations Clerk		
Martha Martinez	Violations Clerk		

(A) Coverage provided through the Garden State Municipal Joint Insurance Fund. Coverage is provided up to $1,000,000 per occurrence.

TOWN OF GUTTENBERG

Schedule of Expenditures of Federal Awards

Year ended December 31, 2019 and 2018

Federal grantor	Program	CFDA number	FAIN number	Grant or State Project number	Grant period	Award Amount	Cash Received	Expenditures	Adjustment/ Cancelled		(MEMO) Cumulative Expenditures
Current Fund:											
Department of Transportation	State and Community Highway Safety										
	National Highway Traffic Safety Program										
	Alcohol Impaired Driving Countermeasures Incentive Grant										
	Drive Sober or Get Pulled Over	20.601			2015	5,000	$			*	5,000
	Drive Sober or Get Pulled Over	20.601			2016	5,000		573		*	3,408
	Drive Sober or Get Pulled Over	20.601			2016	5,000				*	5,000
National Endowment for the Arts	Promotion of the Arts Partnership Agreements	45.024			9/1/17-9/30/18	25,000		14,447		*	21,627
Department of Agriculture	Summer Food Program	10.559			2014	23,703		186		*	23,191
	Summer Food Program	10.559			2016	23,703		7,601		*	23,703
	Summer Food Program	10.559			2018	24,195			(6,614)	*	17,581
	Summer Food Program	10.559			2019	19,659	24,111	18,154	6,614	*	18,154
	Total Federal and State Grant Fund						24,111	40,961		*	
Trust Funds:											
U.S. Department of Justice	Equitable Sharing Program	16.922			2019		7			*	
U.S. Department of Treasury	Equitable Sharing Program	21.016			2019		7			*	
	Total Trust Funds						14			*	
General Capital Fund:											
Community Development Block Grant Trust Fund:											
Department of Housing and Urban Development (passed through County of Hudson):	Community Development Block Grant:										
	3-03K1-19 Traffic Signal Improvements	14.218			2019	85,500				*	
	3-03J1-18 Sewer Improvements	14.218			2018	72,000		72,000		*	
	3-03K1-17 70th Street Improvements	14.218		Ord. 22-2017	2017-18	67,000		67,000		*	
	Total Community Development Trust Fund							139,000		*	
Total Federal Financial Assistance							$ 24,125	179,961		*	

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

Schedule 2

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2019 and 2018

State grantor	Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures		(MEMO) Cumulative Expenditures
Federal and State Grant Fund:								
Department of Commerce & Economic Development	Urban Enterprise Zone Assistance Fund		2011	$ 24,038			*	23,588
Department of Community Affairs Office of Recreation	Recreation Opportunities for Individuals with Disabilities		2019	16,666			*	
			2018	16,666		2,067	*	2,067
						2,067	*	
Office of the Attorney General	Community Policing Initiative - Tarantino Grant		2018	4,747			*	
Department of Environmental Protection	Recycling Tonnage Grant	042-4900-752-001	2019	14,535	14,535		*	
	Recycling Tonnage Grant	042-4900-752-001	2018	14,535	14,535	14,535	*	14,535
	Recycling Tonnage Grant	042-4900-752-001	2017				*	
	Recycling Tonnage Grant	042-4900-752-001	2016	13,001		157	*	13,001
	Clean Communities Program	042-4900-765-004	2019	17,326	17,326	4,493	*	4,493
	Clean Communities Program	042-4900-765-004	2018	15,528		14,711	*	15,528
	Clean Communities Program	042-4900-765-004	2017	16,217		10,623	*	16,217
	Clean Communities Program	042-4900-765-004	2016	19,089		1,120	*	19,089
	Clean Communities Program	042-4900-765-004	2005-06	7,530			*	7,530
					46,396	45,639	*	
Department of Law and Public Safety	Body Armor Grant	066-1020-718-001	2018	2,684	2,684		*	
	Body Armor Grant	066-1020-718-001	2017	2,428			*	668
	Body Armor Grant	066-1020-718-001	2016	2,425			*	
	Body Armor Grant	066-1020-718-001	2015	2,436			*	
	Highway Safety		2006-07	1,945			*	1,555
Department of Law and Public Safety	Drunk Driving Enforcement Fund	1110-448-031020-22	2012	6,899			*	3,866
					2,684		*	
County of Hudson (1)	Municipal Alliance		2019-2020	9,655			*	
			2018-2019	9,655	9,655	7,978	*	7,978
			Match	2,414	2,414		*	
			Match	2,414			*	
			Match	2,414			*	
			Match	2,414			*	357
					12,069	7,978	*	
	Total State and Federal Grant Fund				61,149	55,684	*	

Schedule 2

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2019 and 2018

State grantor	Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	(MEMO) Cumulative Expenditures
Trust Funds:							
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2019	8,439	8,439		
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2018	6,078			
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2017	4,439			300
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2016	3,505			
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2015	2,711			
	Total Trust Funds				8,439		
					69,588	55,684	
General Capital Fund:							
Department of Transportation							
State Aid Highway Projects							
Highway Planning and Construction	Municipal Aid - Broadway & Bellevue Ave - Ord. 12-2019		2019	240,000		197,176	240,000
	Municipal Aid - Broadway & Bellevue Ave - Ord. 22-2017		2017	240,000		240,000	240,000
	Municipal Aid - Broadway & Bellevue Ave - Ord. 22-2017		2016	215,000	180,000	215,000	215,000
					180,000	652,176	
Department of Environmental Protection	Green Acres Program - Waterfront Park Imp. - Ord. 18-2012		2012	62,263			62,263
	Green Acres Program - Waterfront Park Imp. - Ord. 6-2008		2007-08	155,000	153,091		155,000
					153,091		
Department of Education	Section 15 Educational Facilities Financing Act Grant Construction of Building & Imps. To the Anna L. Klein School for Community, Recreational and Educational Purposes	Ord. 2-2012	2012	3,651,737	191,274		3,651,737
	Total General Capital Fund				524,365	652,176	
Total State Financial Assistance					$ 593,953	707,860	

Schedule 2

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2019 and 2018

State grantor	Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures		(MEMO) Cumulative Expenditures
							*	
Other Financial Assistance:							*	
FM Global Fire Prevention Grant				1,000			*	
							*	
Hudson County Open Space	Acquisition/Imps. To 506 70th Street						*	
	Park Development	Ord. 31-2019		97,218			*	
	Park Improvements	Ord. 24-2019		218,000			*	
	Renovations to Monument Park			164,537	164,537	74,896	*	164,537
	Renovations to Veteran's Park			500,000	500,000	480,250	*	500,000
	Total Other Financial Assistance				664,537	555,146	*	
							*	
Total State and Other Financial Assistance					$ 1,258,490	1,263,006	*	

Note: This schedule was not subject to an audit in accordance with N.J. OMB 2015-08.

