

BOROUGH OF ALLENTOWN

COUNTY OF MONMOUTH

REPORT OF AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**



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BOROUGH OF ALLENTOWN
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Allentown
Allentown, New Jersey 08501

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Allentown, in the County of Monmouth, State of New Jersey, as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of 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 the State 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 Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Allentown, in the County of Monmouth, State of New Jersey, as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Allentown, in the County of Monmouth, State of New Jersey, as of December 31, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2020, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2021 on our consideration of the Borough of Allentown, in the County of Monmouth, State of New Jersey, 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 solely 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 the effectiveness of the Borough of Allentown's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Allentown's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 29, 2021

**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**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Allentown
Allentown, New Jersey 08501

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Allentown, in the County of Monmouth, State of New Jersey, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated July 29, 2021. That report indicated that the Borough of Allentown's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 29, 2021

BOROUGH OF ALLENTOWN
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	Ref.	<u>2020</u>	<u>2019</u>
Regular Fund:			
Cash	SA-1	\$ 1,493,897.52	\$ 1,774,722.67
Cash--Change Funds	SA-3	160.00	160.00
		<u>1,494,057.52</u>	<u>1,774,882.67</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	122,062.96	85,552.42
Tax Title Liens Receivable	SA-5	134,209.90	124,477.49
Property Acquired for Taxes--Assessed Valuation		16,400.00	16,400.00
Revenue Accounts Receivable	SA-6	15,761.18	6,789.54
Due from Animal Control Fund	SB-4	477.00	416.29
Due from Federal and State Grant Fund	SA-21	60,000.00	
		<u>348,911.04</u>	<u>233,635.74</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	SA-14	15,600.00	25,900.00
		<u>15,600.00</u>	<u>25,900.00</u>
		<u>1,858,568.56</u>	<u>2,034,418.41</u>
Federal and State Grant Fund:			
Cash	SA-1	20,107.46	21,723.87
Federal and State Grants Receivable	SA-22	605,943.41	1,455,527.91
		<u>626,050.87</u>	<u>1,477,251.78</u>
		<u>\$ 2,484,619.43</u>	<u>\$ 3,511,670.19</u>

(Continued)

BOROUGH OF ALLENTOWN
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2020 and 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	<u>2020</u>	<u>2019</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-8	\$ 389,296.01	\$ 265,517.89
Reserve for Encumbrances	SA-9	110,305.90	161,577.30
Prepaid Taxes	SA-11	75,400.54	60,349.98
Tax Overpayments	SA-12	1,877.57	1,597.41
Due to County for Added and Omitted Taxes	SA-14	736.64	442.43
Regional School Taxes Payable	SA-20	112,173.58	179,768.00
Due to State of New Jersey (Ch. 73, P.L. 1976)	SA-7	776.47	526.47
Accounts Payable	SA-10	5,725.00	5,066.25
Payroll Deductions Payable	SA-16	186.40	185.47
Reserve for PFRS	SA-17		3,650.00
Reserve for Master Plan	SA-18	2,322.54	2,397.54
Reserve for Encumbrances - Master Plan	SA-19	212.50	7,598.10
Due State of New Jersey--Burial License Fees	SA-1	10.00	10.00
Due to Trust Other Fund		5,000.00	5,000.00
Due to Trust - Municipal Open Space	SB-9	113.52	67.95
		<u>704,136.67</u>	<u>693,754.79</u>
Reserve for Receivables and Other Assets	A	348,911.04	233,635.74
Fund Balance	A-1	<u>805,520.85</u>	<u>1,107,027.88</u>
		<u>1,858,568.56</u>	<u>2,034,418.41</u>
Federal and State Grant Fund:			
Due Current Fund	SA-21	60,000.00	
Reserve for Encumbrances	SA-9 & SA-24	332,896.60	374,081.41
Appropriated Reserves	SA-24	<u>233,154.27</u>	<u>1,103,170.37</u>
		<u>626,050.87</u>	<u>1,477,251.78</u>
		<u>\$ 2,484,619.43</u>	<u>\$ 3,511,670.19</u>

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

BOROUGH OF ALLENTOWN
CURRENT FUND
 Statements of Operations and Changes in Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 566,547.90	\$ 375,000.00
Miscellaneous Revenue Anticipated	741,071.24	868,011.57
Receipts from Delinquent Taxes	85,802.42	73,499.67
Receipts from Current Taxes	5,559,380.38	5,730,718.73
Non-Budget Revenues	76,226.18	118,363.85
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	248,059.22	285,096.61
Statutory Excess in Reserve for Dog Fund Expenditures	477.00	416.29
Cancellation of Reserves for Federal and State Grants	854,000.00	140,915.00
	<hr/>	<hr/>
Total Income	8,131,564.34	7,592,021.72
<u>Expenditures</u>		
Budget Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	823,250.00	767,925.00
Other Expenses	897,292.00	863,776.53
Deferred Charges and Statutory Expenditures--Within "CAPS"	243,135.00	223,710.00
Operations-- Excluded from "CAPS":		
Salaries and Wages	170,000.00	181,400.00
Other Expenses	431,344.05	405,793.53
Capital Improvements--Excluded from "CAPS"	25,000.00	20,000.00
Municipal Debt Service--Excluded from "CAPS"	197,550.00	199,000.00
Deferred Charges--Excluded from "CAPS"	57,800.00	51,032.10
County Taxes	562,247.65	563,678.52
Due to County for Added and Omitted Taxes	736.64	442.43
Municipal Open Space Tax	86,622.42	86,695.79
Regional School Tax	3,457,235.00	3,592,424.00
Senior Citizens' Deductions Disallowed by Tax Collector-- Prior Year Taxes	250.00	
Cancellation of Federal and State Grants Receivable	854,000.00	140,915.00
Reserves Created:		
Due from Federal and State Grant Fund	60,000.00	
Due from Animal Control Fund	60.71	65.16
	<hr/>	<hr/>
Total Expenditures	7,866,523.47	7,096,858.06
Statutory Excess to Surplus	265,040.87	495,163.66
Balance Jan. 1	1,107,027.88	986,864.22
	<hr/>	<hr/>
	1,372,068.75	1,482,027.88
Decreased by:		
Utilized as Revenue	566,547.90	375,000.00
	<hr/>	<hr/>
Balance Dec. 31	\$ 805,520.85	\$ 1,107,027.88

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

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2020

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	\$ 566,547.90		\$ 566,547.90	
Miscellaneous Revenue				
Licenses:				
Alcoholic Beverages	4,780.00		5,000.00	\$ 220.00
Fees and Permits:				
Other	10,500.00		7,494.25	(3,005.75)
Fines and Costs:				
Municipal Court	67,000.00		44,778.26	(22,221.74)
Interest and Cost on Taxes	15,000.00		21,065.99	6,065.99
Interest on Investments and Deposits	15,000.00		11,684.64	(3,315.36)
Lease Agreement- Cellular Antenna Site	150,000.00		140,878.43	(9,121.57)
Consolidated Municipal Property Relief Aid	8,824.00		8,824.00	
Energy Receipts Tax	122,771.00		122,771.00	
Shared Services Agreement - Municipal Court Services	50,000.00		38,221.62	(11,778.38)
State and Federal Revenue Off-Set with Appropriations:				
Recycling Tonnage Grant	1,900.38		1,900.38	
Clean Communities Program		\$ 4,000.00	4,000.00	
Drive Sober or Get Pulled Over		6,000.00	6,000.00	
Body Armor Replacement Fund	919.67		919.67	
NJ Department of Transportation - Waldron	180,000.00		180,000.00	
Bulletproof Vest Program		835.00	835.00	
Monmouth County Historical Commission	800.00		800.00	
Monmouth County Open Space Grant	125,000.00		125,000.00	
Monmouth County Historical Commission	7,248.00		7,248.00	
Other Special Items:				
Outside Employment of Police Officers - Administrative Fee from				
Trust Other Fund	10,000.00		10,000.00	
Reserve for PFRS	3,650.00		3,650.00	
Miscellaneous Revenue Anticipated	773,393.05	10,835.00	741,071.24	(43,156.81)
Receipts from Delinquent Taxes	65,000.00		85,802.42	20,802.42
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including				
Reserve for Uncollected Taxes	1,579,595.10		1,602,538.67	22,943.57
Budget Totals	2,984,536.05	10,835.00	2,995,960.23	589.18
Non-Budget Revenues			76,226.18	76,226.18
	<u>\$ 2,984,536.05</u>	<u>\$ 10,835.00</u>	<u>\$ 3,072,186.41</u>	<u>\$ 76,815.36</u>

(Continued)

BOROUGH OF ALLENTOWN
CURRENT FUND
 Statement of Revenues -- Regulatory Basis
 For the Year Ended December 31, 2020

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 5,559,380.38
Allocated to:		
School, County and Local Open Space Taxes		<u>4,106,841.71</u>
Balance for Support of Municipal Budget Appropriations		1,452,538.67
Add: Appropriation "Reserve for Uncollected Taxes"		<u>150,000.00</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 1,602,538.67</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		\$ 85,802.42
Tax Title Lien Collections		<u>-</u>
		<u><u>\$ 85,802.42</u></u>
Fees and Permits-- Other:		
Clerk:		
Searches for Municipal Improvements		
Certified Copies		\$ 3,330.00
Fees and Permits-- Other		599.00
Police		435.25
Housing Inspection Fees		2,725.00
Mercantile Licenses		<u>405.00</u>
		<u><u>\$ 7,494.25</u></u>
Interest on Investments:		
Treasurer		<u><u>\$ 11,684.64</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:		
Protested Check Fees	\$ 40.00	
Senior Citizens and Veteran's Deduction Administrative Fee	205.00	
White Goods Removal	450.00	
Cable TV Franchise Fees	7,775.14	
Landlord Registration Certificate	975.00	
Vacant Properties	2,000.00	
Insurance Reimbursements	51,545.00	
Refund of Prior Year Expenditures	8,760.15	
Property Maintenance Reimbursements	25.00	
Miscellaneous- Other	<u>4,450.89</u>	
		<u><u>\$ 76,226.18</u></u>

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

BOROUGH OF ALLENTOWN
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"						
<u>General Government</u>						
Mayor and Council						
Salaries and Wages	\$ 22,500.00	\$ 22,500.00	\$ 22,318.20		\$ 181.80	
Other Expenses	3,000.00	3,000.00	1,043.15	\$ 328.75	1,628.10	
Municipal Clerk						
Salaries and Wages	73,900.00	73,900.00	60,184.80		13,715.20	
Other Expenses	38,805.00	38,805.00	22,030.90	4,533.77	12,240.33	
Financial Administration						
Salaries and Wages	39,450.00	39,450.00	26,568.06		12,881.94	
Other Expenses	18,800.00	18,800.00	10,427.62	417.80	7,954.58	
Annual Audit	15,000.00	15,000.00	13,700.00		1,300.00	
Assessment of Taxes						
Salaries and Wages	11,400.00	11,400.00	11,231.16		168.84	
Other Expenses	1,670.00	1,670.00	972.43		697.57	
Collection of Taxes						
Salaries and Wages	22,500.00	22,500.00	21,557.52		942.48	
Other Expenses	6,350.00	6,350.00	4,806.14	272.64	1,271.22	
Legal Services						
Other Expenses	82,800.00	82,800.00	36,295.82	8,545.43	37,958.75	
Municipal Court						
Salaries and Wages	57,450.00	57,450.00	45,630.20		11,819.80	
Other Expenses	7,575.00	7,575.00	3,883.48	1,406.60	2,284.92	
Public Defender (P.L. 1997, C.256)						
Other Expenses	3,000.00	3,000.00	1,089.50	1,500.00	410.50	
Engineering Services						
Other Expenses	97,500.00	97,500.00	56,226.75	36,933.50	4,339.75	
Historical Preservation						
Other Expenses	1,875.00	1,875.00	128.75		1,746.25	

(Continued)

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Land Use Administration</u>						
Planning Board						
Salaries and Wages	\$ 10,000.00	\$ 10,000.00	\$ 3,030.14		\$ 6,969.86	
Other Expenses	9,800.00	9,800.00	1,531.10		8,268.90	
<u>Code Enforcement and Administration</u>						
Code Enforcement Office						
Other Expenses	250.00	250.00			250.00	
Housing Inspector						
Other Expenses	1,200.00	1,200.00	1,012.00		188.00	
<u>Insurance</u>						
Liability Insurance	21,000.00	21,000.00	16,234.40		4,765.60	
Workers Compensation Insurance	21,000.00	21,000.00	21,000.00			
Employee Group Insurance	70,000.00	70,000.00	53,768.02		16,231.98	
Employee Group Health Waivers	23,000.00	23,000.00	10,441.07		12,558.93	
Disability Insurance	2,000.00	2,000.00	553.72		1,446.28	
<u>Public Safety Functions</u>						
Police						
Salaries and Wages	526,600.00	526,600.00	479,939.48		46,660.52	
Other Expenses	52,395.00	52,395.00	40,778.67	\$ 3,979.12	7,637.21	
Office of Emergency Management						
Salaries and Wages	1,650.00	1,650.00	1,560.60		89.40	
Other Expenses	100.00	100.00			100.00	
Aid to Volunteer Fire Co.	34,000.00	34,000.00	34,000.00			
First Aid Organization Contribution	12,597.00	12,597.00	12,597.00			
Prosecutor						
Other Expenses	12,000.00	12,000.00	5,935.00	1,000.00	5,065.00	

(Continued)

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Public Works Functions</u>						
Road Repair and Maintenance						
Other Expenses	\$ 16,250.00	\$ 16,250.00	\$ 2,703.59	\$ 2,406.85	\$ 11,139.56	
Shade Tree						
Other Expenses	4,800.00	4,800.00	4,722.00		78.00	
Garbage and Trash Removal						
Other Expenses	190,000.00	190,000.00	162,705.80	22,281.16	5,013.04	
Recycling Program						
Salaries and Wages	4,800.00	4,800.00	4,681.80		118.20	
Other Expenses	500.00	500.00			500.00	
Public Buildings and Grounds						
Salaries and Wages	53,000.00	53,000.00	41,965.17		11,034.83	
Other Expenses	41,500.00	41,500.00	21,979.20	5,998.66	13,522.14	
Vehicle Maintenance						
Other Expenses	17,100.00	17,100.00	12,337.14	581.50	4,181.36	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Health and Welfare</u>						
Environmental Commission						
Other Expenses	1,125.00	1,125.00	375.00	70.00	680.00	
Economic Development	900.00	900.00	50.00		850.00	
Senior Committee	1,500.00	1,500.00	150.00	1,291.50	58.50	
Aid to Library (N.J.S. 40:54-35)	2,500.00	2,500.00	2,500.00			
<u>Recreation</u>						
Recreation Programs						
Other Expenses	1,500.00	1,500.00	1,303.75		196.25	

(Continued)

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
<u>Utility Expenses and Bulk Purchases</u>						
Electricity	\$ 9,000.00	\$ 9,000.00	\$ 7,664.77	\$ 389.27	\$ 945.96	
Street Lighting	34,000.00	34,000.00	26,180.21	2,255.17	5,564.62	
Telephone and Telegraph	16,400.00	16,400.00	12,578.64	1,101.90	2,719.46	
Natural Gas	6,000.00	6,000.00	3,052.60	613.78	2,333.62	
Gasoline	16,000.00	16,000.00	9,651.21	1,257.98	5,090.81	
<u>Unclassified</u>						
Contingent	2,500.00	2,500.00			2,500.00	
Total Operations within "CAPS"	1,720,542.00	1,720,542.00	1,335,076.56	97,165.38	288,300.06	-
Detail:						
Salaries and Wages	823,250.00	823,250.00	718,667.13	-	104,582.87	-
Other Expenses (Including Contingent)	897,292.00	897,292.00	616,409.43	97,165.38	183,717.19	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
<u>Statutory Expenditures:</u>						
Contribution to:						
Public Employees' Retirement System	38,468.00	38,468.00	38,468.00			
Public Employees' Retirement System - Retro	3,650.00	3,650.00	2,888.05		761.95	
Social Security System	72,000.00	72,000.00	59,500.33		12,499.67	
Police and Firemen's Retirement System	125,517.00	125,517.00	125,517.00			
Defined Contribution Retirement Program	3,500.00	3,500.00			3,500.00	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	243,135.00	243,135.00	226,373.38	-	16,761.62	-
Total General Appropriations for Municipal Purposes within "CAPS"	1,963,677.00	1,963,677.00	1,561,449.94	97,165.38	305,061.68	-
OPERATIONS - EXCLUDED FROM "CAPS"						
Alliance to Prevent Alcoholism and Drug Abuse - Local Match	2,392.00	2,392.00	2,392.00			
Total Other Operations - Excluded from "CAPS"	2,392.00	2,392.00	2,392.00	-	-	-
<u>Shared Service Agreements</u>						
Municipal Court Services (Township of Upper Freehold)	50,000.00	50,000.00	39,836.37		10,163.63	
Fire Services (Township of Upper Freehold)	120,000.00	120,000.00	50,688.78	13,140.52	56,170.70	
Other Expenses - Shared Services Crossing Guards	9,525.00	9,525.00			9,525.00	
Other Expenses - Emergency Management (Township of Freehold)						
Everbridge Emergency Management System	724.00	724.00	724.00			
Other Expenses - Housing, Zoning & Code Enforcement	8,000.00	8,000.00	8,000.00			
First Aid Services (Township of Upper Freehold)	76,000.00	76,000.00	75,625.00		375.00	
Department of Public Works (Robbinsville)	6,000.00	6,000.00			6,000.00	
Total Shared Service Agreements	270,249.00	270,249.00	174,874.15	13,140.52	82,234.33	-