(1) - Passed through the State of New Jersey

Exhibit A-4

TOWN OF GUTTENBERG

Schedule of Cash - Collector/Treasurer

Current Fund

Year Ended December 31, 2019

		Regular Fund	Federal and State Grant Fund
Balance - December 31, 2018	$	8,627,632	152,223
Increased by receipts:			
Revenue accounts receivable		2,864,689	
Miscellaneous revenues not anticipated		496,508	
Taxes receivable		29,534,194	
Senior citizens and veterans deductions		12,750	
Prepaid Taxes		214,802	
Interfunds		308,079	
Tax Overpayments		173,465	
Various Reserves		11,952	
Grants Receivable			65,684
Due to Current Fund			16,473
Unappropriated reserves			25,601
		33,616,439	107,758
		42,244,071	259,981
Decreased by disbursements:			
2019 budget appropriations		17,153,457	
2018 appropriation reserves		245,367	
Tax overpayment refunds		10,835	
Local district school tax		11,275,693	
County taxes		4,723,631	
County added taxes		31,105	
Various Reserves		96,807	
Interfunds		19,191	
Refunds		32,986	
Outside lien purchased by Town		94,926	
Due to Current Fund			2,263
Appropriated Reserves			114,477
Transferred to Alcohol Education & Rehabilitation Trust			24,174
Due from Alcohol Education & Rehabilitation Trust Fund			988
		33,683,998	141,902
Balance, December 31, 2019	$	8,560,073	118,079

Exhibit A-5

TOWN OF GUTTENBERG

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2019

Year	Balance, Dec. 31,	2019 Levy	Added 2019 Levy	Collected 2018	Collected 2019	Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2019
2011	$ 4,400							4,400	
2012	39,783							39,783	
2013	143,259				45,095			98,164	
2014	13,754							13,754	
2015	9,457							9,457	
2017	8,618							8,618	
2018	1,780,874				1,779,055				1,819
	2,000,145				1,824,150			174,176	1,819
2019		30,272,455	12,863	277,846	27,759,060	15,000	54,853	141,467	2,037,092
	$ 2,000,145	30,272,455	12,863	277,846	29,583,210	15,000	54,853	315,643	2,038,911

Overpayments Applied	49,016
Cash Receipts	29,534,194
	$ 29,583,210

Analysis of 2019 Tax Levy

Tax yield:	
General property tax	$ 30,272,455
Added tax (R.S.54:4-63.1 et seq.)	12,863
	$ 30,285,318
Tax levy:	
Local district school tax (abstract)	$ 11,321,822
County tax (abstract)	4,725,643
Local tax for municipal purpose (abstract)	14,219,229
Additional tax levies	18,624
	$ 30,285,318

Exhibit A-6

TOWN OF GUTTENBERG

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, 2018	Accrued in 2019	Collected	Balance, Dec. 31, 2019
Clerk:				
Licenses:				
Alcoholic beverages	$	40,250	40,250	
Other		171,711	171,711	
Fees and permits		131,731	131,731	
Construction Code Official-fees and permits		265,139	265,139	
Municipal Court fines and costs	45,225	619,250	617,869	46,606
Parking meters		265,991	265,991	
Interest and cost on taxes		298,507	298,507	
Interest on investments		211,319	211,319	
Consolidated Municipal Property Tax Relief		129,404	129,404	
Energy Receipts Tax		629,371	629,371	
Time Warner		51,402	51,402	
Verizon		51,995	51,995	
Capital Fund Balance		200,000	200,000	
	$ 45,225	3,066,070	3,064,689	46,606

Due from General Capital	200,000
Cash	2,864,689
	$ 3,064,689

Exhibit A-7

TOWN OF GUTTENBERG

Schedule of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	27,357
Increased by:		
Senior citizens' and veterans' deductions per tax billings		15,000
		42,357
Decreased by:		
Cash received		12,750
Balance - December 31, 2019	$	29,607

Exhibit A-8

Schedule of (Prepaid) and Local District School Taxes Payable

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	(46,129)
Increased by:		
2019 Levy		11,321,822
		11,275,693
Decreased by:		
Cash Disbursed	$	11,275,693

Exhibit A-9

TOWN OF GUTTENBERG

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2019

Increased by:		
County Tax Levy	$	4,723,631
Decreased by:		
Cash Disbursed	$	4,723,631

Exhibit A-10

Schedule of Due County for Added and Omitted Taxes

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	31,105
Increased by:		
2019 Added Levy		2,012
		33,117
Decreased by:		
Cash Disbursed		31,105
Balance - December 31, 2019	$	2,012

Exhibit A-11

TOWN OF GUTTENBERG, N.J.