(Continued)

BOROUGH OF ALLENTOWN
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2020

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D)						
<u>Public and Private Programs Offset by Revenues</u>						
Clean Communities (N.J.S.A. 40A:4-87 + \$4,000.00)		\$ 4,000.00	\$ 4,000.00			
Bulletproof Vest Program (N.J.S.A. 40A:4-87 + \$835.00)		835.00	835.00			
Recycling Tonnage Grant	\$ 1,900.38	1,900.38	1,900.38			
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 + \$6,000.00)		6,000.00	6,000.00			
Body Armor Replacement Fund	919.67	919.67	919.67			
N.J. Department of Transportation	180,000.00	180,000.00	180,000.00			
Monmouth County Historical Commission	800.00	800.00	800.00			
Monmouth County Open Space Grant	125,000.00	125,000.00	125,000.00			
Monmouth County Historical Commission	7,248.00	7,248.00	7,248.00			
Matching Funds for Grants	2,000.00	2,000.00		\$ 2,000.00		
Total Public and Private Programs Offset by Revenues	317,868.05	328,703.05	326,703.05	-	2,000.00	-
Total Operations - Excluded from "CAPS"	590,509.05	601,344.05	503,969.20	\$ 13,140.52	84,234.33	-
Detail:						
Salaries and Wages	170,000.00	170,000.00	90,525.15	13,140.52	66,334.33	-
Other Expenses	420,509.05	431,344.05	413,444.05	-	17,900.00	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00			
Total Capital Improvements - Excluded from "CAPS"	25,000.00	25,000.00	25,000.00	-	-	-
<u>Municipal Debt Service - Excluded from "CAPS"</u>						
Payment of Bond Principal	160,000.00	160,000.00	160,000.00			
Interest on Bonds	37,550.00	37,550.00	37,550.00			
Total Municipal Debt Service - Excluded from "CAPS"	197,550.00	197,550.00	197,550.00	-	-	-

(Continued)

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"						
Special Emergency Authorizations - 5 Years	\$ 10,300.00	\$ 10,300.00	\$ 10,300.00			
Deferred Charges to Future Taxation--Unfunded Ordinance 11-2019	47,500.00	47,500.00	47,500.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	57,800.00	57,800.00	57,800.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	870,859.05	881,694.05	784,319.20	\$ 13,140.52	\$ 84,234.33	-
Subtotal General Appropriations	2,834,536.05	2,845,371.05	2,345,769.14	110,305.90	389,296.01	-
Reserve for Uncollected Taxes	150,000.00	150,000.00	150,000.00			
Total General Appropriations	\$ 2,984,536.05	\$ 2,995,371.05	\$ 2,495,769.14	\$ 110,305.90	\$ 389,296.01	-
Appropriation by 40A:4-87 Budget		\$ 10,835.00				
		<u>2,984,536.05</u>				
		<u>\$ 2,995,371.05</u>				
Reserve for Federal and State Grants			\$ 326,703.05			
Deferred Charges - Special Emergency Authorizations			10,300.00			
Reserve for Uncollected Taxes			150,000.00			
Disbursed			<u>2,008,766.09</u>			
			<u>\$ 2,495,769.14</u>			

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

BOROUGH OF ALLENTOWN
TRUST FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Cash	SB-1	\$ 6,535.20	\$ 6,793.49
		<u>6,535.20</u>	<u>6,793.49</u>
Other Funds:			
Cash	SB-1	290,804.28	220,263.47
Due from Current Fund		5,000.00	5,000.00
		<u>295,804.28</u>	<u>225,263.47</u>
Municipal Open Space Fund:			
Cash	SB-1	269,727.26	238,263.07
Due from Current Fund	SB-9	113.52	67.95
		<u>269,840.78</u>	<u>238,331.02</u>
		<u>\$ 572,180.26</u>	<u>\$ 470,387.98</u>

(Continued)

BOROUGH OF ALLENTOWN
TRUST FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2020 and 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-2	\$ 5,787.00	\$ 6,376.00
Reserve for Encumbrances - Animal Control Fund	SB-2	267.00	
Due to Current Fund	SB-4	477.00	416.29
Due to State of New Jersey	SB-3	4.20	1.20
		<u>6,535.20</u>	<u>6,793.49</u>
Other Funds:			
Reserve for New Jersey Unemployment Compensation Insurance Trust Fund	SB-5	10,032.25	6,836.91
Reserve for Encumbrances - New Jersey Unemployment Compensation Insurance Trust Fund	SB-5	1,411.15	
Reserve for Encumbrances - Deposits for Redemption of Tax Sale Certificates	SB-5	3,113.60	
Reserve for Developers' Escrow Fund	SB-5	60,351.90	44,942.20
Reserve for Encumbrances - Developers' Escrow Fund	SB-5	1,732.00	1,177.00
Reserve for Recreation Commission	SB-5	2,303.56	2,673.56
Reserve for Outside Employment of Off-Duty Municipal Police Officers	SB-5	47,969.29	50,838.97
Reserve for Encumbrances - Outside Employment of Off-Duty Municipal Police Officers	SB-5		732.00
Reserve for Public Defender Fees	SB-5		210.50
Reserve for Beautification of Parks & Grounds Donations	SB-5	1,367.03	8.03
Reserve for Parking Offenses Adjudication Act	SB-5	118.75	118.75
Reserve for Water Tower Lease Security Deposits	SB-5	17,299.84	17,299.84
Reserve for Uniform Fire Safety Act Penalty	SB-5	2,166.72	2,166.72
Premiums on Tax Sale	SB-5	47,700.00	46,300.00
Reserve for Encumbrances - Premiums on Tax Sale	SB-5	35,400.00	
Reserve for Storm Recovery Trust Fund	SB-5	31,793.80	31,793.80
Reserve for Celebration for Public Events	SB-5	500.00	500.00
Reserve for Economic Development Trust	SB-5	925.97	1,135.97
Reserve for Encumbrances - Economic Development Trust	SB-5		15.99
Reserve for Accumulated Absences Liability	SB-5	24,084.58	14,084.58
Reserve for Police Donations	SB-5	5,623.79	3,827.72
Reserve for Encumbrances - Police Donations	SB-5		242.93
Reserve for Shade Trees	SB-5	750.00	250.00
Reserve for Senior Citizen Committee	SB-5	108.00	108.00
Reserve for Law Enforcement Trust	SB-5	1,052.05	
		<u>295,804.28</u>	<u>225,263.47</u>
Municipal Open Space Fund:			
Reserve for Insurance - Monitoring	SB-7	16,893.79	16,893.79
Reserve for Encumbrances	SB-8	7,715.36	790.00
Reserve for Future Use	SB-8	231,581.63	208,362.23
Reserve for Farm Rental Income	SB-6	13,650.00	12,285.00
		<u>269,840.78</u>	<u>238,331.02</u>
		<u>\$ 572,180.26</u>	<u>\$ 470,387.98</u>

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

BOROUGH OF ALLENTOWN
 TRUST--MUNICIPAL OPEN SPACE FUND
 Statement of Revenues--Regulatory Basis
 For the Year Ended December 31, 2020

	<u>Anticipated Budget</u>	<u>Budget After Modification</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 86,508.90	\$ 86,508.90	\$ 86,508.90	
Interest Income	1,000.00	1,000.00	1,097.12	\$ 97.12
Reserve Funds:				
Reserve for Future Use	208,362.23	208,362.23	208,362.23	
Reserve for Donations for Insurance (Breza Rd)	16,893.79	16,893.79		(16,893.79)
Reserve for Rental Proceeds	12,285.00	12,285.00		(12,285.00)
	<u>\$ 325,049.92</u>	<u>\$ 325,049.92</u>	<u>\$ 295,968.25</u>	<u>\$ (29,081.67)</u>

Analysis of Realized Revenues

Current Year Levy	\$ 86,508.90
Interest Income	1,097.12
Reserve Funds	<u>208,362.23</u>
	<u>\$ 295,968.25</u>

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

BOROUGH OF ALLENTOWN
 TRUST--MUNICIPAL OPEN SPACE FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2020

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Original</u> <u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Balance</u> <u>Canceled</u>
Development of Lands for Recreation and Conservation:					
Other Expenses	\$ 115,000.00	\$ 115,000.00	\$ 31,040.84	\$ 7,519.16	\$ 76,440.00
Maintenance of Lands for Recreation and Conservation:					
Salary & Wages	35,000.00	35,000.00	17,812.50		17,187.50
Other Expenses	125,049.92	125,049.92	8,721.44	196.20	116,132.28
Acquisition of Lands for Recreation and Conservation	50,000.00	50,000.00			50,000.00
	<u>\$ 325,049.92</u>	<u>\$ 325,049.92</u>	<u>\$ 57,574.78</u>	<u>\$ 7,715.36</u>	<u>\$ 259,759.78</u>

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

BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash	SC-1	\$ 658,896.92	\$ 43,096.05
Deferred Charges to Future Taxation--Funded	SC-3	720,000.00	880,000.00
Deferred Charges to Future Taxation--Unfunded	SC-4	2,816,883.00	1,914,383.00
Due from State of New Jersey	SC-8	900,000.00	900,000.00
		<u>\$ 5,095,779.92</u>	<u>\$ 3,737,479.05</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	SC-10	\$ 720,000.00	\$ 880,000.00
Bond Anticipation Notes	SC-9	750,000.00	
Capital Improvement Fund	SC-6	59,761.92	84,761.92
Reserve for Encumbrances	SC-7	222,906.82	191,110.50
Improvement Authorizations:			
Funded	SC-5	1,058,851.72	1,072,277.16
Unfunded	SC-5	2,261,223.44	1,486,293.45
Fund Balance	C-1	23,036.02	23,036.02
		<u>\$ 5,095,779.92</u>	<u>\$ 3,737,479.05</u>

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

BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
Schedule of General Capital Fund Balance - Regulatory Basis
As of December 31, 2020

Balance Dec. 31, 2020

\$ 23,036.02

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

BOROUGH OF ALLENTOWN
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Cash--Treasurer	SD-1	\$ 785,122.75	\$ 649,175.99
Cash-- Change Fund		25.00	25.00
Due Water Utility Capital Fund	SD-18	1,794.15	
		<u>786,941.90</u>	<u>649,200.99</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-5	168,558.05	158,634.09
Water Utility Liens		3,203.05	3,203.05
		<u>171,761.10</u>	<u>161,837.14</u>
Total Operating Fund		<u>958,703.00</u>	<u>811,038.13</u>
Capital Fund:			
Cash	SD-1	140,229.92	313,049.73
Fixed Capital	SD-7	3,188,349.09	3,150,121.06
Fixed Capital Authorized and Uncompleted	SD-8	4,330,000.00	4,330,000.00
Total Capital Fund		<u>7,658,579.01</u>	<u>7,793,170.79</u>
		<u>\$ 8,617,282.01</u>	<u>\$ 8,604,208.92</u>

(Continued)

BOROUGH OF ALLENTOWN
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
 As of December 31, 2020 and 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4 & SD-9	\$ 165,213.34	\$ 140,354.12
Reserve for Encumbrances	SD-10	19,180.75	13,193.39
Accrued Interest on Serial Bonds and Notes	SD-12	3,192.31	3,843.26
Accounts Payable	SD-11		3,908.75
		<u>187,586.40</u>	<u>161,299.52</u>
Reserve for Receivables	D	171,761.10	161,837.14
Fund Balance	D-1	<u>599,355.50</u>	<u>487,901.47</u>
Total Operating Fund		<u>958,703.00</u>	<u>811,038.13</u>
Capital Fund:			
Serial Bonds	SD-21	715,000.00	805,000.00
NJ Environmental Infrastructure Loan Payable	SD-20	417,223.00	273,788.00
Bond Anticipation Notes	SD-19	472,680.00	525,200.00
Capital Improvement Fund	SD-13	62,350.00	52,350.00
Reserve for Water Capital Improvements	SD-4	85,669.50	45,669.50
Reserve for Hydrants	SD-6	11,771.97	40,000.00
Reserve for Encumbrances	SD-14	65,587.50	471,622.14
Accrued Interest on Serial Bonds	SD-12		1,169.15
Due Water Utility Operating Fund	SD-18	1,794.15	
Improvement Authorizations:			
Funded	SD-15	111,501.10	103,766.74
Unfunded	SD-15	2,254,304.15	2,206,437.65
Reserves for:			
Amortization	SD-16	3,322,256.09	3,182,246.06
Deferred Amortization	SD-17	136,020.00	83,500.00
Fund Balance	D-2	<u>2,421.55</u>	<u>2,421.55</u>
Total Capital Fund		<u>7,658,579.01</u>	<u>7,793,170.79</u>
		<u>\$ 8,617,282.01</u>	<u>\$ 8,604,208.92</u>

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

BOROUGH OF ALLENTOWN
WATER UTILITY FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2020 and 2019

<u>Revenue and Other Income Realized</u>	<u>2020</u>	<u>2019</u>
Operating Fund Balance Utilized	\$ 159,445.00	\$ 65,000.00
Rents	765,519.37	663,035.91
Miscellaneous	11,303.26	12,083.50
Other Credits to Income:		
Refund of Prior Year Expense	625.00	
Unexpended Balance of Appropriation Reserves	140,881.12	93,183.03
 Total Income	 <u>1,077,773.75</u>	 <u>833,302.44</u>
<u>Expenditures</u>		
Operating	538,150.00	443,900.00
Capital Improvements	60,000.00	60,000.00
Debt Service	187,724.72	132,573.69
Deferred Charges and Statutory Expenditures	21,000.00	35,000.00
 Total Expenditures	 <u>806,874.72</u>	 <u>671,473.69</u>
Statutory Excess to Fund Balance	270,899.03	161,828.75
<u>Fund Balance</u>		
Balance Jan. 1	<u>487,901.47</u>	<u>391,072.72</u>
Decreased by:	758,800.50	552,901.47
Utilized in Operating Budget	<u>159,445.00</u>	<u>65,000.00</u>
Balance Dec. 31	<u>\$ 599,355.50</u>	<u>\$ 487,901.47</u>

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

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
Schedule of Fund Balance -- Regulatory Basis
As of December 31, 2020

Balance Dec. 31, 2020

\$ 2,421.55

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

BOROUGH OF ALLENTOWN
WATER UTILITY FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 159,445.00	\$ 159,445.00	
Rents	640,000.00	765,519.37	\$ 125,519.37
Miscellaneous	10,000.00	11,303.26	1,303.26
	<u>\$ 809,445.00</u>	<u>\$ 936,267.63</u>	<u>\$ 126,822.63</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable	<u>\$ 765,519.37</u>
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Miscellaneous:

Interest on Investments	\$ 5,143.08
Penalties on Delinquent Accounts	218.60
Connection Fees	4,050.00
Bad Check Fee	127.04
Miscellaneous	<u>1,764.54</u>
	<u>\$ 11,303.26</u>

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

BOROUGH OF ALLENTOWN
WATER UTILITY FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 74,250.00	\$ 74,250.00	\$ 62,645.64		\$ 11,604.36	
Other Expenses	463,900.00	463,900.00	292,317.97	\$ 19,180.75	152,401.28	
Total Operating	538,150.00	538,150.00	354,963.61	19,180.75	164,005.64	
Capital Improvements:						
Capital Improvement Fund	10,000.00	10,000.00	10,000.00			
Capital Outlay	50,000.00	50,000.00	50,000.00			
Total Capital Improvements	60,000.00	60,000.00	60,000.00			
Debt Service:						
Payment of Bond Principal	90,000.00	90,000.00	89,375.00			\$ 625.00
Payment of Bond Anticipation Notes	52,520.00	52,520.00	52,520.00			
Interest on Bonds	37,175.00	37,175.00	36,858.56			316.44
Interest on Notes	10,600.00	10,600.00	8,971.16			1,628.84
Total Debt Service	190,295.00	190,295.00	187,724.72			2,570.28
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	15,000.00	15,000.00	15,000.00			
Social Security System (O.A.S.I.)	6,000.00	6,000.00	4,792.30		1,207.70	
Total Deferred Charges and Statutory Expenditures	21,000.00	21,000.00	19,792.30		1,207.70	
	<u>\$ 809,445.00</u>	<u>\$ 809,445.00</u>	<u>\$ 622,480.63</u>	<u>\$ 19,180.75</u>	<u>\$ 165,213.34</u>	<u>\$ 2,570.28</u>
Interest on Bonds			\$ 36,858.56			
Interest on Notes			8,971.16			
Disbursed			576,650.91			
			<u>\$ 622,480.63</u>			

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

BOROUGH OF ALLENTOWN
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Cash	SE-1	\$ 1,583,367.71	\$ 1,456,821.82
Due Sewer Capital Fund	SE-16		4,975.00
		<u>1,583,367.71</u>	<u>1,461,796.82</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SE-4	51,499.94	32,643.88
Sewer Utility Liens	SE-5	10,536.80	10,536.80
		<u>62,036.74</u>	<u>43,180.68</u>
Total Operating Fund		<u>1,645,404.45</u>	<u>1,504,977.50</u>
Capital Fund:			
Cash	SE-1	597,132.29	214,583.18
Fixed Capital	SE-6	3,722,418.27	3,722,418.27
Fixed Capital Authorized and Uncompleted	SE-7	6,300,000.00	6,300,000.00
Total Capital Fund		<u>10,619,550.56</u>	<u>10,237,001.45</u>
		<u>\$ 12,264,955.01</u>	<u>\$ 11,741,978.95</u>