Schedule of 2018 Appropriation Reserves

Current Fund

Year Ended December 31, 2019

		Balance, Dec. 31, 2018	Balance after Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS":					
Administrative and Executive	$	3,295	3,295		3,295
Financial Administration		7,848	7,848		7,848
Collection of Taxes		3,576	3,576		3,576
Assessment of Taxes		2,500	2,500		2,500
Municipal Court		8,901	8,901	646	8,255
Planning Board		5,075	5,075		5,075
Police		11,190	11,682	3,632	8,050
Fire Inspector		8,008	8,008		8,008
Streets and Roads		44	44		44
Recreation		6,440	7,080	884	6,196
Senior Citizens Nutrition Program		1,211	1,211		1,211
Uniform Construction Code		285	285		285
License Inspector		157	157		157
Total Salaries and Wages Within "CAPS"		58,530	59,662	5,162	54,500
Other Expenses Within "CAPS":					
Administrative and Executive		23,515	15,839	15,237	602
Elections		8	8		8
Financial Administration		39,127	39,127	8,753	30,374
Collection of Taxes		2,216	2,216	1,191	1,025
Assessment of Taxes		5,713	5,713	1,009	4,704
Municipal Court		974	2,213	1,939	274
Legal Services		13,734	36,844	36,812	32
Public Buildings and Grounds		12,321	14,128	6,533	7,595
Engineering		10,398	12,198	12,187	11
Planning Board		2,296	2,296		2,296
Community Action Programs		500	10,000	10,000	
Group Insurance for Employees		7,643	143		143
Insurance - Other		777	1,667	993	674
Police		5,610	12,223	8,757	3,466
Emergency Management		2,668	2,680	12	2,668
Weehawken Volunteer Ambulance		800	800		800
Fire Inspector		4,042	4,121	164	3,957
Streets and Roads		9,284	15,569	10,361	5,208
Recycling		8,957	8,957	1,563	7,394
Solid Waste & Garbage Removal		19	62,019	40,841	21,178
Snow Removal		99,725	74,002	36,724	37,278
Public Health Services		1,578	1,577	1,577	
Recreation		14,259	4,419	3,440	979
Celebration of Public Events		1,404	13,271	13,039	232
Senior Citizens Nutrition Program		1,229	1,229		1,229
Senior Citizens Transportation		6,241	6,292	6,292	
Senior Recreation Program		6,660	6,660		6,660

Exhibit A-11

TOWN OF GUTTENBERG, N.J.

Schedule of 2018 Appropriation Reserves

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, 2018	Balance after Transfers	Paid or Charged	Balance Lapsed
Uniform Construction Code	1,670	1,670		1,670
Electricity	16,979	2,084	1,392	692
Street Lighting	14,177	7,203	915	6,288
Telephone	8,913	9,121	(1,088)	10,209
Water	19,112	4,112		4,112
Fire Hydrant Service	27,934	27,934	3,839	24,095
Sewerage	22,558	22,558		22,558
Gasoline	2,940	8,909	5,968	2,941
Postage - All Departments	5,476	7,354	1,944	5,410
Technology	6,540	8,460	8,450	10
Contingent	6,125	6,125		6,125
Total Other expenses Within "CAPS"	414,122	461,741	238,844	222,897
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	1,735	1,735		1,735
Total Deferred Charges and Statutory Expenditures Within "CAPS"	1,735	1,735		1,735
Total Reserves Within "CAPS"	474,387	523,138	244,006	279,132
Other Expenses Excluded From "CAPS":				
911 - Other Expenses				
Stormwater Management	35,457	35,457		35,457
Guttenberg Board of Education	26	26		26
North Hudson Regional Fire and Rescue	252,293	252,293		252,293
Library Services-North Bergen	13,093	13,092	1,361	11,731
Total Other Expenses Excluded from "CAPS"	300,869	300,868	1,361	299,507
Total Reserves Excluded from "CAPS"	300,869	300,868	1,361	299,507
Total Reserves	$ 775,256	824,006	245,367	578,639

Appropriation reserves	775,256
Encumbrances	48,750
	$ 824,006

Cash Disbursements	245,367
	$ 245,367

Exhibit A-12

TOWN OF GUTTENBERG

Schedule of Reserve for Encumbrances

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	48,750
Increased by:		
2019 Encumbrances		17,333
		66,083
Decreased by:		
Transferred to appropriation reserves		48,750
Balance - December 31, 2019	$	17,333

Exhibit A-13

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018			$	71,133
Increased by:				
Cash Receipts				173,465
				244,598
Decreased by:				
Cash Disbursements	$	10,835		
Liabilities Cancelled		39,598		
Overpayments Applied		49,016		
				99,449
Balance - December 31, 2019			$	145,149
	2018 Overpayments			14,768
	2019 Overpayments			130,381
			$	145,149

Exhibit A-14

TOWN OF GUTTENBERG

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	277,846
Increased by:		
Prepaid Taxes Collected		214,802
		492,648
Decreased by:		
Applied to 2019 Taxes		277,846
Balance - December 31, 2019	$	214,802

Exhibit A-15

Schedule of Amount Due to the Hudson County Treasurer - Court Fines and Costs

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	6,764
Balance - December 31, 2019	$	6,764

Exhibit A-16

TOWN OF GUTTENBERG

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2019

	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
Trust Funds:				
Animal License Trust Fund	$ 2,320	1,642	2,320	1,642
CDBG Trust Fund	288	197	288	197
Other Trust Fund - Redemption Account	21,943	221	21,943	221
Other Trust Fund	(2,373)	7,029	6,787	(2,131)
Escrow Trust Fund	136	134	241	29
POAA Trust Fund		82		82
Alcohol Education & Rehabiliation Trust		5		5
General Capital Fund	283,392	249,933	323,173	210,152
Federal and State Grant Fund	(14,092)	16,473	4,677	(2,296)
	$ 291,614	275,716	359,429	207,901

	Increased	Decreased
Interfunds Returned - Cash Receipts	$	308,079
Deferred Charge - Public Defender		4,737
Cash Disbursements	19,191	
Marriage License fees collected due Trust		2,050
Budget Appropriation - Matching Funds for Grants		2,414
Budgeted Revenue - Interfunds Advanced	200,000	
Statutory Excess	1,634	
Interest Earned	54,891	42,149
	$ 275,716	359,429

Exhibit A-17

TOWN OF GUTTENBERG

Schedule of Due from/(to) Current Fund

Federal and State Grant Fund

Year Ended December 31, 2019

Balance - December 31, 2018			$	14,092
Increased by:				
Matching Funds	$	2,414		
Cash Disbursements		2,263		
				4,677
				18,769
Decreased by:				
Cash Receipts		14,092		
Interest on Investments		2,381		
				16,473
Balance - December 31, 2019			$	2,296

Exhibit A-18

Schedule of Due from/(to) Alcohol Education & Rehabilitation Trust Fund

Federal and State Grant Fund

Year Ended December 31, 2019

Increased by:		
Cash Disbursements	$	988
Balance - December 31, 2019	$	988

Exhibit A-19

TOWN OF GUTTENBERG

Schedule of Various Reserves

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, 2018	Increased	Decreased	Balance, Dec. 31, 2019
Reserve for:				
Pension Deferral	$ 228,137			228,137
Revaluation	17,130			17,130
Library Contribution - North Bergen	20,554			20,554
State Library Aid	6,419			6,419
Tax Appeals	208,821	62,000	84,855	185,966
DCA Fees Payable		11,952	11,952	
	$ 481,061	73,952	96,807	458,206