(Continued)

BOROUGH OF ALLENTOWN
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
 As of December 31, 2020 and 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3 & SE-8	\$ 309,268.31	\$ 343,677.83
Accounts Payable		19,000.00	19,000.00
Reserve for Encumbrances	SE-9	45,242.23	86,507.21
Accrued Interest on Bonds and Notes	SE-10	2,408.22	2,675.34
		<u>375,918.76</u>	<u>451,860.38</u>
Reserve for Receivables	E	62,036.74	43,180.68
Fund Balance	E-1	1,207,448.95	1,009,936.44
		<u>1,645,404.45</u>	<u>1,504,977.50</u>
Total Operating Fund			
		<u>1,645,404.45</u>	<u>1,504,977.50</u>
Capital Fund:			
Serial Bonds	SE-17	620,000.00	685,000.00
NJ Environmental Infrastructure Loan Payable	SE-19	2,941,297.00	
Capital Improvement Fund	SE-12	102,350.00	102,350.00
Reserve for Sewer Capital Equipment	SE-15	175,543.50	5,543.50
Reserve for Encumbrances	SE-14	1,483,544.59	4,224,397.86
Due Sewer Operating Fund	SE-16		4,975.00
Improvement Authorizations:			
Funded	SE-14	410,751.74	403,979.71
Unfunded	SE-14	83,615.77	96,991.42
Reserve for:			
Amortization	SE-11	4,456,102.27	4,367,418.27
Deferred Amortization	SE-13	346,316.00	346,316.00
Fund Balance		29.69	29.69
		<u>10,619,550.56</u>	<u>10,237,001.45</u>
Total Capital Fund		<u>10,619,550.56</u>	<u>10,237,001.45</u>
		<u>\$ 12,264,955.01</u>	<u>\$ 11,741,978.95</u>

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

BOROUGH OF ALLENTOWN
SEWER UTILITY FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2020 and 2019

<u>Revenue and Other Income Realized</u>	<u>2020</u>	<u>2019</u>
Operating Fund Balance Utilized	\$ 180,000.00	\$ 225,000.00
Rents	894,972.10	921,236.40
Miscellaneous	21,109.46	19,199.72
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	343,047.83	261,785.56
Total Income	1,439,129.39	1,427,221.68
<u>Expenditures</u>		
Operating	819,650.00	742,100.00
Capital Improvements	100,000.00	70,000.00
Debt Service	97,282.88	94,752.74
Deferred Charges and Statutory Expenditures	44,684.00	172,295.00
Total Expenditures	1,061,616.88	1,079,147.74
Excess in Revenue	377,512.51	348,073.94
<u>Fund Balance</u>		
Balance Jan. 1	1,009,936.44	886,862.50
Decreased by:	1,387,448.95	1,234,936.44
Utilized in Operating Budget	180,000.00	225,000.00
Balance Dec. 31	\$ 1,207,448.95	\$ 1,009,936.44

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

BOROUGH OF ALLENTOWN
SEWER UTILITY FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 180,000.00	\$ 180,000.00	
Rents	875,000.00	894,972.10	\$ 19,972.10
Miscellaneous	8,384.00	21,109.46	12,725.46
	<u>\$ 1,063,384.00</u>	<u>\$ 1,096,081.56</u>	<u>\$ 32,697.56</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable

\$ 894,972.10

Miscellaneous:

Interest on Investments

\$ 9,105.75

Penalties on Delinquent Accounts

3,881.41

Connection Fees

6,395.77

Miscellaneous

1,726.53

\$ 21,109.46

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

BOROUGH OF ALLENTOWN
SEWER UTILITY FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 74,250.00	\$ 74,250.00	\$ 61,159.44		\$ 13,090.56	
Other Expenses	745,400.00	745,400.00	405,301.41	\$ 45,242.23	294,856.36	
Total Operating	819,650.00	819,650.00	466,460.85	45,242.23	307,946.92	-
Capital Improvements:						
Capital Outlay	100,000.00	100,000.00	100,000.00			
Total Capital Improvements	100,000.00	100,000.00	100,000.00	-	-	-
Debt Service:						
Payment of Bond Principal	65,000.00	65,000.00	65,000.00			
Interest on Notes	1,500.00	1,500.00				\$ 1,500.00
Interest on Bonds	32,550.00	32,550.00	32,282.88			267.12
Total Debt Service	99,050.00	99,050.00	97,282.88	-	-	1,767.12
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Cost of Improvements Authorized: Ordinance 4-2015	23,684.00	23,684.00	23,684.00			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	15,000.00	15,000.00	15,000.00			
Social Security System (O.A.S.I.)	6,000.00	6,000.00	4,678.61		1,321.39	
Total Deferred Charges and Statutory Expenditures	44,684.00	44,684.00	43,362.61	-	1,321.39	-
	<u>\$ 1,063,384.00</u>	<u>\$ 1,063,384.00</u>	<u>\$ 707,106.34</u>	<u>\$ 45,242.23</u>	<u>\$ 309,268.31</u>	<u>\$ 1,767.12</u>
Interest on Bonds Disbursed			\$ 32,282.88			
			<u>674,823.46</u>			
			<u>\$ 707,106.34</u>			

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

BOROUGH OF ALLENTOWN
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts--Regulatory Basis
For the Year Ended December 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
General Fixed Assets:				
Land	\$ 1,952,700.00			\$ 1,952,700.00
Land Improvements		\$ 29,400.00		29,400.00
Buildings and Improvements	962,793.90	17,596.25		980,390.15
Equipment	259,740.52	45,655.35	\$ 61,022.50	244,373.37
Vehicles	183,370.00			183,370.00
Total General Fixed Assets	<u>\$ 3,358,604.42</u>	<u>\$ 92,651.60</u>	<u>\$ 61,022.50</u>	<u>\$ 3,390,233.52</u>
Total Investment in General Fixed Assets	<u>\$ 3,358,604.42</u>			<u>\$ 3,390,233.52</u>

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

BOROUGH OF ALLENTOWN
Notes to Financial Statements
For the Year Ended December 31, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Allentown is a New Jersey Municipal corporation located in the County of Monmouth. The population according to the 2010 census is 1,828.

The Borough has a Mayor-Council form of government where the Mayor is separately elected to a four-year term. The Council consists of six members elected to three-year terms. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk and the Borough Chief Financial Officer.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the *Requirements of Audit* ("the *Requirements*") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

Water Utility Operating and Capital Funds - The water utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water operations.

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current, municipal open space, water utility, and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The 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 statements of assets, liabilities, reserves and fund balance.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund, water utility operating fund and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Monmouth and the Upper Freehold Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Upper Freehold Regional High School District. Operations is charged for the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2019 and decreased by the amount deferred at December 31, 2020.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Monmouth. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2020, the Borough's bank balances of \$5,976,040.52 were not exposed to any custodial credit risk.

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

	<u>Year Ended</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	\$ 2.951	\$ 3.029	\$ 3.046	\$ 3.048	\$ 3.042
Apportionment of Tax Rate:					
Municipal	\$ 0.820	\$ 0.822	\$ 0.799	\$ 0.800	\$ 0.794
Municipal Open Space	0.045	0.045	0.045	0.045	0.045
County	0.241	0.243	0.257	0.273	0.287
County Open Space	0.028	0.028	0.029	0.016	0.017
County Library	0.018	0.017	0.018	0.019	0.020
County Health	0.005	0.005	0.005	0.005	0.006
Regional School Tax	1.794	1.869	1.893	1.890	1.873

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 192,688,600.00
2019	192,242,000.00
2018	192,297,000.00
2017	192,242,800.00
2016	191,811,400.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 5,693,685.23	\$ 5,559,380.38	97.64%
2019	5,827,583.96	5,730,718.73	98.34%
2018	5,861,814.00	5,772,606.60	98.48%
2017	5,861,933.89	5,785,190.90	98.69%
2016	5,847,427.74	5,762,636.82	98.55%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$ 134,209.90	\$ 122,062.96	\$ 256,272.86	4.50%
2019	124,477.49	85,552.42	210,029.91	3.60%
2018	114,487.84	73,539.67	188,027.51	3.21%
2017	103,017.17	57,031.57	160,048.74	2.73%
2016	98,142.65	76,713.24	174,855.89	2.99%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2020	11
2019	11
2018	11
2017	9
2016	9

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2020	\$ 16,400.00
2019	16,400.00
2018	16,400.00
2017	16,400.00
2016	16,400.00

Note 5: WATER UTILITY SERVICE CHARGES

The following is a five-year comparison of water utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2020	\$ 158,634.09	\$ 3,203.05	\$ 775,443.33	\$ 937,280.47	\$ 765,519.37
2019	129,296.55	3,203.05	692,373.45	824,873.05	663,035.91
2018	147,317.17	3,203.05	600,745.30	751,265.52	618,765.92
2017	173,404.06	3,203.05	621,499.17	798,106.28	647,586.06
2016	103,139.79	3,203.05	669,732.36	776,075.20	599,468.09

Note 6: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2020	\$ 32,643.88	\$ 10,536.80	\$ 913,828.16	\$ 957,008.84	\$ 894,972.10
2019	25,338.16	10,536.80	928,542.12	964,417.08	921,236.40
2018	40,167.22	10,536.80	860,831.51	911,535.53	875,660.57
2017	30,188.79	10,536.80	880,090.92	920,816.51	870,112.49
2016	39,204.90	10,536.80	874,452.91	924,194.61	883,469.02

Note 7: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 805,520.85	\$ 444,500.00	55.18%
2019	1,107,027.88	566,547.90	51.18%
2018	986,864.22	375,000.00	38.00%
2017	940,318.52	393,324.00	41.83%
2016	921,324.50	380,400.00	41.29%

Water Utility Operating Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 599,355.50	\$ 82,000.00	13.68%
2019	487,901.47	159,445.00	32.68%
2018	391,072.72	65,000.00	16.62%
2017	300,825.76	72,000.00	23.93%
2016	199,128.43	75,000.00	37.66%

Sewer Utility Operating Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 1,207,448.95	\$ 168,000.00	13.91%
2019	1,009,936.44	180,000.00	17.82%
2018	886,862.50	225,000.00	25.37%
2017	826,062.11	300,000.00	36.32%
2016	419,081.63	33,000.00	7.87%

Note 8: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2020:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 60,477.00	\$ 5,113.52
Federal and State Grant		60,000.00
Trust - Animal Control		477.00
Trust - Other	5,000.00	
Trust - Open Space	113.52	
Water Utility - Operating	1,794.15	
Water Utility - Capital		1,794.15
	<u>\$ 67,384.67</u>	<u>\$ 67,384.67</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2021, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: PENSION PLANS

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

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

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

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 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, 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.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four 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 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.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2020 was 15.37% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$46,932.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$37,945.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$23,087.50.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.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 local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2020 was 26.85% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$105,622.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$118,446.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$40,266.40.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2020 was 3.71% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2020 was \$14,589.00, and is payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2019 was \$15,268.00, which was paid on April 1, 2020.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Public Employees' Retirement System**

Pension Liability - As of December 31, 2020, the Borough's proportionate share of the PERS net pension liability was \$699,610.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Borough's proportion was 0.0042901429%, which was an increase of 0.0003891675% from its proportion measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$55,725.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Borough's contribution to PERS was \$37,945.00, and was paid on April 1, 2020.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System**

Pension Liability - As of December 31, 2020, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 1,221,635.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>189,592.00</u>
	<u>\$ 1,411,227.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2020 measurement date, the Borough's proportion was 0.0094544178%, which was a decrease of 0.0022716249% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0094544178%, which was a decrease of 0.0022716249% from its proportion, on-behalf of the Borough, measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$97,617.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Borough's contribution to PFRS was \$118,446.00, and was paid on April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2020 measurement date, was \$21,486.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Note 9: PENSION PLANS (CONT'D)

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2020, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 12,739.00	\$ 12,316.00	\$ 25,055.00	\$ 2,474.00	\$ 4,384.00	\$ 6,858.00
Changes of Assumptions	22,696.00	3,074.00	25,770.00	292,933.00	327,513.00	620,446.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	23,913.00	71,630.00	95,543.00	-	-	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	139,288.00	182,698.00	321,986.00	15,255.00	300,227.00	315,482.00
Borough Contributions Subsequent to the Measurement Date	23,466.00	52,811.00	76,277.00	-	-	-
	<u>\$ 222,102.00</u>	<u>\$ 322,529.00</u>	<u>\$ 544,631.00</u>	<u>\$ 310,662.00</u>	<u>\$ 632,124.00</u>	<u>\$ 942,786.00</u>

Deferred outflows of resources in the amounts of \$23,466.00 and \$52,811.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Borough's year end of December 31, 2020.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

The Borough will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	PERS	PFRS	Total
2021	\$ (44,785.00)	\$ (100,774.00)	\$ (145,559.00)
2022	(44,759.00)	(89,353.00)	(134,112.00)
2023	(18,737.00)	(60,436.00)	(79,173.00)
2024	(2,462.00)	(46,477.00)	(48,939.00)
2025	(1,283.00)	(65,366.00)	(66,649.00)
	<u>\$ (112,026.00)</u>	<u>\$ (362,406.00)</u>	<u>\$ (474,432.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2020 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Note 9: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 2.21% as of the June 30, 2020 measurement date 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 would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 2.21% as of June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 880,692.00	\$ 699,610.00	\$ 545,957.00

Note 9: PENSION PLANS (CONT'D)**Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of the June 30, 2020 measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	PFRS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 1,624,524.00	\$ 1,221,635.00	\$ 887,006.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>252,119.00</u>	<u>189,592.00</u>	<u>137,659.00</u>
	<u>\$ 1,876,643.00</u>	<u>\$ 1,411,227.00</u>	<u>\$ 1,024,665.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Eight Plan Years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0042901429%	0.0039009754%	0.0040046169%	0.0034289975%
Borough's Proportionate Share of the Net Pension Liability	\$ 699,610.00	\$ 702,897.00	\$ 788,489.00	\$ 798,216.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 302,424.00	\$ 279,872.00	\$ 205,880.00	\$ 243,236.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	231.33%	251.15%	382.98%	328.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0034424236%	0.0030486252%	0.0033790014%	0.0035344024%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,019,547.00	\$ 684,355.00	\$ 632,641.00	\$ 675,495.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 207,204.00	\$ 209,456.00	\$ 305,456.00	\$ 251,572.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	492.05%	326.73%	207.11%	268.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 46,932.00	\$ 37,945.00	\$ 39,833.00	\$ 31,766.00
Borough's Contribution in Relation to the Contractually Required Contribution	\$ (46,932.00)	\$ (37,945.00)	(39,833.00)	(31,766.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 305,332.00	\$ 285,279.00	\$ 298,920.00	\$ 242,662.00
Borough's Contributions as a Percentage of Covered Payroll	15.37%	13.30%	13.33%	13.09%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 30,582.00	\$ 26,210.00	\$ 27,856.00	\$ 26,631.00
Borough's Contribution in Relation to the Contractually Required Contribution	(30,582.00)	(26,210.00)	(27,856.00)	(26,631.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 213,256.00	\$ 194,056.00	\$ 197,523.00	\$ 256,708.00
Borough's Contributions as a Percentage of Covered Payroll	14.34%	13.51%	14.10%	10.37%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Eight Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0094544178%	0.0117260427%	0.0106424880%	0.0104802334%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,221,635.00	\$ 1,435,012.00	\$ 1,440,104.00	\$ 1,617,945.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	<u>189,592.00</u>	<u>226,591.00</u>	<u>195,614.00</u>	<u>181,224.00</u>
Total	<u>\$ 1,411,227.00</u>	<u>\$ 1,661,603.00</u>	<u>\$ 1,635,718.00</u>	<u>\$ 1,799,169.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 326,224.00	\$ 397,432.00	\$ 353,072.00	\$ 339,244.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	374.48%	361.07%	407.88%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0095105040%	0.0084882732%	0.0073489485%	0.0105619998%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,816,750.00	\$ 1,413,850.00	\$ 924,430.00	\$ 1,404,123.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	<u>152,562.00</u>	<u>123,990.00</u>	<u>99,546.00</u>	<u>130,881.00</u>
Total	<u>\$ 1,969,312.00</u>	<u>\$ 1,537,840.00</u>	<u>\$ 1,023,976.00</u>	<u>\$ 1,535,004.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 303,980.00	\$ 268,804.00	\$ 232,116.00	\$ 331,468.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	597.65%	525.98%	398.26%	423.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 105,622.00	\$ 118,446.00	\$ 104,046.00	\$ 92,752.00
Borough's Contribution in Relation to the Contractually Required Contribution	(105,622.00)	(118,446.00)	(104,046.00)	(92,752.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 393,415.00	\$ 336,973.00	\$ 362,227.00	\$ 354,233.00
Borough's Contributions as a Percentage of Covered Payroll	26.85%	35.15%	28.72%	26.18%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 77,543.00	\$ 68,997.00	\$ 56,445.00	\$ 77,058.00
Borough's Contribution in Relation to the Contractually Required Contribution	(77,543.00)	(68,997.00)	(56,445.00)	(77,058.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 340,051.00	\$ 304,234.00	\$ 274,436.00	\$ 232,116.00
Borough's Contributions as a Percentage of Covered Payroll	22.80%	22.68%	20.57%	33.20%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Police and Firemen's Retirement System (PFRS)Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

BOROUGH OF ALLENTOWN POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The Borough provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The Borough provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: (a) eligible retirees who retire from active employment with the Borough who have at least twenty-five (25) years of service with the Borough. Coverage is provided for retirees up to the time of their Medicare eligibility, providing the retirees annually certify that they have no other medical coverage; (b) eligible retirees who retire from active employment with the Allentown Police Department who have at least twenty (20) years of service with the Allentown Police Department. Coverage is provided for the retirees and their eligible dependents only up to the time of their Medicare eligibility, providing the retirees annually certify that they have no other medical or prescription coverage. The Plan is administered by the Borough; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retirees are paid in monthly installments after the Borough provides the retirees with a detailed accounting of the costs.