	Increased	Decreased
Cash Receipts	11,952	
Cash Disbursements		96,807
Transfer from 2019 Budget Appropriations	62,000	
	$ 73,952	96,807

Exhibit A-20

TOWN OF GUTTENBERG

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018		$ 116,456
Increased by:		
Outside lien sold in error; absorbed by Township	$ 94,926	
Transferred from taxes receivable	54,853	
		149,779
Balance - December 31, 2019		$ 266,235

Exhibit A-21

TOWN OF GUTTENBERG

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2019

Purpose		Balance, Dec. 31, 2018	2019 Budget Revenue Realized	Received	Balance, Dec. 31, 2019
Clean Communities	$	640	17,326	17,326	640
Drunk Driving Enforcement Fund		3,033			3,033
Urban Enterprise Zone - Remaining Balance		4,490			4,490
Municipal Alliance		9,655	9,655	9,655	9,655
Summer Food Program			19,659	19,659	
Recreation Opportunities for Individuals with Disabiliti		16,666	16,666		33,332
National Endowment for the Arts - Promotion of the Arts Grant		25,000			25,000
ML Tarantino Community Policing Grant		4,747			4,747
Body Armor Replacement Grant			2,684	2,684	
FM Global Fire Prevention Grant			1,000	1,000	
Recycling Tonnage Grant			14,535	14,535	
Alcohol Education and Rehabilitation Grant			8,439	8,439	
Drive Sober or Get Pulled Over		125			125
	$	64,356	89,964	73,298	81,022

Unappropriated Grant Reserves		7,614
Cash Receipts		65,684
	$	73,298

Exhibit A-22

TOWN OF GUTTENBERG

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2019

Purpose	Balance, Dec. 31, 2018	Budget Appropriations	Expended	Over-Expenditure	Balance, Dec. 31, 2019
Highway Safety Grant	$ 390				390
Summer Food Program	512				512
Urban Enterprise Zone - Remaining Funds	449				449
Municipal Alliance - Match	2,414				2,414
Municipal Alliance	9,655		7,978		1,677
Municipal Alliance - Match	2,414				2,414
Municipal Alliance - Match	1,757				1,757
Alcohol Education and Rehabilitation	6,078		6,078		
Summer Food Program	186		186		
Summer Food Program	7,601		7,601		
Body Armor Replacement Fund	373				373
Drive Sober or Get Pulled Over	2,164		573		1,591
Recycling Tonnage Grant	157		157		
Body Armor Replacement Fund	1,760				1,760
Clean Communities Grant	10,623		10,623		
Clean Communities Grant	1,120		1,120		
Clean Communities Grant	14,711		14,711		
Alcohol Education and Rehabilitation Grant	3,441		3,441		
Alcohol Education and Rehabilitation Grant	3,505		3,505		
Alcohol Education and Rehabilitation Grant	2,711		2,711		
National Endowment for the Arts - Promotion of the Arts Grant	17,820		14,447		3,373
ML Tarantino Policing Grant	4,747				4,747
Recreation Opportunities for Individuals with Disabi	16,666	16,666	2,067		31,265
Clean Communities Grant		17,326	4,493		12,833
Municipal Alliance - 7/1/19-6/30/20		9,655			9,655
Municipal Alliance - Match		2,414			2,414
Summer Food Program		19,659	18,154		1,505
Alcohol Education and Rehabilitation		8,439	8,439		
Body Armor Replacement Fund		2,684			2,684
FM Global Fire Prevention Grant		1,000			1,000
Recycling Tonnage Grant		14,535	32,367	17,832	
	$ 111,254	92,378	138,651	17,832	82,813

Adopted Budget	27,874
Matching Appropriations	2,414
Added by N.J.S.A. 40A:4-87	62,090
	$ 92,378

Transferred to Alcohol Education & Rehabilitation Trust Fund	24,174
Cash Disbursements	114,477
	$ 138,651

Exhibit A-23

TOWN OF GUTTENBERG

Schedule of Unappropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2019

Purpose		Balance, Dec. 31, 2018	Received	Appropriated in 2019 Budget	Balance, Dec. 31, 2019
Body Armor Replacement Fund	$	2,425			2,425
Recycling Tonnage Grant		14,378	14,535		28,913
Summer Food Program		6,614	11,066	6,614	11,066
FM Global Fire Prevention Grant		1,000		1,000	
	$	24,417	25,601	7,614	42,404

Cash Receipts		25,601
	$	25,601

Exhibit B-1

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2019

	Animal License Fund	Unemployment Compensation Fund	Community Development Block Grant	Other Trust Funds
Balance - December 31, 2018	$ 7,140	45,783	11,128	1,566,747
Increased by:				
Employee payroll deductions		10,604		
Budget Appropriation		20,000		
Dog License Fees	2,578			
Miscellaneous	27			
State Fees	317			
Interest Earned on investments	8	965	197	3,298
Interfunds				4,173
Miscellaneous Reserves				1,537,589
	2,930	31,569	197	1,545,060
	10,070	77,352	11,325	3,111,807
Decreased by:				
State Fees	314			875
Interfunds	2,320		288	22,184
Animal license expenditures	1,165			
Unemployment Claims payable		32,239		
Miscellaneous Reserves				1,342,324
	3,799	32,239	288	1,365,383
Balance - December 31, 2019	$ 6,271	45,113	11,037	1,746,424

Exhibit B-2

TOWN OF GUTTENBERG

Schedule of Reserve for Expenditures

Animal License Fund

Year Ended December 31, 2019

Balance - December 31, 2018			$	4,768
Increased by:				
Dog License Fees	$	2,578		
Miscellaneous Fees		27		
				2,605
				7,373
Decreased by:				
Reserve Expenditures	$	1,165		
Statutory Excess		1,634		
				2,799
Balance - December 31, 2019			$	4,574

Dog License Fees Collected			
2017			2,266
2018			2,308
		$	4,574

Exhibit B-3

TOWN OF GUTTENBERG

Schedule of Due to State of New Jersey- Animal License Fees

Animal License Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	52
Increased by:		
2019 Fees Collected		317
		369
Decreased by:		
Paid to State Treasurer		314
Balance - December 31, 2019	$	55

Exhibit B-4

Schedule of Community Development Block Grants Receivable

Community Development Block Grant Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	139,000
Increased by:		
Grant Awarded		85,500
Balance - December 31, 2019	$	224,500

Analysis of Balance		
70th Street Improvements - 3-03K1-17		67,000
70th St. Sewer Improvements - 3-03K1-18		72,000
Traffic Signal Upgrades - 3-03K1-19		85,500
	$	224,500

Exhibit B-5

TOWN OF GUTTENBERG

Schedule of Reserve for Community Development Block Grants Expenditures

Community Development Block Grant Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	149,840
Increased by:		
Grant Awarded		85,500
Balance - December 31, 2019	$	235,340

Exhibit B-6

Schedule of Amount Due to State of New Jersey

Other Trust Funds

Year Ended December 31, 2019

Balance - December 31, 2018	$	1,954
Increased by:		
Marriage License fees collected in Current		2,050
		4,004
Decreased by:		
Cash Disbursements		875
Balance - December 31, 2019	$	3,129

Analysis of Balance		
Marriage License Fees - 1st Quarter of 2015		600
Marriage License Fees - 3rd Quarter of 2015		25
Marriage License Fees - 4th Quarter of 2015		525
Marriage License Fees - 2nd Quarter of 2019		575
Marriage License Fees - 3rd Quarter of 2019		500
Marriage License Fees - 4th Quarter of 2019		650
DCA Fees		254
	$	3,129

Exhibit B-7

TOWN OF GUTTENBERG

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2019

	Balance Due from/(to) Dec. 31, 2018	Increased	Decreased	Balance, from/(to) Dec. 31, 2019
Animal License Fund:				
Current Fund	$ (2,320)	1,642	2,320	(1,642)
Community Development Block Grant Fund:				
Current Fund	(288)	197	288	(197)
General Capital Fund				
Other Trust Fund:				
Escrow Trust - Current Fund	(136)	134	241	(29)
Current Fund - Redemption Account	(21,943)	221	21,943	(221)
Current Fund	2,373	7,029	6,787	2,131
Alcohol Education & Rehabilitation Trust Fund				
Current Fund		5		(5)
Federal and State Grant Fund		988		(988)
POAA Trust Fund:				
Current Fund		82		(82)
	$ (22,314)	10,298	31,579	(1,033)

	Increased	Decreased
Cash Receipts	$ 4,173	
Cash Disbursements		24,792
Deferred Charge - Public Defender		4,737
Statutory Excess	1,634	
Expenditures paid from Federal and State Grant Fund	988	
Marriage License Fees - Due from Current		2,050
Interest on Investments	3,503	
	$ 10,298	31,579

Exhibit B-8

TOWN OF GUTTENBERG

Schedule of Miscellaneous Reserves

Other Trust Funds

Year Ended December 31, 2019

		Balance, Dec. 31, 2018	Increased	Decreased	Balance, Dec. 31, 2019
Reserve for:					
Tax Redemptions	$	44,499	692,503	685,943	51,059
Snow Removal		175,000			175,000
P.O.A.A.		30,303	7,664		37,967
Law Enforcement Trust		33,545	188,694	76,306	145,933
Alcohol Education Rehab			24,174	988	23,186
Recreation Trust		72,354	17,110	7,271	82,193
Annual Celebrations		10,463	2,750		13,213
Sewer Improvements			4,500		4,500
Fire Prevention		11,079	8,121	3,425	15,775
Builders Escrow Deposits		73,582	98,042	71,733	99,891
Police Special Detail		245,276	125,409	107,156	263,529
Public Defender		3,209	12,886		16,095
Asset Forfeitures - Equitable Sharing					
Justice		369	6		375
Treasury		392	7		399
Senior Citizens		6,616	3,160	2,790	6,986
Tax Sale Premiums		838,400	357,300	387,700	808,000
	$	1,545,087	1,542,326	1,343,312	1,744,101

		Increased	Decreased
Cash Receipts		1,537,589	
Cash Disbursements			1,342,324
Interfund		4,737	988
	$	1,542,326	1,343,312

Exhibit B-9

TOWN OF GUTTENBERG

Schedule of Reserve for Unemployment Compensation Insurance

Unemployment Insurance Compensation Trust

Year Ended December 31, 2019

Balance - December 31, 2018			$	45,783
Increased by:				
Employee Payroll Deductions	$	10,604		
Interest earnings		965		
Budget Appropriation		20,000		
				31,569
				77,352
Decreased by:				
Payment of Unemployment Insurance Claims				32,239
Balance - December 31, 2019			$	45,113

Exhibit C-2

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018		$ 2,329,899
Increased by receipts:		
Premium on Sale of Notes	$ 17,633	
Close out of Trustee Account	262	
Due to/(from) Current Fund	49,933	
Bid Deposit	12,844	
Grant Receipts	997,627	
Bond Anticipation Notes	5,545,000	
		6,623,299
		8,953,198
Decreased by disbursements:		
Due to/(from) Current Fund	323,173	
Improvement Authorizations	2,697,739	
		3,020,912
Balance - December 31, 2019		$ 5,932,286