Employees Covered by Benefit Terms - As of December 31, 2020, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	1
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	
Active Employees	<u>8</u>
	<u>9</u>

Total OPEB Liability

The Borough's total OPEB liability of \$2,399,491.00 was measured as of December 31, 2020 and was determined by an actuarial valuation as of this same date.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% Annually
Salary Increases	2.50% Annually
Discount Rate	2.12%
Healthcare Cost Trend Rates	Medical: 5.6% in 2020, reducing by 0.1% per annum, leveling at 5% per annum in 2026 Drug: 9.0% in 2020, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026
Retirees' Share of Benefit-Related Costs	Contribution rates in effect at retirement

The discount rate was based on the Bond Buyer 20 Index.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**BOROUGH OF ALLENTOWN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Total OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd)** - Mortality rates were based on the following:

Pre-Retirement, Post-Retirement, Disabled - RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement

An experience study was not performed on the actuarial assumptions used in the December 31, 2020 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by the Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Changes in Total OPEB Liability

Balance at December 31, 2019		\$ 2,122,732.00
Changes for the Year:		
Service Cost	\$ 35,768.00	
Interest Cost	58,808.00	
Benefit Payments	(24,419.00)	
Changes in Assumptions	206,602.00	
Difference between Expected and Actual Experience	<u>-</u>	
Net Changes		<u>276,759.00</u>
Balance at December 31, 2020		<u>\$ 2,399,491.00</u>

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.74% at December 31, 2019 to 2.12% at December 31, 2020.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	<u>December 31, 2020</u>		
	1.00% Decrease (1.12%)	Current Discount Rate (2.12%)	1.00% Increase (3.12%)
Total OPEB Liability	<u>\$ 2,740,984.00</u>	<u>\$ 2,399,491.00</u>	<u>\$ 2,137,367.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

BOROUGH OF ALLENTOWN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2020		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 2,107,746.00</u>	<u>\$ 2,399,491.00</u>	<u>\$ 2,776,848.00</u>

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2020, the Borough recognized OPEB (benefit) expense of \$452,405.00. As of December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 452,405.00	\$ -
Difference Between Expected and Actual Experience	-	-
	<u>\$ 452,405.00</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

Year Ending Dec 31,	
2021	\$ 25,004.00
2022	25,004.00
2023	25,004.00
2024	25,004.00
2025	25,004.00
Thereafter	<u>327,385.00</u>
	<u>\$ 452,405.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**BOROUGH OF ALLENTOWN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information**

In accordance with GASB No. 75, the following information is also presented for the Borough's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of Changes in the Borough's Total OPEB Liability and Related Ratios (Last Three Years)

	<u>Plan Measurement Date December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 35,768.00	\$ 34,114.00	\$ 34,114.00
Interest Cost	58,808.00	73,289.00	70,418.00
Benefit Payments	(24,419.00)	(46,771.00)	(22,273.00)
Changes in Assumptions	206,602.00	285,296.00	-
Difference Between Expected and Actual Experience	-	-	-
Net Change in Total OPEB Liability	276,759.00	345,928.00	82,259.00
Total OPEB Liability - Beginning of Fiscal Year	2,122,732.00	1,776,804.00	1,694,545.00
Total OPEB Liability - End of Fiscal Year	<u>\$ 2,399,491.00</u>	<u>\$ 2,122,732.00</u>	<u>\$ 1,776,804.00</u>
Covered-Employee Payroll	\$ 416,405.81	\$ 318,420.73	\$ 380,366.74
Total OPEB Liability as a Percentage of Covered Payroll	576.24%	666.64%	467.13%

Other Notes to Supplementary OPEB Information**Changes in Benefit Terms**

None.

Changes in Assumptions

The discount rate changed from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFITS BENEFITS PLAN**

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. As of the date of this report, the information for the measurement period ended June 30, 2020 was not available; therefore, the information from the measurement period June 30, 2019 is disclosed below.

General Information about the OPEB Plan

Plan Description and Benefits Provided - The Borough provides postemployment benefits to its retirees through a separate plan previously described. In addition, the State of New Jersey (the "State") provides benefits to certain Borough retirees and their dependents under a special funding situation as described below.

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, the Borough is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Borough is required disclose:

- a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the Borough,
- b) the State's proportionate share of the collective net OPEB liability that is associated with the Borough, and
- c) the State's proportionate share of the OPEB (benefit) expense that is associated with the Borough.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Borough, is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the Borough, is \$12,285.00 for the year ended December 31, 2019 representing 3.65% of the Borough's covered payroll.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****OPEB Liability and OPEB (Benefit) Expense**

OPEB Liability - At December 31, 2019 the State's proportionate Share of the Net OPEB liability associated with the Borough is \$926,774.00. 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 June 30, 2018, which was rolled forward to June 30, 2019.

The State's proportion of the net OPEB liability, on-behalf of the Borough, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the Borough was 0.016772% which was a decrease of 0.004343% from its proportion measured as of the June 30, 2018 measurement date.

OPEB (Benefit) Expense - At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2019 measurement date, is \$12,285.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Not Applicable Under Special Funding Situation	
PFRS:	
Rate for all Years	3.25% to 15.25%

* Salary Increases are Based on Years of Service
Within the Respective Plan

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2019.

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

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

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)

Actuarial Assumptions (Cont'd)

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

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.

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays the Borough's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>\$ 1,071,587.00</u>	<u>\$ 926,774.00</u>	<u>\$ 809,095.00</u>

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB Liability as of June 30, 2019, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>\$ 782,083.00</u>	<u>\$ 926,774.00</u>	<u>\$ 1,111,352.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Supplementary OPEB Information

In accordance with GASB No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the Borough (Last Three Plan Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.000000%	0.000000%	0.000000%
State's Proportion of the Net OPEB Liability Associated with the Borough	100.000000%	100.000000%	100.000000%
	<u>100.000000%</u>	<u>100.000000%</u>	<u>100.000000%</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	926,774.00	1,312,053.00	1,561,957.00
Total	<u>\$ 926,774.00</u>	<u>\$ 1,312,053.00</u>	<u>\$ 1,561,957.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 335,350.00	\$ 367,566.00	\$ 346,908.00
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	276.360%	356.957%	450.251%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of the State's Contributions Associated with the Borough (Last Three Years)***

The amount of actual contributions that the State made on-behalf of the Borough is not known.

Other Notes to Supplementary OPEB Information**Changes in Benefit Terms**

In 2019, there were slight changes to the Chapter 48 provisions.

Changes in Assumptions

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS experience study. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

In 2017, the discount rate changed to 3.58% from 2.85%.

Note 11: COMPENSATED ABSENCES

Full-time employees are entitled to accumulate annual unused sick leave. Unused sick leave may be accumulated and carried forward to the subsequent year. Employees eligible to retire can be paid for their unused sick time at one-half their present salary up to a maximum of \$7,500.00. Vacation days not used during the year may not be accumulated and carried forward without the approval of the governing body.

The Borough has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2020, the balance of the fund was \$24,084.58. It is estimated that, at December 31, 2020, accrued benefits for compensated absences are valued at \$33,062.71.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

The Borough offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 13: CAPITAL DEBT**General Improvement Bonds**

General Improvement Refunding Bonds, Series 2016 - On May 22, 2012, the Borough issued \$1,645,000.00 in general improvement refunding bonds, with interest rates ranging from 2.0% to 5.0%, to advance refund \$1,454,000.00 outstanding 2005 general improvement bonds with an interest rates ranging from 4.0% to 5.0%, and advance refund \$248,483.47 outstanding 1978 USDA loan with an interest rate of 5.0%. The final maturity of the bonds is December 1, 2025.

Water Utility Improvement Bonds, Series 2015 - On December 8, 2015, the Borough issued \$325,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 5.0%. The purpose of the bonds is to fund various capital ordinances, specifically 3-2008 and 9-2010. The final maturity of the bonds is December 1, 2033.

General Improvement Bonds, Series 2015 - On December 8, 2015, the Borough issued \$674,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 5.0%. The purpose of the bonds is to fund various capital ordinances, specifically 1-2010, 2-2010, 8-2013 and 2-2014. The final maturity of the bonds is December 1, 2035.

General Improvement Refunding Bonds, Series 2016 - On March 24, 2016, the Borough issued \$940,000.00 in general improvement refunding bonds, with interest rates ranging from 4.0% to 5.0%, to advance refund \$3,750,000.00 outstanding 2008 general improvement bonds with interest rates ranging from 4.0% to 5.25%. The final maturity of the bonds is December 1, 2028.

Note 13: CAPITAL DEBT (CONT'D)**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

The following schedule represents the remaining debt service, through maturity for the bonds:

General

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 170,000.00	\$ 30,850.00	\$ 200,850.00
2022	35,000.00	23,700.00	58,700.00
2023	30,000.00	21,950.00	51,950.00
2024	40,000.00	20,450.00	60,450.00
2025	40,000.00	18,450.00	58,450.00
2026-2030	205,000.00	61,750.00	266,750.00
2031-2035	200,000.00	21,000.00	221,000.00
	<u>\$ 720,000.00</u>	<u>\$ 198,150.00</u>	<u>\$ 918,150.00</u>

Water Utility

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 95,000.00	\$ 33,325.00	\$ 128,325.00
2022	95,000.00	29,275.00	124,275.00
2023	100,000.00	24,525.00	124,525.00
2024	105,000.00	19,525.00	124,525.00
2025	105,000.00	14,275.00	119,275.00
2026-2030	140,000.00	30,125.00	170,125.00
2031-2033	75,000.00	5,250.00	80,250.00
	<u>\$ 715,000.00</u>	<u>\$ 156,300.00</u>	<u>\$ 871,300.00</u>

Sewer Utility

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 65,000.00	\$ 29,300.00	\$ 94,300.00
2022	70,000.00	26,050.00	96,050.00
2023	75,000.00	22,550.00	97,550.00
2024	75,000.00	18,800.00	93,800.00
2025	80,000.00	15,050.00	95,050.00
2026-2028	255,000.00	21,250.00	276,250.00
	<u>\$ 620,000.00</u>	<u>\$ 133,000.00</u>	<u>\$ 753,000.00</u>

Note 13: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Environmental Infrastructure Loans**

On June 10, 2021, the Borough entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$322,223.00, at no interest, from the fund loan, and \$95,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. The proceeds were used to fund the replacement of water meters. Semiannual debt payments are due February 1st and August 1st through 2030.

During 2020, the Borough entered into a preliminary loan agreement with the New Jersey Environmental Infrastructure Trust (NJEIT) for the wastewater treatment plant. As of December 31, 2020 the Borough has submitted for reimbursement for preliminary costs in the amount of \$2,941,297.00. The preliminary costs reimbursed by NJEIT will be added to the loan and repaid by the Borough when the loan is finalized.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

<u>Water Utility</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 22,222.27	\$ 1,035.00	\$ 23,257.27
2022	43,333.40	4,600.00	47,933.40
2023	43,333.40	4,100.00	47,433.40
2024	43,333.40	3,600.00	46,933.40
2025	43,333.40	3,100.00	46,433.40
2026-2030	<u>221,667.13</u>	<u>8,000.00</u>	<u>229,667.13</u>
	<u>\$ 417,223.00</u>	<u>\$ 24,435.00</u>	<u>\$ 441,658.00</u>

Note 13: CAPITAL DEBT (CONT'D)

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 1,470,000.00	\$ 880,000.00	\$ 1,035,000.00
Water Utility:			
Bonds, Loans and Notes	1,604,903.00	1,603,988.00	895,000.00
Sewer Utility:			
Bonds and Notes	3,561,297.00	685,000.00	745,000.00
Total Issued	<u>6,636,200.00</u>	<u>3,168,988.00</u>	<u>2,675,000.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	2,066,883.00	1,914,383.00	1,790,115.10
Water Utility:			
Bonds, Loans and Notes	2,455,170.00	2,611,012.00	3,424,000.00
Sewer Utility:			
Bonds and Notes	1,658,703.00	4,623,684.00	3,463,795.00
Total Authorized but not Issued	<u>6,180,756.00</u>	<u>9,149,079.00</u>	<u>8,677,910.10</u>
Total Issued and Authorized but not Issued	<u>12,816,956.00</u>	<u>12,318,067.00</u>	<u>11,352,910.10</u>
<u>Deductions</u>			
General:			
Funds Temporarily Held To Pay Bonds & Notes	-	-	8,014.74
Water Utility:			
Self-Liquidating	4,060,073.00	4,215,000.00	4,319,000.00
Sewer Utility:			
Self-Liquidating	5,220,000.00	5,308,684.00	4,208,795.00
Total Deductions	<u>9,280,073.00</u>	<u>9,523,684.00</u>	<u>8,535,809.74</u>
Net Debt	<u>\$ 3,536,883.00</u>	<u>\$ 2,794,383.00</u>	<u>\$ 2,817,100.36</u>

Note 13: CAPITAL DEBT (CONT'D)**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 indicated a statutory net debt of 1.785%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Purposes	\$ 6,096,017.45	\$ 6,096,017.45	
Water Utility	4,060,073.00	4,060,073.00	
Sewer Utility	5,220,000.00	5,220,000.00	
General	3,536,883.00		\$ 3,536,883.00
	<u>\$ 18,912,973.45</u>	<u>\$ 15,376,090.45</u>	<u>\$ 3,536,883.00</u>

Net Debt \$3,536,883.00 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$198,140,160.00 equals 1.785%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 6,934,905.60
Less: Net Debt	<u>3,536,883.00</u>
Remaining Borrowing Power	<u>\$ 3,398,022.60</u>

**Calculation of "Self-Liquidating Purpose,"
Water Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 936,267.63
Deductions:	
Operating and Maintenance Costs	\$ 559,150.00
Debt Service per Water Fund	<u>187,724.72</u>
Total Deductions	<u>746,874.72</u>
Excess in Revenue	<u>\$ 189,392.91</u>

Note 13: CAPITAL DEBT (CONT'D)

**Calculation of "Self-Liquidating Purpose,"
Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		\$ 1,096,081.56
Deductions:		
Operating and Maintenance Costs	\$ 840,650.00	
Debt Service per Sewer Fund	97,282.88	
Total Deductions		937,932.88
Excess in Revenue		\$ 158,148.68

Note 14: SCHOOL TAXES

Upper Freehold Regional School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	Balance December 31,	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$ 1,728,466.53	\$ 1,796,060.95
Deferred	1,616,292.95	1,616,292.95
	\$ 112,173.58	\$ 179,768.00

Note 15: RISK MANAGEMENT

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 5,000.00	\$ 1,804.66	\$ 10,032.25
2019		3,501.29	6,836.91
2018		224.49	10,338.20

Note 15: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The Borough of Allentown is a member of the Monmouth County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- Motor Vehicles
- Public Officials Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Borough's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$500,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2020, which can be obtained from:

Monmouth County Municipal Joint Insurance Fund
 9 Campus Drive, Suite 16
 Parsippany, New Jersey 07054-4412

Note 16: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

<u>Description</u>	<u>Balance December 31, 2020</u>	<u>2021 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 15,600.00	\$ 10,300.00

The appropriations in the 2021 Budget as adopted are not less than that required by the statutes.

Note 17: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 7, 2006, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Borough of Allentown authorized the establishment of the Open Space, Recreation, Farmland and Historic Preservation Trust Fund effective January 1, 2007, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. The Borough proposed to levy a tax not to exceed one cent per one hundred dollars of equalized valuation. On November 4, 2008, the Borough of Allentown proposed to levy an additional three and a half cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other Borough taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Borough of Allentown Open Space, Recreation, Farmland and Historic Preservation Trust Fund.

Note 18: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

Litigation - The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 19: CONCENTRATIONS

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 20: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Borough authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Various Capital Improvements and Equipment	6/1/2021	\$ 475,000.00

Note 20: SUBSEQUENT EVENTS (CONT'D)

COVID-19 - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Borough’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2021.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Current Cash -- Treasurer
For the Year Ended December 31, 2020

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2019	\$ 1,774,722.67	\$ 21,723.87
Increased by Receipts:		
Collector	\$ 5,672,926.91	
Revenue Accounts Receivable	377,967.56	
Due State of New Jersey - (Ch. 73, P.L. 1976)	10,250.00	
Miscellaneous Revenue not Anticipated	76,226.18	
Interest on Investments and Deposits	11,684.64	
Payroll Deductions Payable	303,632.34	
Due from Federal and State Grant Fund	70,000.00	
Due from Animal Control Fund	416.29	
Federal and State Grant Fund:		
Due Current Fund		\$ 130,000.00
Receivable		322,287.55
	6,523,103.92	452,287.55
	8,297,826.59	474,011.42
Decreased by Disbursements:		
2020 Budget Appropriations	2,008,766.09	
2019 Appropriation Reserves	173,310.97	
Accounts Payable	5,066.25	
Refund of Tax Overpayments	1,597.40	
County Taxes	562,247.65	
Due County for Added and Omitted Taxes	442.43	
Regional School Taxes	3,524,829.42	
Payroll Deductions Payable	303,631.41	
Reserve for Master Plan	7,460.60	
Due Federal and State Grant Fund	130,000.00	
Due Trust -- Municipal Open Space Fund	86,576.85	
Federal and State Grant Fund:		
Due Current Fund		70,000.00
Appropriated Reserve		383,903.96
	6,803,929.07	453,903.96
Balance Dec. 31, 2020	\$ 1,493,897.52	\$ 20,107.46

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Current Cash--Collector
For the Year Ended December 31, 2020

Received:		
Taxes Receivable	\$ 5,564,748.00	
2021 Prepaid Taxes	66,242.37	
Tax Overpayments	20,870.55	
Interest and Costs on Taxes	21,065.99	
		\$ 5,672,926.91
Decreased by:		
Payments to Treasurer		\$ 5,672,926.91

The Collector maintains no bank account. All funds are deposited directly to the Treasurer's bank account.

BOROUGH OF ALLENTOWN
CURRENT FUND
Schedule of Change Funds
As of December 31, 2020

<u>Office</u>	<u>Dec. 31, 2020</u>
Municipal Court	\$ 100.00
Collector	<u>60.00</u>
	<u>\$ 160.00</u>

BOROUGH OF ALLENTOWN
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2020

Year	Balance Dec. 31, 2019	2020 Levy	Added Taxes	2019	Collected 2020	Overpayments Applied	Due from State of New Jersey	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2020
2019	\$ 85,552.42		\$ 250.00		\$ 85,802.42					
	85,552.42		250.00		85,802.42					
2020		\$ 5,693,685.23		\$ 60,349.98	5,478,945.58	\$ 9,834.82	\$ 10,250.00	\$ 9,732.41	\$ 2,509.48	\$ 122,062.96
	\$ 85,552.42	\$ 5,693,685.23	\$ 250.00	\$ 60,349.98	\$ 5,564,748.00	\$ 9,834.82	\$ 10,250.00	\$ 9,732.41	\$ 2,509.48	\$ 122,062.96

Analysis of 2020 Property Tax Levy

Tax Yield

General Purpose Tax	\$ 5,686,240.59
Added/Omitted Taxes (54:4-63.1 et seq.)	<u>7,444.64</u>
	<u>\$ 5,693,685.23</u>

Tax Levy

Regional School Tax	\$ 3,457,235.00
County Taxes:	
County Tax	\$ 464,605.87
County Library Tax	33,814.85
County Health Service Tax	9,581.10
County Open Space Fund Tax	54,245.83
Due County for Added/Omitted Taxes (54:4-63.1 et seq.)	<u>736.64</u>
Total County Taxes	562,984.29
Municipal Open Space Tax	86,622.42
Local Tax for Municipal Purposes	1,579,595.10
Add: Additional Tax Levied	<u>7,248.42</u>
Local Tax for Municipal Purposes Levied	<u>1,586,843.52</u>
	<u>\$ 5,693,685.23</u>

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 124,477.49
Increased by:	
Transfers from Taxes Receivable	<u>9,732.41</u>
Balance Dec. 31, 2020	<u><u>\$ 134,209.90</u></u>

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2020

	Balance <u>Dec. 31, 2019</u>	Accrued <u>in 2020</u>	<u>Collection</u> <u>Treasurer</u>	Balance <u>Dec. 31, 2020</u>
Clerk -- Registrar of Vital Statistics:				
Licenses:				
Alcoholic Beverage		\$ 5,000.00	\$ 5,000.00	
Fees and Permits--Other		599.00	599.00	
Certified Copies		3,330.00	3,330.00	
Police:				
Fees and Permits		435.25	435.25	
Mercantile Licenses		405.00	405.00	
Housing Inspection:				
Fees and Permits		2,725.00	2,725.00	
Lease Agreement- Cellular Antenna Site		140,878.43	140,878.43	
Consolidated Municipal Property Relief Aid		8,824.00	8,824.00	
Energy Receipts Tax		122,771.00	122,771.00	
Shared Services Agreement - Municipal Court Services		50,967.66	38,221.62	\$ 12,746.04
Outside Employment of Police Officers - Administrative Fee from Trust Other Fund		10,000.00	10,000.00	
Municipal Court:				
Fines and Costs	\$ 6,789.54	41,003.86	44,778.26	3,015.14
	<u>\$ 6,789.54</u>	<u>\$ 386,939.20</u>	<u>\$ 377,967.56</u>	<u>\$ 15,761.18</u>

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Due To State of New Jersey Senior Citizens' and
Veterans' Deductions Ch. 73, P.L. 1976
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 526.47
Increased by:		
Collections		10,250.00
		10,776.47
Decreased by:		
Accrued in 2020:		
Senior Citizens' Deductions per Billings	\$ 1,000.00	
Veterans' Deductions per Billings	9,250.00	
Subtotal - 2020 Taxes	10,250.00	
Less: Deductions Disallowed by		
Tax Collector--Prior Year Taxes	250.00	
		10,000.00
Balance Dec. 31, 2020		\$ 776.47

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of 2019 Appropriation Reserves
For the Year Ended December 31, 2020

	Balance		Balance After	Paid or	Balance
	<u>December 31, 2019</u>				
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS--WITHIN "CAPS"					
<u>General Government</u>					
<u>Mayor and Council</u>					
Salaries and Wages		\$ 119.56	\$ 119.56		\$ 119.56
Other Expenses	\$ 615.91	434.36	1,050.27	\$ 874.66	175.61
<u>Municipal Clerk</u>					
Salaries and Wages		12,083.55	12,083.55		12,083.55
Other Expenses	7,656.49	6,281.73	13,938.22	7,425.52	6,512.70
<u>Financial Administration</u>					
Salaries and Wages		7,824.24	7,824.24		7,824.24
Other Expenses	2,600.11	4,361.38	6,961.49	2,862.11	4,099.38
Annual Audit		1,000.00	1,000.00		1,000.00
<u>Assessment of Taxes</u>					
Salaries and Wages		89.04	89.04		89.04
Other Expenses		746.25	746.25		746.25
<u>Collection of Taxes</u>					
Salaries and Wages		575.26	575.26		575.26
Other Expenses	28.75	472.86	501.61	28.75	472.86
<u>Legal Services and Costs</u>					
Other Expenses	20,410.70	12,997.40	33,408.10	18,831.20	14,576.90
<u>Municipal Court</u>					
Salaries and Wages		5,968.45	5,968.45		5,968.45
Other Expenses	200.01	5,913.96	6,113.97	200.01	5,913.96
<u>Public Defender</u>					
Other Expenses		596.25	596.25		596.25
<u>Engineering Services and Costs</u>					
Other Expenses	48,117.75	5,482.50	53,600.25	45,705.50	7,894.75
<u>Historical Preservation</u>					
Other Expenses	780.22	1,379.78	2,160.00	1,105.00	1,055.00
<u>Land Use Administration</u>					
<u>Planning Board</u>					
Salaries and Wages		4,737.07	4,737.07		4,737.07
Other Expenses	86.25	5,081.12	5,167.37	150.75	5,016.62
<u>Code Enforcement Administration</u>					
<u>Code Enforcement Office</u>					
Other Expenses		250.00	250.00		250.00
<u>Housing Inspector</u>					
Other Expenses		163.75	163.75		163.75
<u>Insurance</u>					
Liability Insurance		1,443.50	1,443.50		1,443.50
Workers Compensation Insurance		1,443.50	1,443.50		1,443.50
Employee Group Insurance		18,385.78	18,385.78		18,385.78
Employee Group Health Waivers		10,416.67	10,416.67	8,556.08	1,860.59
Disability Insurance		1,458.51	1,458.51		1,458.51
<u>Public Safety Functions</u>					
<u>Police</u>					
Salaries and Wages	596.24	27,014.47	27,610.71	11,072.24	16,538.47
Other Expenses	2,247.88	7,549.16	9,797.04	1,947.88	7,849.16
<u>Office of Emergency Management</u>					
Salaries and Wages		70.00	70.00		70.00
Other Expenses		500.00	500.00		500.00
First Aid Organization Contribution	8,000.00		8,000.00	8,000.00	
<u>Prosecutor</u>					
Other Expenses		5,285.00	5,285.00	2,370.00	2,915.00
<u>Public Works Functions</u>					
<u>Road Repairs and Maintenance</u>					
Other Expenses	877.50	10,055.12	10,932.62	877.50	10,055.12
<u>Shade Tree</u>					
Other Expenses	3,270.00	4.14	3,274.14	3,200.00	74.14
<u>Garbage and Trash Removal</u>					
Other Expenses	21,362.00	17,177.76	38,539.76	21,362.00	17,177.76
<u>Recycling Program</u>					
Salaries and Wages		35.00	35.00		35.00
Other Expenses		500.00	500.00		500.00

(Continued)

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of 2019 Appropriation Reserves
For the Year Ended December 31, 2020

	Balance December 31, 2019		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
OPERATIONS--WITHIN "CAPS" (CONT'D)					
<u>Public Works Functions</u>					
Public Buildings and Grounds					
Salaries and Wages		\$ 10,376.13	\$ 10,376.13		\$ 10,376.13
Other Expenses	\$ 7,242.58	8,726.85	15,969.43	\$ 6,433.25	9,536.18
Vehicle Maintenance					
Other Expenses	4,335.07	8,218.13	12,553.20	4,335.07	8,218.13
<u>Health and Welfare</u>					
Environmental Commission					
Other Expenses		2,769.75	2,769.75		2,769.75
Senior Committee	40.00		40.00	40.00	
<u>Utility Expenses and Bulk Purchases</u>					
Electricity	561.11	3,598.18	4,159.29	561.11	3,598.18
Street Lighting	2,350.25	314.42	2,664.67	2,350.25	314.42
Telephone and Telegraph	1,172.54	3,929.86	5,102.40	1,172.54	3,929.86
Natural Gas	374.48	2,243.52	2,618.00	374.48	2,243.52
Gasoline	880.40	4,540.42	5,420.82	880.40	4,540.42
<u>Unclassified</u>					
Contingent		2,500.00	2,500.00		2,500.00
Total Operations--Within "CAPS"	133,806.24	225,114.38	358,920.62	150,716.30	208,204.32
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		7,500.28	7,500.28		7,500.28
Defined Contribution Retirement Program		3,500.00	3,500.00		3,500.00
Total Deferred Charges and Statutory Expenditures Municipal--Within "CAPS"	-	11,000.28	11,000.28	-	11,000.28
Total General Appropriations for Municipal Purposes Within "CAPS"	133,806.24	236,114.66	369,920.90	150,716.30	219,204.60
OPERATIONS - EXCLUDED FROM "CAPS"					
Reserve for Tax Appeal Refunds					
<u>Shared Service Agreements</u>					
Municipal Court Services		526.34	526.34		526.34
Fire Services	27,771.06	23,699.35	51,470.41	28,319.67	23,150.74
Other Expenses - Shared Services Crossing Guards		5,177.50	5,177.50		5,177.50
<u>Capital Improvements - Excluded from "CAPS"</u>					
Acquisition of Various Capital Equipment		0.04	0.04		0.04
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	27,771.06	29,403.23	57,174.29	28,319.67	28,854.62
	\$ 161,577.30	\$ 265,517.89	\$ 427,095.19	\$ 179,035.97	\$ 248,059.22
Accounts Payable			\$ 5,725.00		
Disbursed			173,310.97		
			<u>\$ 179,035.97</u>		

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 535,658.71
Current Fund	\$ 161,577.30	
Federal and State Grant Fund	<u>374,081.41</u>	
		<u>\$ 535,658.71</u>
Increased by - Transfers from:		
2020 Budget Appropriations	110,305.90	
Reserve for Federal and State Grants Appropriated	<u>332,896.60</u>	
		<u>443,202.50</u>
		978,861.21
Decreased by - Transfers to:		
2019 Appropriation Reserves	161,577.30	
Reserve for Federal and State Grants Appropriated	<u>374,081.41</u>	
		<u>535,658.71</u>
		<u>\$ 443,202.50</u>
Balance Dec. 31, 2020		<u>\$ 443,202.50</u>
<u>Analysis of Balance Dec. 31, 2020</u>		
Current Fund		\$ 110,305.90
Federal and State Grant Fund		<u>332,896.60</u>
		<u>\$ 443,202.50</u>

Exhibit SA-10

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Accounts Payable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 5,066.25
Increased by Transfers From:		
2019 Appropriation Reserves		<u>5,725.00</u>
		10,791.25
Decreased by:		
Disbursements		<u>5,066.25</u>
		<u>\$ 5,725.00</u>
		<u>\$ 5,725.00</u>

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2020

Balance Dec. 31, 2019 (2020 Taxes)		\$ 60,349.98
Increased by:		
Collections--2021 Taxes	\$ 66,242.37	
Transfer from Tax Overpayments	9,158.17	
		75,400.54
		135,750.52
Decreased by:		
Application to 2020 Taxes Receivable		60,349.98
Balance Dec. 31, 2020 (2021 Taxes)		\$ 75,400.54

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 1,597.41
Increased by:		
Overpayments in 2020		<u>20,870.55</u>
		22,467.96
Decreased by:		
Refunds	\$ 1,597.40	
Applied to Prepaid Taxes	9,158.17	
Applied to Current Year Taxes	<u>9,834.82</u>	
		<u>20,590.39</u>
Balance Dec. 31, 2020		<u><u>\$ 1,877.57</u></u>

BOROUGH OF ALLENTOWN
CURRENT FUND
 Statement of County Taxes Payable
 For the Year Ended December 31, 2020

2020 Tax Levy:		
County Tax	\$ 464,605.87	
County Library Tax	33,814.85	
County Health Service Tax	9,581.10	
County Open Space Fund Tax	<u>54,245.83</u>	
		\$ 562,247.65
Decreased by:		
Payments		<u>\$ 562,247.65</u>

Exhibit SA-14

BOROUGH OF ALLENTOWN
CURRENT FUND
 Statement of Due County for Added Taxes
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 442.43
Increased by County Share of 2020 Levy: Added Taxes (R.S.54:4-63.1 et seq.)	<u>736.64</u>
	1,179.07
Decreased by: Payments	<u>442.43</u>
Balance Dec. 31, 2020	<u>\$ 736.64</u>

Exhibit SA-15

BOROUGH OF ALLENTOWN
CURRENT FUND
 Statement of Deferred Charges N.J.S. 40A:4-53 Special Emergency
 For the Year Ended December 31, 2020

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2019</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2020</u>
6/14/2016	Revision of the Master Plan	\$ 25,000.00	\$ 5,000.00	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00
11/28/2017	Revising the Housing Plan Element of the Master Plan	26,500.00	5,300.00	<u>15,900.00</u>	5,300.00	10,600.00
				<u>\$ 25,900.00</u>	<u>\$ 10,300.00</u>	<u>\$ 15,600.00</u>

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	185.47
Increased by:		
Receipts		303,632.34
		303,817.81
Decreased by:		
Disbursements		303,631.41
Balance Dec. 31, 2020	\$	186.40

Exhibit SA-17

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Reserve for PFRS
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	3,650.00
Decreased by:		
Anticipated as Revenue in Current Fund		3,650.00
Balance Dec. 31, 2020		-

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Reserve for Master Plan / Housing Element of Master Plan
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		
Reserve for Master Plan	\$ 2,322.54	
Reserve for Housing Element of Master Plan	75.00	
		\$ 2,397.54
Increased by:		
Transfer from Reserve for Encumbrances		7,598.10
		9,995.64
Decreased by:		
Encumbered	212.50	
Disbursed	7,460.60	
		7,673.10
Balance Dec. 31, 2020		\$ 2,322.54
<u>Analysis of Balance Dec. 31, 2020</u>		
Reserve for Master Plan		\$ 2,322.54

Exhibit SA-19

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Reserve for Encumbrances - Master Plan / Housing Element of Master Plan
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 7,598.10
Increased by:		
2019 Encumbrances		212.50
		7,810.60
Decreased by:		
Encumbrances Transferred to Reserve		7,598.10
Balance Dec. 31, 2020		\$ 212.50

BOROUGH OF ALLENTOWN
CURRENT FUND
Statement of Regional School Tax
For the Year Ended December 31, 2020

<hr/>		
Balance Dec. 31, 2019:		
School Tax Payable	\$ 179,768.00	
School Tax Deferred	<u>1,616,292.95</u>	
		\$ 1,796,060.95
Increased by:		
Levy--School Year July 1, 2020 to June 30, 2021		<u>3,457,235.00</u>
		5,253,295.95
Decreased by:		
Payments		<u>3,524,829.42</u>
Balance Dec. 31, 2020:		
School Tax Payable	112,173.58	
School Tax Deferred	<u>1,616,292.95</u>	
		<u>\$ 1,728,466.53</u>
2020 Liability for Regional School Tax		
Tax Paid		\$ 3,524,829.42
Add: Tax Payable Dec. 31, 2020		<u>112,173.58</u>
		3,637,003.00
Less: Tax Payable Dec. 31, 2019		<u>179,768.00</u>
Amount Charged to 2020 Operations		<u>\$ 3,457,235.00</u>