Exhibit C-3

TOWN OF GUTTENBERG

Schedule of General Capital Fund Cash

General Capital Fund

Year Ended December 31, 2019

Capital Improvement Fund		$	1,093,058
Reserve for Payment of Notes			3,058,406
Grants Receivable - NJ Department of Transportation			(515,000)
Grant Receivable - Hudson County Open Space			(315,218)
Grant Receivable - State of NJ, Green Acres Program			(64,172)
Grant Receivable - State of NJ, Educational Facilities Construction			(182,587)
Reserve for Grants Receivable			1,012,805
Reserve for Bid Deposit			12,844
Due to Current Fund			210,152
Due from Board of Education			(62,750)
Reserve for Green Acres			100
Fund Balance			309,550
	Improvement description		
6-2008/18-2012/ 26-2013/16-2014	Improvements to Waterfront Park		(23,317)
03-2010	Improvements to 71st Street		(27,438)
08-2011	Various Capital Improvements		(210,263)
2-2012/8-2018/28-2018	Construction of Building and Imps. to the Anna L. Klein School for Community, Recreational and Educational Purposes		384,398
17-2012/3-2013	Improvements to 68th Street, Sec. 4		45,778
25-2013	Various Street Improvements		60,149
27-2013	Sewer Repairs - Broadway & 70th Street		17,758
13-2014	Improvements to 69th Street		42,832
16-2015/26-2017/24-2019	Various Capital Improvements		229,522
7-2016	Acquisition and Installation of a Generator		35,612
22-2017	70th Street Road and Related Sewer Imps.		89,074
20-2018	Renovation of Monument Park		12,445
21-2018/14-2019	Renovations to Veteran's Park		101,405
25-2018	Sewer Improvements		848,944
12-2019	Road Imps. to Broadway & Bellevue		(244,301)
31-2019	Acquisition and Imps. to 506 70th Street - Park Development		12,500
		$	5,932,286

Exhibit C-4

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018			$	19,236,989
Decreased by:				
Budget appropriations:				
Serial Bonds	$	600,000		
Green Acres Loan		34,277		
				634,277
Balance - December 31, 2019			$	18,602,712

Exhibit C-5

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2019

Ordinance number	Improvement description	Balance, Dec. 31, 2018	2019 Authorizations	Balance, Dec. 31, 2019	Analysis of Balance December 31, 2019: Funded by Bond Anticipation Notes	Analysis of Balance December 31, 2019: Expenditures	Analysis of Balance December 31, 2019: Unexpended improvement authorization
03-2010	Improvements to 71st Street, Sec. 4	$ 27,438		27,438		27,438	
08-2011	Various Capital Improvements	210,263		210,263		210,263	
2-2012	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes	666		666			666
17-2012	Improvements to 68th Street, Section 4	125,519		125,519		16,601	108,918
16-2014	Improvements to Waterfront Park	111,667		111,667		23,317	88,350
26-2017	Various Capital Improvements	2		2			2
7-2016	Acquisition and Installation of a Generator						
22-2017	70th Street Road and Sewer Imps.	455,000		455,000	455,000		
08-2018	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes	1,425,000		1,425,000	1,425,000		
20-2018	Renovation of Monument Park	201,400		201,400	201,400		
21-2018	Renovations to Veteran's Park	688,750	213,750	902,500	897,600		4,900
25-2018	Sewer Improvements	1,900,000		1,900,000	1,900,000		
28-2018	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes	666,000		666,000	666,000		
12-2019	Road Imps. to Broadway & Bellevue		360,000	360,000		244,301	115,699
24-2019	Various Capital Improvements		1,310,050	1,310,050			1,310,050
31-2019	Acquisition & Improvements to 506 70th Street - Park Development		237,500	237,500			237,500
		$ 5,811,705	2,121,300	7,933,005	5,545,000	521,920	1,866,085

Improvement Authorizations - Unfunded		3,302,351
Less: Unexpended note proceeds		
Ord. 2-2012	384,398	
Ord. 22-2017	89,074	
Ord. 20-2018	12,445	
Ord. 21-2018/14-2019	101,405	
Ord. 25-2018	848,944	
		1,436,266
		$ 1,866,085

Exhibit C-6

TOWN OF GUTTENBERG

Schedule of Grants Receivable
Hudson County Open Space Trust Fund

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	664,536
Increased by:		
Grant Awards		315,218
		979,754
Decreased by:		
Cash Receipts		664,536
Balance - December 31, 2019	$	315,218

Analysis of Balance		
Ord. 24-2019		218,000
Ord. 31-2019		97,218
	$	315,218

Exhibit C-7

Schedule of Grants Receivable - State of New Jersey
Department of Transportation

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	455,000
Increased by:		
Grant Awards		240,000
		695,000
Decreased by:		
Cash Receipts	$	180,000
Balance - December 31, 2019	$	515,000

Analysis of Balance		
Ord. 12-2019: Imps. to Broadway and Bellevue		240,000
Ord. 22-2017: 70th Street Road and related Sewer Imps.		275,000
	$	515,000

Exhibit C-8

TOWN OF GUTTENBERG

Schedule of Grants Receivable - State of New Jersey
Green Acres Program

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	217,263
Decreased by:		
Cash Receipts		153,091
Balance - December 31, 2019	$	64,172

Analysis of Balance		
Ord. 6-2008/18-2012: Improvements to Waterfront Park	$	64,172

Exhibit C-9

Schedule of Grants Receivable - State of New Jersey
Section 15 Educational Facilities Construction
Financing Act Grant - Ord. 2-2012

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	182,587
Balance - December 31, 2019	$	182,587

Exhibit C-10

Schedule of Amount Due from the
Guttenberg Board of Education

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	62,750
Balance - December 31, 2019	$	62,750

Exhibit C-11

TOWN OF GUTTENBERG

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2019

Purpose	Date of issue	Original issue	Maturities of bonds outstanding Date	Maturities of bonds outstanding Amount	Interest rate	Balance, Dec. 31, 2018	Decreased	Balance, Dec. 31, 2019
General Obligation Bonds	Jun. 7, 2018	19,150,000	Aug. 1, 2020	605,000	4.00%	$ 19,150,000	600,000	18,550,000
			Aug. 1, 2021	605,000	5.00%			
			Aug. 1, 2022	605,000	5.00%			
			Aug. 1, 2023	605,000	5.00%			
			Aug. 1, 2024	605,000	5.00%			
			Aug. 1, 2025	620,000	5.00%			
			Aug. 1, 2026	620,000	5.00%			
			Aug. 1, 2027	650,000	5.00%			
			Aug. 1, 2028	680,000	5.00%			
			Aug. 1, 2029	715,000	4.00%			
			Aug. 1, 2030	745,000	4.00%			
			Aug. 1, 2031	770,000	4.00%			
			Aug. 1, 2032	805,000	4.00%			
			Aug. 1, 2033	835,000	4.00%			
			Aug. 1, 2034	870,000	3.25%			
			Aug. 1, 2035	895,000	3.50%			
			Aug. 1, 2036	930,000	3.50%			
			Aug. 1, 2037	960,000	3.50%			
			Aug. 1, 2038	995,000	3.50%			
			Aug. 1, 2039	1,030,000	5.00%			
			Aug. 1, 2040	1,080,000	5.00%			
			Aug. 1, 2041	1,135,000	5.00%			
			Aug. 1, 2042	1,190,000	5.00%			
						$ 19,150,000	600,000	18,550,000