BOROUGH OF ALLENTOWN
FEDERAL AND STATE GRANT FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2020

Decreased by:	
Disbursements	<u>\$ 924,000.00</u>
	924,000.00
Increased by:	
Receipts	<u>984,000.00</u>
Balance Dec. 31, 2020	<u><u>\$ 60,000.00</u></u>

BOROUGH OF ALLENTOWN
FEDERAL AND STATE GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Accrued</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2020</u>
Federal Grants:					
N.J. Transportation Alternatives Program	\$ 854,000.00			\$ 854,000.00	
Monmouth County CDBG	138,000.00		\$ 138,000.00		
Bulletproof Vest	1,520.79	\$ 835.00	417.50		\$ 1,938.29
Drive Sober or Get Pulled Over		6,000.00			6,000.00
Total Federal Grants Receivable	993,520.79	6,835.00	138,417.50	854,000.00	7,938.29
State Grants:					
Clean Communities		4,000.00	4,000.00		
Body Armor Replacement Fund		919.67	919.67		
Drunk Driving Enforcement Grant	2,007.12				2,007.12
Recycling Tonnage Grant		1,900.38	1,900.38		
N.J. Department of Transportation - Municipal Aid	235,000.00		176,250.00		58,750.00
N.J. Department of Transportation - Pondview Drive	225,000.00				225,000.00
N.J. Department of Transportation - Waldron		180,000.00			180,000.00
Total State Grants Receivable	462,007.12	186,820.05	183,070.05	-	465,757.12
Other Grants:					
Monmouth County Historical Commission		800.00	800.00		
Monmouth County Open Space Grant		125,000.00			125,000.00
Monmouth County Historical Commission		7,248.00			7,248.00
Total Other Grants Receivable	-	133,048.00	800.00	-	132,248.00
Total Federal, State and Other Grants Receivable	\$ 1,455,527.91	\$ 326,703.05	\$ 322,287.55	\$ 854,000.00	\$ 605,943.41

BOROUGH OF ALLENTOWN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal, State and Other Grants -- Unappropriated
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2020 Budget</u>	<u>Balance Dec. 31, 2020</u>
Federal Grants:				
Bulletproof Vest		\$ 835.00	\$ 835.00	
Drive Sober or Get Pulled Over		6,000.00	6,000.00	
Total Federal Grants	-	6,835.00	6,835.00	-
State Grants:				
Recycling Tonnage Grant		1,900.38	1,900.38	
Clean Communities		4,000.00	4,000.00	
Body Armor Replacement Fund		919.67	919.67	
N.J. Department of Transportation - Waldron		180,000.00	180,000.00	
Total State Grants	-	186,820.05	186,820.05	-
Other Grants:				
Monmouth County Historical Commission		800.00	800.00	
Monmouth County Open Space Grant		125,000.00	125,000.00	
Monmouth County Historical Commission		7,248.00	7,248.00	
Total Other Grants	-	133,048.00	133,048.00	-
Total Reserve Federal, State and Other Grants	-	\$ 326,703.05	\$ 326,703.05	-

BOROUGH OF ALLENTOWN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal, State and Other Grants -- Appropriated
For the Year Ended December 31, 2020

Program	Balance Dec. 31, 2019		Transfer from 2020 Budget Appropriation	Disbursed	Encumbered	Cancelled	Balance Dec. 31, 2020
	Encumbered	Reserved					
Federal Grants:							
N.J. Transportation Alternatives Program		\$ 854,000.00				\$ 854,000.00	
Monmouth County CDBG	\$ 138,000.00			\$ 138,000.00			
Bulletproof Vest Program	417.45	1,301.68	\$ 835.00	417.45	\$ 1,277.92		\$ 858.76
Drive Sober or Get Pulled Over			6,000.00	3,850.00			2,150.00
Total Reserve for Federal Grants	138,417.45	855,301.68	6,835.00	142,267.45	1,277.92	854,000.00	3,008.76
State Grants:							
Clean Communities	246.51	5,528.98	4,000.00	676.99			9,098.50
Body Armor Replacement Fund	417.45	3,393.70	919.67	417.45	1,277.93		3,035.44
Recycling Tonnage Grant		2,227.28	1,900.38	374.57			3,753.09
Special Legislative Grant - Generator		2,297.40					2,297.40
Special Legislative Grant - Electronic Equipment		2.86					2.86
Drunk Driving Enforcement Program		3,115.00		1,320.00			1,795.00
N.J. Department of Transportation - Municipal Aid	235,000.00			235,000.00			
N.J. Department of Transportation - Pondview Drive		225,000.00			225,000.00		
N.J. Department of Transportation - Waldron			180,000.00				180,000.00
Total Reserve for State Grants	235,663.96	241,565.22	186,820.05	237,789.01	226,277.93	-	199,982.29
Other Grants:							
Heritage Park Trust		6,303.47					6,303.47
Monmouth County Historical Commission			800.00				800.00
Monmouth County Open Space Grant			125,000.00		105,340.75		19,659.25
Monmouth County Historical Commission			7,248.00	3,847.50			3,400.50
Total Reserve for Other Grants	-	6,303.47	133,048.00	3,847.50	105,340.75	-	30,163.22
Total Reserve for Federal, State and Other Grants	\$ 374,081.41	\$ 1,103,170.37	\$ 326,703.05	\$ 383,903.96	\$ 332,896.60	\$ 854,000.00	\$ 233,154.27

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF ALLENTOWN
TRUST-OTHER FUNDS
Statement of Trust Cash--Treasurer
For the Year Ended December 31, 2020

	<u>Animal Control</u>	<u>Open Space</u>	<u>Other</u>
Balance Dec. 31, 2019	\$ 6,793.49	\$ 238,263.07	\$ 220,263.47
Increased by Receipts:			
Dog License Fees	\$ 1,900.00		
Cat License Fees	309.00		
State Registration Fees	279.00		
Due Current Fund		\$ 86,576.85	
Reserve for Miscellaneous Trust Reserves			\$ 251,772.98
Municipal Open Space		1,097.12	
Farm Rental Income		1,365.00	
	<u>2,488.00</u>	<u>89,038.97</u>	<u>251,772.98</u>
	9,281.49	327,302.04	472,036.45
Decreased by Disbursements:			
Expenditures Under R.S.4:19-15.11	2,054.00		
State Registration Fees	276.00		
Due Current Fund	416.29		
Reserve for Miscellaneous Trust Reserves:			181,232.17
Municipal Open Space		57,574.78	
	<u>2,746.29</u>	<u>57,574.78</u>	<u>181,232.17</u>
Balance Dec. 31, 2020	<u>\$ 6,535.20</u>	<u>\$ 269,727.26</u>	<u>\$ 290,804.28</u>

BOROUGH OF ALLENTOWN
ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 6,376.00
Increased by:		
Animal Control License Fees Collected:		
Dog License Fees	\$ 1,900.00	
Cat License Fees	309.00	
		2,209.00
		8,585.00
Decreased by:		
Encumbrances	267.00	
Statutory Excess Due Current Fund	477.00	
Expenditures Under R.S.4:19-15.1--Cash	2,054.00	
		2,798.00
Balance Dec. 31, 2020		\$ 5,787.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2018	\$ 3,092.00
2019	2,695.00
	\$ 5,787.00

BOROUGH OF ALLENTOWN
ANIMAL CONTROL FUND
 Statement of Due to State of New Jersey
 Dog Registration Fees
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 1.20
Increased by:		
Receipts		279.00
		280.20
Decreased by:		
Disbursements		276.00
Balance Dec. 31, 2020		\$ 4.20

BOROUGH OF ALLENTOWN
ANIMAL CONTROL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 416.29
Increased by:	
Statutory Excess	<u>477.00</u>
	893.29
Decreased by:	
Disbursements	<u>416.29</u>
Balance Dec. 31, 2020	<u><u>\$ 477.00</u></u>

BOROUGH OF ALLENTOWN
TRUST OTHER FUNDS
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2020

	Balance Dec. 31, 2019	Increased By		Decreased By		Balance Dec. 31, 2020
		Transfer from Reserve for Encumbrances	Receipts	Reserve for Encumbrances	Disbursements	
Reserve for:						
Unemployment Compensation Insurance	\$ 6,836.91		\$ 5,000.00	\$ 1,411.15	\$ 393.51	\$ 10,032.25
Redemption of Tax Sale Certificates			84,842.93	3,113.60	81,729.33	
Developers' Escrow Fund	44,942.20	\$ 1,177.00	18,154.00	1,732.00	2,189.30	60,351.90
Recreation Commission	2,673.56				370.00	2,303.56
Outside Employment of Off-Duty Police	50,838.97	732.00	45,265.00		48,866.68	47,969.29
Public Defender Fees	210.50		200.00		410.50	
Beautification of Parks & Grounds Donations	8.03		1,359.00			1,367.03
Parking Offenses Adjudication Act	118.75					118.75
Water Tower Lease Security Deposit Escrow	17,299.84					17,299.84
Uniform Fire Safety Act Penalty	2,166.72					2,166.72
Premiums on Tax Sale	46,300.00		82,900.00	35,400.00	46,100.00	47,700.00
Storm Recovery Trust Fund	31,793.80					31,793.80
Celebration for Public Events	500.00					500.00
Economic Development Trust	1,135.97	15.99			225.99	925.97
Accumulated Absences Liability	14,084.58		10,000.00			24,084.58
Police Donations	3,827.72	242.93	2,500.00		946.86	5,623.79
Shade Trees	250.00		500.00			750.00
Senior Citizen Committee	108.00					108.00
Law Enforcement Trust			1,052.05			1,052.05
	\$ 223,095.55	\$ 2,167.92	\$ 251,772.98	\$ 41,656.75	\$ 181,232.17	\$ 254,147.53

BOROUGH OF ALLENTOWN
 TRUST--MUNICIPAL OPEN SPACE FUND
 Statement of Reserve for Farm Rental Income
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	12,285.00
Increased by:		
Receipts		1,365.00
Balance Dec. 31, 2020	\$	13,650.00

Exhibit SB-7

BOROUGH OF ALLENTOWN
 TRUST--MUNICIPAL OPEN SPACE FUND
 Schedule of Reserve for Insurance - Monitoring
 As of December 31, 2020

Balance Dec. 31, 2020	\$	16,893.79
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BOROUGH OF ALLENTOWN
TRUST--MUNICIPAL OPEN SPACE FUND
 Statement of Reserve for Future Use
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 208,362.23
Increased by:		
Collected by Current Fund		
Tax Levy	\$ 86,508.90	
Cash Receipts:		
Interest Earnings	1,097.12	
Added/Omitted Tax Levy	113.52	
Prior Year Encumbrances	790.00	
	88,509.54	88,509.54
		296,871.77
Decreased by:		
Encumbered	7,715.36	
Disbursements	57,574.78	
	65,290.14	65,290.14
Balance Dec. 31, 2020		\$ 231,581.63

Exhibit SB-9

BOROUGH OF ALLENTOWN
TRUST--MUNICIPAL OPEN SPACE FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 67.95
Increased by:		
Received by Current Fund:		
Tax Levy	\$ 86,508.90	
2020 Added & Omitted - Open Space	113.52	
	86,622.42	86,622.42
		86,690.37
Decreased by:		
Receipts		86,576.85
Balance Dec. 31, 2020		\$ 113.52

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
Statement of General Capital Cash -- Treasurer
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 43,096.05
Increased by Receipts:		
Bond Anticipation Notes	\$ 750,000.00	
2020 Budget Appropriations:		
Improvement Costs	47,500.00	
Capital Improvement Fund	<u>25,000.00</u>	
		<u>822,500.00</u>
		865,596.05
Decreased by Disbursements:		
Improvement Authorizations	<u>206,699.13</u>	
		<u>206,699.13</u>
Balance Dec. 31, 2020		<u><u>\$ 658,896.92</u></u>

BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2020

	Balance (Deficit) Dec. 31, 2019	Receipts		Disbursements Improvement Authorizations	In	Transfer		Balance (Deficit) Dec. 31, 2020
		Budget Appropriations	Bond Anticipation Notes			Out	Out	
Fund Balance	\$ 23,036.02							\$ 23,036.02
Capital Improvement Fund	84,761.92	\$ 25,000.00				\$ 50,000.00		59,761.92
Reserve for Encumbrances	191,110.50				\$ 222,906.82		191,110.50	222,906.82
Improvement Authorizations:								
<u>Ordinance Number</u>		<u>Improvement Description</u>						
General Improvements:								
3-2005		Various Capital Improvements and the Acquisition of Various Equipment	9,408.78	\$ 3,950.00				5,458.78
16-2006		Various Storm Sewer System and Road Improvements	(500.00)					(500.00)
5-2008		Purchase of a Fire Truck and Various Capital Equipment	317.61	317.61				
8-2013		Acquisition and Construction of the Main Street Parking Lot with Handicap Access	55,506.35					55,506.35
2-2014		Historic Streetscape Improvement Project, Phase I	105,064.42	9,001.24				96,063.18
3-2014		Financing the Payment of a Settlement	1,980.00	156.59				1,823.41
16-2017		Historic Streetscape Improvement Project, Phase II	(272,886.73)	\$ 300,000.00	113,695.12	191,000.50	81,772.33	22,646.32
11-2019		Acquisition of a Fire Truck and Various Equipment	(154,702.82)	47,500.00	8,327.48	110.00		(115,420.30)
5-2020		Various Capital Improvements and the Acquisition of Various Capital Equipment		450,000.00	71,251.09	50,000.00	141,134.49	287,614.42
	\$ 43,096.05	\$ 72,500.00	\$ 750,000.00	\$ 206,699.13	\$ 464,017.32	\$ 464,017.32	\$ 658,896.92	

BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 880,000.00
Decreased by:	
2020 Budget Appropriation to Pay:	
Serial Bonds	<u>160,000.00</u>
Balance Dec. 31, 2020	<u><u>\$ 720,000.00</u></u>

BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation -- Unfunded
 For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2020	Analysis of Balance Dec. 31, 2020		Unexpended Improvement Authorizations
						Financed by Bond Anticipation Notes	Expenditures	
General Improvements:								
16-2006	Various Storm Sewer System and Road Improvements	\$ 500.00			\$ 500.00		\$ 500.00	
8-2013	Acquisition and Construction of the Main Street Parking Lot with Handicap Access	180,000.00			180,000.00			\$ 180,000.00
2-2014	Historic Streetscape Improvement Project, Phase I	543,883.00			543,883.00			543,883.00
16-2017	Historic Streetscape Improvement Project, Phase II	1,000,000.00			1,000,000.00	\$ 300,000.00		700,000.00
11-2019	Acquisition of a Fire Truck and Various Equipment	190,000.00		\$ 47,500.00	142,500.00		115,420.30	27,079.70
5-2020	Various Capital Improvements and the Acquisition of Various Capital Equipment		\$ 950,000.00		950,000.00	450,000.00		500,000.00
		<u>\$ 1,914,383.00</u>	<u>\$ 950,000.00</u>	<u>\$ 47,500.00</u>	<u>\$ 2,816,883.00</u>	<u>\$ 750,000.00</u>	<u>\$ 115,920.30</u>	<u>\$ 1,950,962.70</u>
Current Fund Budget				<u>\$ 47,500.00</u>				
Improvement Authorizations - Unfunded								\$ 2,261,223.44
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:								
Ordinance 16-2017							\$ 22,646.32	
Ordinance 5-2020							<u>287,614.42</u>	
								<u>310,260.74</u>
								<u>\$ 1,950,962.70</u>

BOROUGH OF ALLENTOWN
 GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2020

Improvement Description	Ordinance		Amount	Balance Dec. 31, 2019		2020 Authorizations		Transfer from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2020	
	Number	Date		Funded	Unfunded	Capital Improvement Fund	Charges to Future Taxation Unfunded			Funded	Unfunded
Various Capital Improvements and the Acquisition of Various Equipment	3-2005	5/26/2005	\$ 250,000.00	\$ 9,408.78					\$ 3,950.00	\$ 5,458.78	
Purchase of a Fire Truck and Various Capital Equipment	5-2008	9/9/2008	75,000.00	317.61					317.61		
Acquisition and Installation of Computers and Computer Related Equipment	8-2011	11/29/2011	30,000.00								
Acquisition and Construction of the Main Street Parking Lot with Handicap Access	8-2013	9/10/2013	400,000.00	55,506.35	\$ 180,000.00					55,506.35	\$ 180,000.00
Historic Streetscape Improvement Project, Phase I	2-2014	8/13/2014	1,000,000.00	105,064.42	543,883.00				9,001.24	96,063.18	543,883.00
Financing the Payment of a Settlement	3-2014	9/9/2014	185,000.00	1,980.00					156.59	1,823.41	
Historic Streetscape Improvement Project, Phase II	16-2017	12/26/2017	1,900,000.00	900,000.00	727,113.27			\$ 191,000.50	195,467.45	900,000.00	722,646.32
Acquisition of a Fire Truck and Various Equipment	11-2019	4/30/2019	200,000.00		35,297.18			110.00	8,327.48		27,079.70
Various Capital Improvements and the Acquisition of Various Capital Equipment	5-2020	5/26/2020	1,000,000.00			\$ 50,000.00	\$ 950,000.00		212,385.58		787,614.42
				<u>\$ 1,072,277.16</u>	<u>\$ 1,486,293.45</u>	<u>\$ 50,000.00</u>	<u>\$ 950,000.00</u>	<u>\$ 191,110.50</u>	<u>\$ 429,605.95</u>	<u>\$ 1,058,851.72</u>	<u>\$ 2,261,223.44</u>
								Disbursed	\$ 206,699.13		
								Encumbered	<u>222,906.82</u>		
									<u>\$ 429,605.95</u>		

BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 84,761.92
Increased by:	
2020 Budget Appropriation	<u>25,000.00</u>
	109,761.92
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>50,000.00</u>
Balance Dec. 31, 2020	<u><u>\$ 59,761.92</u></u>

BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 191,110.50
Increased by:	
Charges to Improvement Authorizations	<u>222,906.82</u>
	414,017.32
Decreased by:	
Transferred to Improvement Authorizations	<u>191,110.50</u>
Balance Dec. 31, 2020	<u><u>\$ 222,906.82</u></u>

BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
Schedule of Due from State of New Jersey
As of December 31, 2020

Balance Dec. 31, 2020	<u>\$ 900,000.00</u>
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BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
Statement of General Bond Anticipation Notes
For the Year Ended December 31, 2020

<u>Improvement Description</u>	<u>Ord. Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance Dec. 31, 2020</u>
Historic Streetscape Improvement Project, Phase II	16-2017	10/22/2020	10/22/2020	10/22/2021	0.50%	\$ 300,000.00	\$ 300,000.00
Various Capital Improvements and the Acquisition of Various Capital Equipment	5-2020	10/22/2020	10/22/2020	10/22/2021	0.50%	450,000.00	450,000.00
						<u>\$ 750,000.00</u>	<u>\$ 750,000.00</u>
						<u>\$ 750,000.00</u>	
					Issued for Cash	<u>\$ 750,000.00</u>	

BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
			Date	Amount				
General Obligation Refunding Bonds of 2012	5/22/2012	\$ 735,000.00	12/01/21	\$ 135,000.00	4.000%	\$ 265,000.00	\$ 130,000.00	\$ 135,000.00
General Bonds	12/8/2015	620,000.00	12/1/21-23	25,000.00	5.000%	535,000.00	25,000.00	510,000.00
			12/1/24-26	30,000.00	5.000%			
			12/1/27-29	35,000.00	5.000%			
			12/1/30-35	40,000.00	3.500%			
Refunding Bonds of 2016	3/24/2016	85,000.00	12/1/21-22	10,000.00	5.000%	80,000.00	5,000.00	75,000.00
			12/01/23	5,000.00	5.000%			
			12/1/24-26	10,000.00	5.000%			
			12/1/27-28	10,000.00	4.000%			
						<u>\$ 880,000.00</u>	<u>\$ 160,000.00</u>	<u>\$ 720,000.00</u>
Paid by Budget Appropriation - Current Fund							<u>\$ 160,000.00</u>	

BOROUGH OF ALLENTOWN
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Notes Issued	Budget Appropriation	Balance Dec. 31, 2020
General Improvements:						
16-2006	Various Storm Sewer System and Road Improvements	\$ 500.00				\$ 500.00
8-2013	Acquisition and Construction of the Main Street Parking Lot with Handicap Access	180,000.00				180,000.00
2-2014	Historic Streetscape Improvement Project, Phase I	543,883.00				543,883.00
16-2017	Historic Streetscape Improvement Project, Phase II	1,000,000.00		\$ 300,000.00		700,000.00
11-2019	Acquisition of a Fire Truck and Various Equipment	190,000.00			\$ 47,500.00	142,500.00
05-2020	Various Capital Improvements and the Acquisition of Various Capital Equipment		\$ 950,000.00	450,000.00		500,000.00
		<u>\$ 1,914,383.00</u>	<u>\$ 950,000.00</u>	<u>\$ 750,000.00</u>	<u>\$ 47,500.00</u>	<u>\$ 2,066,883.00</u>
			Current Fund Budget		<u>\$ 47,500.00</u>	

SUPPLEMENTAL EXHIBITS

WATER UTILITY FUND

BOROUGH OF ALLENTOWN
WATER UTILITY FUND
Statement of Water Utility Cash -- Treasurer
For the Year Ended December 31, 2020

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2019	\$ 649,175.99	\$ 313,049.73
Increased by Receipts:		
Tax Collector	\$ 776,822.63	
2020 Budget Appropriations:		
Capital Improvement Fund	\$ 10,000.00	
Reserve for Water Capital Improvements		40,000.00
Reserve for Hydrants		10,000.00
NJ Environmental Infrastructure Trust		155,842.00
	776,822.63	215,842.00
	1,425,998.62	528,891.73
Decreased by Disbursements:		
2020 Appropriations	576,650.91	
2019 Appropriation Reserves	12,666.39	
Accrued Interest on Bonds	47,649.82	
Accounts Payable	3,908.75	
Reserve for Hydrants		38,228.03
Improvement Authorizations		350,433.78
	640,875.87	388,661.81
Balance Dec. 31, 2020	\$ 785,122.75	\$ 140,229.92

BOROUGH OF ALLENTOWN
WATER UTILITY FUND
Statement of Water Utility Cash--Collector
For the Year Ended December 31, 2020

Receipts:

Consumer Accounts Receivable	\$ 765,519.37
Miscellaneous	<u>11,303.26</u>

776,822.63

Disbursements:

Payments to Treasurer	<u>\$ 776,822.63</u>
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The Collector does not maintain a bank account. All funds are deposited directly into the Treasurer's bank account.

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
 Analysis of Water Utility Capital Cash
 For the Year Ended December 31, 2020

	Balance (Deficit) <u>Dec. 31, 2019</u>	Receipts		Disbursements		Transfers		Balance (Deficit) <u>Dec. 31, 2020</u>
		Budget	NJEIT	Improvement	Miscellaneous	From	To	
		<u>Appropriation</u>	<u>Loans</u>	<u>Authorizations</u>				
Fund Balance	\$ 2,421.55							\$ 2,421.55
Capital Improvement Fund	52,350.00	\$ 10,000.00						62,350.00
Serial Bonds Payable	625.00					\$ 625.00		
Reserve for Encumbrances	471,622.14					471,622.14	\$ 65,587.50	65,587.50
Reserve for Water Capital Improvements	45,669.50	40,000.00						85,669.50
Reserve for Hydrants	40,000.00	10,000.00			\$ 38,228.03			11,771.97
Accrued Interest	1,169.15					1,169.15		
Due Water Operating							1,794.15	1,794.15
<u>Ordinance Number</u>								
General Improvements:								
7-2003 Various Water Utility Improvements	884.66			\$ 147.39				737.27
3-2008 Various Water Utility Improvements	4,079.77			1,000.00				3,079.77
9-2010 Various Water Utility Improvements	74,312.31						8,881.75	83,194.06
15-2017 Various Water Utility Improvements	(404,574.35)		\$ 155,842.00	349,286.39		65,587.50	462,740.39	(200,865.85)
9-2018 Various Water Utility Improvements	24,490.00							24,490.00
	<u>\$ 313,049.73</u>	<u>\$ 60,000.00</u>	<u>\$ 155,842.00</u>	<u>\$ 350,433.78</u>	<u>\$ 38,228.03</u>	<u>\$ 539,003.79</u>	<u>\$ 539,003.79</u>	<u>\$ 140,229.92</u>

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
Statement of Reserve for Water Capital Improvements
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 45,669.50
Increased by:	
Receipts:	
2020 Budget Appropriation - Capital Outlay	<u>40,000.00</u>
Balance Dec. 31, 2020	<u><u>\$ 85,669.50</u></u>

BOROUGH OF ALLENTOWN
WATER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 158,634.09
Increased by:	
Water Rents Levied	<u>775,443.33</u>
	934,077.42
Decreased by:	
Collections	<u>765,519.37</u>
Balance Dec. 31, 2020	<u><u>\$ 168,558.05</u></u>

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
Statement of Reserve for Hydrants
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 40,000.00
Increased by:	
Receipts:	
2020 Budget Appropriation - Capital Outlay	<u>10,000.00</u>
	50,000.00
Decreased by:	
Disbursements	<u>38,228.03</u>
Balance Dec. 31, 2020	<u><u>\$ 11,771.97</u></u>

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2020

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u> <u>By Budget</u> <u>Capital Outlay</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Pumping Station Land	\$ 500.00		\$ 500.00
Storage Reservoir Land	500.00		500.00
Impounding Reservoir	5,446.87		5,446.87
Springs and Wells	20,356.55		20,356.55
Intake and Supply Mains	2,825.13		2,825.13
Settling Basins	1,000.00		1,000.00
Coagulating Basins	3,590.00		3,590.00
Filters	15,679.20		15,679.20
Aeration Plant	21,845.00		21,845.00
Chemical Treatment Plant	1,601.49		1,601.49
Clear Water Basins	1,100.00		1,100.00
Pumping Station Structures	10,146.50		10,146.50
Electrical Power Equipment	3,005.00		3,005.00
Miscellaneous Pumping Equipment	5,956.45		5,956.45
Storage Reservoir Stand Pipes	9,333.80		9,333.80
Distribution Mains and Accessories	21,447.29		21,447.29
Meters, Meter Boxes and Vaults	76,426.46		76,426.46
Fire Hydrant and Fire Cisterns	38,036.90	\$ 38,228.03	76,264.93
Engineering and Superintendence	5,416.45		5,416.45
Tow Expenditures During Construction	1,814.30		1,814.30
Miscellaneous Construction Expenses	2,756.71		2,756.71
Miscellaneous Other Equipment	53,905.58		53,905.58
Pumping Station Area--Blacktop Paving	180.00		180.00
Fluoridation Equipment	1,130.31		1,130.31
Chlorination Equipment	817.60		817.60
Pick-Up Truck	655.00		655.00
Land Site for New Water Well	50.00		50.00
Water Treatment Plant--New Roof	26,300.00		26,300.00
Water Treatment Plant--Security Fencing	2,280.20		2,280.20
Water Treatment Plant--Improvements	195,796.59		195,796.59
Improvement of Water Supply and Distribution System	2,206,710.79		2,206,710.79
Installation of Water Plant Filter Backwash Recovery Tank	300,000.00		300,000.00
Doors and Windows	598.38		598.38
Safety Rails and Platforms	2,731.00		2,731.00
Lagoon Building	5,950.00		5,950.00
Repairs to Water Plant	58,540.35		58,540.35
Well Rehabilitation	27,603.25		27,603.25
Pavement Restoration	7,882.41		7,882.41
Acquisition of Computer Equipment	10,205.50		10,205.50
	<u>\$ 3,150,121.06</u>	<u>\$ 38,228.03</u>	<u>\$ 3,188,349.09</u>

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
Schedule of Fixed Capital Authorized and Uncompleted
As of December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2020</u>
7-2003	Various Water Utility Improvements	4/8/2003	\$ 500,000.00	\$ 500,000.00
3-2008	Various Water Utility Improvements	9/9/2008	120,000.00	120,000.00
9-2010	Various Water Utility Improvements	9/14/2010	250,000.00	250,000.00
15-2017	Various Water Utility Improvements	12/12/2017	2,960,000.00	2,960,000.00
9-2018	Various Water Utility Improvements	8/14/2018	500,000.00	<u>500,000.00</u>
				<u>\$ 4,330,000.00</u>

BOROUGH OF ALLENTOWN
WATER UTILITY OPERATING FUND
Statement of 2019 Appropriation Reserves
For the Year Ended December 31, 2020

	Balance December 31, 2019		Balances After Modifications	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salaries and Wages		\$ 13,728.51	\$ 13,728.51		\$ 13,728.51
Other Expenses	\$ 13,193.39	125,113.93	138,307.32	\$ 12,666.39	125,640.93
Total Operating	13,193.39	138,842.44	152,035.83	12,666.39	139,369.44
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		1,511.68	1,511.68		1,511.68
Total Statutory Expenditures	-	1,511.68	1,511.68	-	1,511.68
	\$ 13,193.39	\$ 140,354.12	\$ 153,547.51	\$ 12,666.39	\$ 140,881.12
			Disbursed	<u>\$ 12,666.39</u>	

BOROUGH OF ALLENTOWN
 WATER UTILITY OPERATING FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	13,193.39
Increased by:		
Encumbrances--2020 Appropriations		19,180.75
		32,374.14
Decreased by:		
Transferred-- 2019 Appropriation Reserves		13,193.39
Balance Dec. 31, 2020	\$	19,180.75

Exhibit SD-11

BOROUGH OF ALLENTOWN
 WATER UTILITY OPERATING FUND
 Statement of Accounts Payable
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	3,908.75
Decreased by:		
Disbursed		3,908.75
Balance Dec. 31, 2020		-

BOROUGH OF ALLENTOWN
WATER UTILITY OPERATING FUND
 Statement of Accrued Interest on Serial Bonds and Analysis of Balance
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 5,012.41
Increased by:		
Budget Appropriation for:		
Interest on Bonds	\$ 36,858.56	
Interest on Notes	<u>8,971.16</u>	
		<u>45,829.72</u>
		50,842.13
Decreased by:		
Interest Paid by		
Operating Fund		<u>47,649.82</u>
Balance Dec. 31, 2020		<u>\$ 3,192.31</u>
<u>Analysis of Balance Dec. 31, 2020</u>		
Operating Fund		<u>\$ 3,192.31</u>

Analysis of Accrued Interest Dec. 31, 2020

	Principal Outstanding Dec. 31, 2020	Interest Rate	From	To	Period (Days)	Amount
Serial Bonds	\$ 70,000.00	4.00%	12/1/2020	12/31/2020	30	\$ 230.14
	70,000.00	5.00%	12/1/2020	12/31/2020	30	287.67
	75,000.00	5.00%	12/1/2020	12/31/2020	30	308.22
	80,000.00	5.00%	12/1/2020	12/31/2020	30	328.77
	80,000.00	5.00%	12/1/2020	12/31/2020	30	328.77
	15,000.00	5.00%	12/1/2020	12/31/2020	30	61.64
	15,000.00	5.00%	12/1/2020	12/31/2020	30	61.64
	15,000.00	5.00%	12/1/2020	12/31/2020	30	61.64
	15,000.00	5.00%	12/1/2020	12/31/2020	30	61.64
	15,000.00	5.00%	12/1/2020	12/31/2020	30	61.64
	20,000.00	5.00%	12/1/2020	12/31/2020	30	82.19
	20,000.00	5.00%	12/1/2020	12/31/2020	30	82.19
	20,000.00	5.00%	12/1/2020	12/31/2020	30	82.19
	20,000.00	5.00%	12/1/2020	12/31/2020	30	82.19
	20,000.00	5.00%	12/1/2020	12/31/2020	30	82.19
	20,000.00	3.50%	12/1/2020	12/31/2020	30	57.53
	25,000.00	3.50%	12/1/2020	12/31/2020	30	71.92
	25,000.00	3.50%	12/1/2020	12/31/2020	30	71.92
	25,000.00	3.50%	12/1/2020	12/31/2020	30	71.92
	10,000.00	5.00%	12/1/2020	12/31/2020	30	41.10
	10,000.00	5.00%	12/1/2020	12/31/2020	30	41.10
	10,000.00	5.00%	12/1/2020	12/31/2020	30	41.10
	10,000.00	5.00%	12/1/2020	12/31/2020	30	41.10
	10,000.00	5.00%	12/1/2020	12/31/2020	30	41.10
	10,000.00	5.00%	12/1/2020	12/31/2020	30	41.10
	15,000.00	4.00%	12/1/2020	12/31/2020	30	49.32
	15,000.00	4.00%	12/1/2020	12/31/2020	30	49.32
Total Serial Bonds						<u>2,739.06</u>
Bond Anticipation Notes:	472,680.00	0.50%	10/22/2020	12/31/2020	70	<u>453.25</u>
Total Bond Anticipation Notes						<u>453.25</u>
						<u>\$ 3,192.31</u>

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 52,350.00
Increased by:	
2020 Budget Appropriation	10,000.00
Balance Dec. 31, 2020	\$ 62,350.00

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 471,622.14
Increased by:	
Encumbrances -- 2020 Appropriations	65,587.50
	537,209.64
Decreased by:	
Transferred -- 2019 Appropriation Reserves	471,622.14
Balance Dec. 31, 2020	\$ 65,587.50

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2019		Transfer from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2020	
				Funded	Unfunded			Funded	Unfunded
General Improvements:									
7-2003	Various Water Utility Improvements	4/8/2003	\$ 500,000.00	\$ 884.66			\$ 147.39	\$ 737.27	
3-2008	Various Water Utility Improvements	9/9/2008	120,000.00	4,079.77			1,000.00	3,079.77	
9-2010	Various Water Utility Improvements	9/14/2010	250,000.00	74,312.31		\$ 8,881.75		83,194.06	
15-2017	Various Water Utility Improvements	12/12/2017	2,960,000.00		\$ 1,731,437.65	462,740.39	414,873.89		\$ 1,779,304.15
9-2018	Various Water Utility Improvements	8/14/2018	500,000.00	24,490.00	475,000.00			24,490.00	475,000.00
				<u>\$ 103,766.74</u>	<u>\$ 2,206,437.65</u>	<u>\$ 471,622.14</u>	<u>\$ 416,021.28</u>	<u>\$ 111,501.10</u>	<u>\$ 2,254,304.15</u>
							Reserve for Encumbrances	\$ 65,587.50	
							Disbursed	<u>350,433.78</u>	
								<u>\$ 416,021.28</u>	

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 3,182,246.06
Increased by:		
Reserve for Water Capital Improvements	\$ 38,228.03	
Loans Cancelled	12,407.00	
Serial Bonds Paid by Operating Budget	<u>89,375.00</u>	
		<u>140,010.03</u>
Balance Dec. 31, 2020		<u><u>\$ 3,322,256.09</u></u>