Exhibit C-12

TOWN OF GUTTENBERG

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	1,185,758
Decreased by:		
Appropriated to Finance Improvement Authorizations		92,700
Balance - December 31, 2019	$	1,093,058

Exhibit C-13

Schedule of Interfund Payable - Due to Current Fund

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018			$	283,392
Increased by:				
Interest on Investments	$	49,933		
Budget Revenue due Current		200,000		
				249,933
				533,325
Decreased by:				
Cash Disbursements				323,173
Balance - December 31, 2019			$	210,152

Exhibit C-14

TOWN OF GUTTENBERG

Schedule of Bid Bond Deposits

General Capital Fund

Year Ended December 31, 2019

Increased by:		
Cash Receipts	$	12,844
Balance - December 31, 2019	$	12,844

Exhibit C-15

Schedule of Reserve for Payment of Debt

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	2,213,870
Increased by:		
Transferred from Reserve for Grants Receivable		844,536
Balance - December 31, 2019	$	3,058,406

Ord. 7-2016 - Bonds		159,048
Ord. 17-2012 - Notes		21,366
1. 2-2012 - State Educational Facilities Construction Financing - Bonds		2,033,456
Ord. 22-2017 - Notes		180,000
Ord. 20-2018 - Notes		164,536
Ord. 21-2018 - Notes		500,000
	$	3,058,406

Exhibit C-16

TOWN OF GUTTENBERG

Schedule of Reserve for Grants Receivable

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	1,302,123
Increased by:		
Grants Awarded not Appropriated		555,218
		1,857,341
Decreased by:		
Grant receipts transferred to reserve for payment of notes		844,536
Balance - December 31, 2019	$	1,012,805

Ord. 24-2019: Hudson County Open Space		218,000
Ord. 31-2019: Hudson County Open Space		97,218
Ord. 22-2017: Department of Transportation		275,000
Ord. 12-2019: Department of Transportation		240,000
Ord. 2-2012: Sec. 15 Educational Facilities Construction Financing Grant		182,587
	$	1,012,805

Exhibit C-17

Schedule of Reserve for Green Acres

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	100
Balance - December 31, 2019	$	100

Exhibit C-18

TOWN OF GUTTENBERG

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2019

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2018 Funded	Balance, Dec. 31, 2018 Unfunded	Authorized	Expended	Balance, Dec. 31, 2019 Funded	Balance, Dec. 31, 2019 Unfunded
6-2008/18-2012/26-2013/16-2014	Improvements to Waterfront Park	Mar. 24, 2008	450,000	$	88,352				88,352
2-2012/2-2018/28-2018	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreation and Educational Purposes	May 29, 2012	20,335,000		244,815		(140,249)		385,064
		Mar. 28, 2018	1,500,000						
		Nov. 28, 2018	700,000						
17-2012/3-2013	Imprs. to 68th Street, Section 4	Oct. 22, 2012	250,000	62,379	108,918			62,379	108,918
		Feb. 25, 2013	120,000						
25-2013	Various Street Improvements	Sept. 23, 2013	850,000	60,149				60,149	
27-2013/1-2015	Sewer Repairs - Broadway & 70th Street	Dec. 30, 2013	744,680	44,147			26,389	17,758	
		Feb. 23, 2015	400,000						
13-2014	Improvements to 69th Street	Oct. 14, 2014	470,000	42,832				42,832	
16-2015/20-2015/26-2017/24-2019	Various Capital Improvements	Oct. 26, 2015, Nov. 27, 2017, Oct. 30, 2019	2,797,500	334,973	2	1,379,000	174,403	229,522	1,310,050
7-2016	Acq. and Installation of a Generator	Apr. 25, 2016	180,000	35,612				35,612	
22-2017	70th Street Road and related Sewer Imps.	Oct. 23, 2017	650,000	58,579	455,000		424,505		89,074
20-2018	Renovations to Monument Park	Sept. 7, 2018	212,000		109,130		96,685		12,445
21-2018/14-2019	Renovations to Veteran's Park	Sept. 7, 2018, June. 24, 2019	725,000		678,340	225,000	797,035		106,305
25-2018	Sewer Improvements	Oct. 29, 2018	2,000,000	23,614	1,900,000		1,074,670		848,944
12-2019	Road Improvements to Broadway & Bellevue	Jun. 24, 2019	360,000			360,000	244,301		115,699
31-2019	Acquisition/Improvements to 506 70th Street - Park Development	Dec. 27, 2019	250,000			250,000		12,500	237,500
				$ 662,285	3,584,557	2,214,000	2,697,739	460,752	3,302,351

Capital Improvement Fund		92,700
Deferred Charges Unfunded		2,121,300
	$	2,214,000

Cash Disbursements		2,697,739
	$	2,697,739

Exhibit C-19

TOWN OF GUTTENBERG

Schedule of Green Acres Loans Payable

General Capital Fund

Year Ended December 31, 2019

Purpose	Date of issue	Original issue	Maturities of Loans Outstanding Date	Maturities of Loans Outstanding Amount	Interest rate	Balance, Dec. 31, 2018	Decreased	Balance, Dec. 31, 2019
Ball Field Project No. 0903-94-052	3/11/2005	475,200	1/11/2020	17,396	2.00%	$ 86,989	34,277	52,712
			7/11/2020	17,570				
			1/11/2021	17,746				
						$ 86,989	34,277	52,712

Exhibit C-20

TOWN OF GUTTENBERG

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2019

Ord. Number	Purpose	Date of original issue	Original issue	Date of Maturity	Interest rate	Increased	Balance, Dec. 31, 2019
22-2017	70th Street Road and related Sewer Imps.	Oct. 24, 2019	455,000	Oct. 23, 2020	1.75%	455,000	455,000
8-2018	Amend 2-2012: Building Imps. - Anna L. Klein	Oct. 24, 2019	1,425,000	Oct. 23, 2020	1.75%	1,425,000	1,425,000
20-2018	Renovation of Monument Park	Oct. 24, 2019	201,400	Oct. 23, 2020	1.75%	201,400	201,400
21-2018/14-2019	Renovations to Veteran's Park	Oct. 24, 2019	897,600	Oct. 23, 2020	1.75%	897,600	897,600
25-2018	Sewer Improvements	Oct. 24, 2019	1,900,000	Oct. 23, 2020	1.75%	1,900,000	1,900,000
28-2018/2-2012	Amend 2-2012: Building Imps. - Anna L. Klein	Oct. 24, 2019	666,000	Oct. 23, 2020	1.75%	666,000	666,000
						$ 5,545,000	5,545,000

Cash	5,545,000
	$ 5,545,000

Exhibit C-21

TOWN OF GUTTENBERG

Schedule of Bonds and Notes Authorized Not Issued

General Capital Fund

Year Ended December 31, 2019

Ordinance number	Improvement description	Balance, Dec. 31, 2018	Authorized	Decreased by:	Balance, Dec. 31, 2019
03-2010	Improvements to 71st Street	$ 27,438			27,438
08-2011	Various Capital Improvements	210,263			210,263
2-2012	Construction of Building and Imps. To the Anna L. Klein School for Community Recreational and Educational purposes	666			666
17-2012	Improvements to 68th Street, Sec. 4	125,519			125,519
16-2014	Supplemental Approp: Waterfront Park, Phase I	111,667			111,667
22-2017	70th Street Road and related Sewer Imps.	455,000		455,000	
26-2017	Additional Appropriation: Ord. 16-2015	2			2
8-2018	Amend 2-2012: Additional Appropriations	1,425,000		1,425,000	
20-2018	Renovations to Monument Park	201,400		201,400	
21-2018	Renovations to Veteran's Park	688,750	213,750	897,600	4,900
25-2018	Sewer Improvements	1,900,000		1,900,000	
28-2018	Amend 2-2012: Additional Appropriations	666,000		666,000	
12-2019	Road Improvements to Broadway & Bellevue		360,000		360,000
24-2019	Various Capital Improvements		1,310,050		1,310,050
31-2019	Acquisition/Improvements to 506 70th Street - Park Development		237,500		237,500
		$ 5,811,705	2,121,300	5,545,000	2,388,005
	Bond Anticipation Notes Issued			5,545,000	

TOWN OF GUTTENBERG

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

W&CO

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

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

The Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Town of Guttenberg in the County of Hudson as of and for the year ended December 31, 2019 and the related notes to the financial statements, and have issued our report thereon dated June 24, 2020, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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

W&CO

Honorable Mayor and
Members of the Town Council
Page 2.

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

W + Company, LLC

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

June 24, 2020

TOWN OF GUTTENBERG

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to.subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, be resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

Effective July 1, 2015, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is $17,500 and with a qualified purchasing agent the threshold may be up to $40,000.

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

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

Veteran's Park Reconstruction	Municipal Building Roof Replacement
Cleaning Services	Demolition and Parking Imps. At 127 71st Street
2018 Sanitary Sewer Repairs	Separation of Galaxy Towers Stormwater
Smart Bus Shelter & Advertising	Town-wide Sewer Video Inspection
Roadway Imps. - Broadway & Bellevue	Summer Food Program

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

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

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

WHEREAS, Chapter 75 of the Public Laws of 1991 of the State of New Jersey authorizes the governing body of each municipality by resolution to fix the rate of interest to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent, and

WHEREAS, the provisions of said statute provides that the rate of interest to be so charged may be fixed at a rate not to exceed 8% per annum on the first $1,500 of delinquency, and a rate of 18% per annum on any amount in excess of $1,500.

WHEREAS, the statute further provides that the governing body may provide that no interest shall be charged if payment is made within the tenth calendar day following the date which the same became payable, and

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 17, 2019 and was not complete.

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

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

	Number of Liens
Year Ended December 31, 2019	6
Year Ended December 31, 2018	5
Year Ended December 31, 2017	5

TOWN OF GUTTENBERG
DECEMBER 31, 2019
COMMENTS

FINANCE

1. Grant expenditures were incurred and paid in excess of available balances resulting in a deferred charge.

TAX COLLECTOR/ASSESSOR

1. Tax court judgements are not being processed and/or refunded in a timely manner.

MUNICIPAL COURT

1. *A review of the December monthly management report indicated the following:
    a. There is an excessive amount of tickets assigned over 180 days
    b. There is a substantial amount of tickets eligible for failure to appear notices over 14 days.
2. *The analysis of open bail per the ATS/ACS Reports is not in agreement with the reconciled cash balance in the bail account at 12/31/2019.
3. *The Fines and Bail account bank reconciliations are, in some instances, not in agreement with the ATS/ACS cashbook reconciliation balance as required due to various deposit and transaction recording errors.
4. The following bank reconciliations include outstanding checks greater than 180 days as reconciling items (N.J.S.A. 40A:5-5):
    a. Bail Account
    b. Fines Account

TOWN OF GUTTENBERG
DECEMBER 31, 2019
RECOMMENDATIONS

FINANCE

1. Available grant balances per the audit be compared to system records and adjustments be made to bring the balances in agreement with the audit to prevent future over-expenditures.

TAX COLLECTOR/ASSESSOR

1. Procedures be implemented to ensure that judgements are accounted for and that adjustments and/or refunds be processed in a timely manner to avoid the payment of statutory interest.

MUNICIPAL COURT

1. *Policies be implemented to address the excessive amount of tickets that need follow up.
2. *Steps be taken to compare and agree the open bail as listed in the ATS/ACS report to that of the reconciled cash balance at 12/31/2019.
3. *Proper steps be taken to ensure that bank reconciliations are in agreement with the ATS/ACS reconciliation on a monthly basis as required.
4. Stale dated checks in both the Fines and Bail account be investigated and cancelled by resolution.

TOWN OF GUTTENBERG

Status of Prior Year Audit Findings/Recommendations

A review was performed on all prior year recommendations and corrective action was taken on all, with the exception of the comments preceded with an "*".

Acknowledgment

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,

Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413

Wielkotz & Company, LLC

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

June 24, 2020