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
Statement of Deferred Reserve For Amortization
For the Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2019</u>	<u>Payment of Notes</u>	<u>Balance Dec. 31, 2020</u>
<u>General Improvements:</u>					
7-2003	Various Water Utility Improvements	4/8/2003	\$ 15,000.00		\$ 15,000.00
3-2008	Various Water Utility Improvements	9/9/2008	6,000.00		6,000.00
9-2010	Various Water Utility Improvements	9/14/2010	12,500.00		12,500.00
15-2017	Various Water Utility Improvements	12/12/2017	25,000.00	\$ 52,520.00	77,520.00
9-2018	Various Water Utility Improvements	8/14/2018	25,000.00		25,000.00
			<u>\$ 83,500.00</u>	<u>\$ 52,520.00</u>	<u>\$ 136,020.00</u>

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
Statement of Due Water Operating Fund
For the Year Ended December 31, 2020

Increased by:

Paid by Operating Fund:

Accrued Interest

\$ 1,169.15

Serial Bonds Payable

625.00

Balance Dec. 31, 2020

\$ 1,794.15

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Note Number	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
15-2017	Various Water Utility Improvements	2019A	10/24/19	10/24/19	10/23/20	2.00%	\$ 525,200.00		\$ 525,200.00	
	Various Water Utility Improvements	2020A	10/24/19	10/22/20	10/22/21	0.50%		\$ 472,680.00		\$ 472,680.00
							<u>\$ 525,200.00</u>	<u>\$ 472,680.00</u>	<u>\$ 525,200.00</u>	<u>\$ 472,680.00</u>
Paid by Budget Appropriation Renewals									\$ 52,520.00	
								<u>\$ 472,680.00</u>	<u>472,680.00</u>	
								<u>\$ 472,680.00</u>	<u>\$ 525,200.00</u>	

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
 Statement of New Jersey Environmental Infrastructure Loan Payable
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	273,788.00
Increased by:		
Loan Issued		155,842.00
		429,630.00
Decreased by:		
Loan Canceled		12,407.00
Balance Dec. 31, 2020	\$	417,223.00

Schedule of New Jersey Environmental Infrastructure Loan Payable Dec. 31, 2020

<u>Due Date</u>	<u>Series 2021A</u>		<u>Total</u>
	<u>Trust</u>	<u>Fund</u>	
August 2021		\$ 22,222.27	\$ 22,222.27
February 2022		11,111.13	11,111.13
August 2022	\$ 10,000.00	22,222.27	32,222.27
February 2023		11,111.13	11,111.13
August 2023	10,000.00	22,222.27	32,222.27
February 2024		11,111.13	11,111.13
August 2024	10,000.00	22,222.27	32,222.27
February 2025		11,111.13	11,111.13
August 2025	10,000.00	22,222.27	32,222.27
February 2026		11,111.13	11,111.13
August 2026	10,000.00	22,222.27	32,222.27
February 2027		11,111.13	11,111.13
August 2027	10,000.00	22,222.27	32,222.27
February 2028		11,111.13	11,111.13
August 2028	10,000.00	22,222.27	32,222.27
February 2029		11,111.13	11,111.13
August 2029	10,000.00	22,222.27	32,222.27
February 2030		11,111.13	11,111.13
August 2030	15,000.00	22,222.40	37,222.40
	\$ 95,000.00	\$ 322,223.00	\$ 417,223.00

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
 Statement of Water Serial Bonds
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2020</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds of 2012	5/22/2012	\$ 910,000.00	12/01/21	\$ 70,000.00	4.00%	\$ 440,000.00	\$ 65,000.00	\$ 375,000.00
			12/01/22	70,000.00	5.00%			
			12/01/23	75,000.00	5.00%			
			12/01/24	80,000.00	5.00%			
			12/01/25	80,000.00	5.00%			
Various Water Utility Improvements	12/8/2015	325,000.00	12/01/21	15,000.00	5.00%	265,000.00	15,000.00	250,000.00
			12/01/22	15,000.00	5.00%			
			12/01/23	15,000.00	5.00%			
			12/01/24	15,000.00	5.00%			
			12/01/25	15,000.00	5.00%			
			12/01/26	20,000.00	5.00%			
			12/01/27	20,000.00	5.00%			
			12/01/28	20,000.00	5.00%			
			12/01/29	20,000.00	5.00%			
			12/01/30	20,000.00	3.50%			
			12/01/31	25,000.00	3.50%			
			12/01/32	25,000.00	3.50%			
			12/01/33	25,000.00	3.50%			
			Refunding Bonds of 2016	3/24/2016	110,000.00			
12/01/22	10,000.00	5.00%						
12/01/23	10,000.00	5.00%						
12/01/24	10,000.00	5.00%						
12/01/25	10,000.00	5.00%						
12/01/26	10,000.00	5.00%						
12/01/27	15,000.00	4.00%						
12/01/28	15,000.00	4.00%						
<u>\$ 805,000.00</u>						<u>\$ 90,000.00</u>	<u>\$ 715,000.00</u>	
Paid by Budget Appropriation						\$ 89,375.00		
Due Water Operating Fund						<u>625.00</u>		
						<u>\$ 90,000.00</u>		

BOROUGH OF ALLENTOWN
WATER UTILITY CAPITAL FUND
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2019</u>	<u>Loans Issued</u>	<u>Balance Dec. 31, 2020</u>
15-2017	Various Water Utility Improvements	\$ 2,136,012.00	\$ 155,842.00	\$ 1,980,170.00
9-2018	Various Water Utility Improvements	475,000.00		475,000.00
		<u>\$ 2,611,012.00</u>	<u>\$ 155,842.00</u>	<u>\$ 2,455,170.00</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF ALLENTOWN
SEWER UTILITY FUND
Statement of Sewer Utility Cash -- Treasurer
For the Year Ended December 31, 2020

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2019	\$ 1,456,821.82	\$ 214,583.18
Increased by Receipts:		
Collector	\$ 916,081.56	
2020 Budget Appropriation:		
Cost of Improvements Authorized		\$ 23,684.00
Capital Outlay - Reserve for Sewer Capital Equipment		170,000.00
NJ Environmental Infrastructure Trust		2,941,297.00
Due Sewer Utility Capital Fund	<u>4,975.00</u>	
	<u>921,056.56</u>	<u>3,134,981.00</u>
	2,377,878.38	3,349,564.18
Decreased by Disbursements:		
2020 Appropriations	674,823.46	
2019 Appropriation Reserves	87,137.21	
Due Sewer Utility Operating Fund		4,975.00
Accrued Interest on Bonds and Notes	32,550.00	
Improvement Authorizations		<u>2,747,456.89</u>
	<u>794,510.67</u>	<u>2,752,431.89</u>
Balance Dec. 31, 2020	<u><u>\$ 1,583,367.71</u></u>	<u><u>\$ 597,132.29</u></u>

BOROUGH OF ALLENTOWN
SEWER UTILITY FUND
Statement of Sewer Utility Cash--Collector
For the Year Ended December 31, 2020

Consumer Accounts Receivable	\$ 894,972.10
Miscellaneous Revenue Anticipated:	
Miscellaneous	<u>21,109.46</u>
	916,081.56
Disbursements:	
Payments to Treasurer	<u><u>\$ 916,081.56</u></u>

The Collector does not maintain a bank account. All funds are deposited directly into the Treasurer's bank account.

BOROUGH OF ALLENTOWN
SEWER UTILITY CAPITAL FUND
Analysis of Sewer Utility Cash
For the Year Ended December 31, 2020

	Balance (Deficit) <u>Dec. 31, 2019</u>	Receipts		Disbursements		Transfers		Balance (Deficit) <u>Dec. 31, 2020</u>
		Budget Appropriation	Loans	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 29.69							\$ 29.69
Capital Improvement Fund	102,350.00							102,350.00
Reserve for Sewer Capital Equipment	5,543.50	\$ 170,000.00						175,543.50
Due Sewer Operating Fund	4,975.00				\$ 4,975.00			
Reserve for Encumbrances	4,224,397.86					\$ 4,224,397.86	\$ 1,483,544.59	1,483,544.59
Ordinance Number								
General Improvements:								
3-2007 Various Sewer Utility Improvements	403,979.71			\$ 51,008.51			51,000.00	403,971.20
4-2015 Acquisition of a New Generator	(16,538.35)	23,684.00		365.11				6,780.54
16-2016; 4-2017 Various Sewer Utility Improvements	(4,510,154.23)		\$ 2,941,297.00	2,696,083.27		1,483,544.59	4,173,397.86	(1,575,087.23)
	<u>\$ 214,583.18</u>	<u>\$ 193,684.00</u>	<u>\$ 2,941,297.00</u>	<u>\$ 2,747,456.89</u>	<u>\$ 4,975.00</u>	<u>\$ 5,707,942.45</u>	<u>\$ 5,707,942.45</u>	<u>\$ 597,132.29</u>

BOROUGH OF ALLENTOWN
SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 32,643.88
Increased by:	
Sewer Rents Levied	<u>913,828.16</u>
	946,472.04
Decreased by:	
Collections	<u>894,972.10</u>
Balance Dec. 31, 2020	<u><u>\$ 51,499.94</u></u>

BOROUGH OF ALLENTOWN
SEWER UTILITY OPERATING FUND
Schedule of Sewer Utility Liens
As of December 31, 2020

Balance December 31, 2020	<u>\$ 10,536.80</u>
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BOROUGH OF ALLENTOWN
SEWER UTILITY CAPITAL FUND
Schedule of Fixed Capital
As of December 31, 2020

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
General Equipment	\$ 61,400.33
Construction of Sanitary Sewerage System	725,484.69
Improvement of the Sanitary Sewerage Treatment and Disposal Plant	2,536,716.67
Conversion of Sludge Drying Bed to Filters for Treatment of Sewage Effluent	3,300.20
Sludge Pump and Electrical Circuit Protection Unit	3,877.65
Sludge Pump	7,421.40
Sewer Lines	165,181.01
Sewer Plant Upgrade	176,929.82
Computer Equipment	10,205.50
Waste Water Treatment Plant Site Remediation	<u>31,901.00</u>
	<u><u>\$ 3,722,418.27</u></u>

BOROUGH OF ALLENTOWN
SEWER UTILITY CAPITAL FUND
 Schedule of Fixed Capital Authorized and Uncompleted
 As of December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2020</u>
General Improvements:				
3-2007	Various Sewer Utility Improvements	5/1/2007	\$ 1,400,000.00	\$ 1,400,000.00
4-2015	Acquisition of a New Generator	8/25/2015	300,000.00	300,000.00
16-2016; 4-2017; 07-2019; 20-2019	Various Sewer Utility Improvements	11/29/2016; 10/22/2019	4,600,000.00	<u>4,600,000.00</u>
				<u><u>\$ 6,300,000.00</u></u>

BOROUGH OF ALLENTOWN
SEWER UTILITY OPERATING FUND
Statement of 2019 Appropriation Reserves
For the Year Ended December 31, 2020

	<u>Balance Dec. 31, 2019</u>		<u>Balances</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Modification</u>		
Operating:					
Salaries and Wages		\$ 14,261.96	\$ 14,261.96		\$ 14,261.96
Other Expenses	\$ 16,507.21	327,863.41	344,370.62	\$ 17,137.21	327,233.41
Total Operating	16,507.21	342,125.37	358,632.58	17,137.21	341,495.37
Capital Improvements:					
Capital Outlay	70,000.00		70,000.00	70,000.00	
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		1,552.46	1,552.46		1,552.46
Total Statutory Expenditures	70,000.00	1,552.46	71,552.46	70,000.00	1,552.46
	\$ 86,507.21	\$ 343,677.83	\$ 430,185.04	\$ 87,137.21	\$ 343,047.83
			Disbursed	<u>\$ 87,137.21</u>	

BOROUGH OF ALLENTOWN
SEWER UTILITY OPERATING FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 86,507.21
Increased by:	
Encumbrances -- 2020 Appropriations	<u>45,242.23</u>
	131,749.44
Decreased by:	
Transferred -- 2019 Appropriation Reserves	<u>86,507.21</u>
Balance Dec. 31, 2020	<u><u>\$ 45,242.23</u></u>

BOROUGH OF ALLENTOWN
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Serial Bonds and Analysis of Balance
For the Year Ended December 31, 2020

Balance Dec. 31, 2019							\$ 2,675.34
Increased by:							
Budget Appropriation for:							
Interest on Bonds						32,282.88	
						34,958.22	
Decreased by:							
Interest Paid by							
Operating Fund						32,550.00	
Balance Dec. 31, 2020							<u>\$ 2,408.22</u>
<u>Analysis of Balance Dec. 31, 2020</u>							
Operating Fund							<u>\$ 2,408.22</u>
<u>Analysis of Accrued Interest Dec. 31, 2020</u>							
	Principal Outstanding <u>Dec. 31, 2020</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>	
Serial Bonds:	\$ 65,000.00	5.000%	12/1/2020	12/31/2020	30	\$ 267.12	
	70,000.00	5.000%	12/1/2020	12/31/2020	30	287.67	
	75,000.00	5.000%	12/1/2020	12/31/2020	30	308.22	
	75,000.00	5.000%	12/1/2020	12/31/2020	30	308.22	
	80,000.00	5.000%	12/1/2020	12/31/2020	30	328.77	
	85,000.00	5.000%	12/1/2020	12/31/2020	30	349.32	
	85,000.00	4.000%	12/1/2020	12/31/2020	30	279.45	
	85,000.00	4.000%	12/1/2020	12/31/2020	30	279.45	
Total Bonds							<u>\$ 2,408.22</u>

BOROUGH OF ALLENTOWN
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 4,367,418.27
Increased by:		
Costs of Improvements Authorized	\$ 23,684.00	
Serial Bonds Paid by Operating Budget	<u>65,000.00</u>	
		<u>88,684.00</u>
Balance Dec. 31, 2020		<u><u>\$ 4,456,102.27</u></u>

Exhibit SE-12

BOROUGH OF ALLENTOWN
SEWER UTILITY CAPITAL FUND
Schedule of Capital Improvement Fund
As of December 31, 2020

Balance Dec. 31, 2020		<u><u>\$ 102,350.00</u></u>
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BOROUGH OF ALLENTOWN
SEWER UTILITY CAPITAL FUND
 Schedule of Deferred Reserve For Amortization
 As of December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2020</u>
<u>General Improvements:</u>			
3-2007	Various Sewer Utility Improvements	5/1/2007	\$ 70,000.00
4-2015	Acquisition of a New Generator	4/25/2015	<u>276,316.00</u>
			<u>\$ 346,316.00</u>

BOROUGH OF ALLENTOWN
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2019		Transfer from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2020	
				Funded	Unfunded			Funded	Unfunded
General Improvements:									
3-2007	Various Sewer Utility Improvements	5/1/2007	\$ 1,400,000.00	\$ 403,979.71		\$ 51,000.00	\$ 51,008.51	\$ 403,971.20	
4-2015	Acquisition of a New Generator	8/25/2015	300,000.00		\$ 7,145.65		365.11	6,780.54	
16-2016; 4-2017; 07-2019; 20-2019	Various Sewer Utility Improvements	11/29/2016; 10/22/2019	3,030,000.00		89,845.77	4,173,397.86	4,179,627.86		\$ 83,615.77
				<u>\$ 403,979.71</u>	<u>\$ 96,991.42</u>	<u>\$ 4,224,397.86</u>	<u>\$ 4,231,001.48</u>	<u>\$ 410,751.74</u>	<u>\$ 83,615.77</u>
							Disbursed	\$ 2,747,456.89	
							Encumbered	<u>1,483,544.59</u>	
								<u>\$ 4,231,001.48</u>	

BOROUGH OF ALLENTOWN
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Sewer Capital Equipment
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$	5,543.50
Increased by:			
Receipts:			
Budget Appropriation - Capital Outlay	\$	100,000.00	
Appropriation Reserve - Capital Outlay		<u>70,000.00</u>	
			<u>170,000.00</u>
Balance Dec. 31, 2020		\$	<u><u>175,543.50</u></u>

Exhibit SE-16

BOROUGH OF ALLENTOWN
SEWER UTILITY CAPITAL FUND
Statement of Due to Sewer Operating Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$	4,975.00
Decreased by:			
Disbursed			<u>4,975.00</u>
Balance Dec. 31, 2020			<u><u>-</u></u>

BOROUGH OF ALLENTOWN
SEWER UTILITY CAPITAL FUND
Statement of New Jersey Environmental Infrastructure Loan Payable
For the Year Ended December 31, 2020

Increased by:	
Loan Issued	<u>\$ 2,941,297.00</u>
Balance Dec. 31, 2020	<u><u>\$ 2,941,297.00</u></u>

BOROUGH OF ALLENTOWN
SEWER UTILITY CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2019</u>	<u>Loans Issued</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2020</u>
4-2015	Acquisition of a New Generator	\$ 23,684.00		\$ 23,684.00	
16-2016; 4-2017; 07-2019; 20-2019	Various Sewer Utility Improvements	4,600,000.00	\$ 2,941,297.00		\$ 1,658,703.00
		<u>\$ 4,623,684.00</u>	<u>\$ 2,941,297.00</u>	<u>\$ 23,684.00</u>	<u>\$ 1,658,703.00</u>

PART II
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2020

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Allentown
Allentown, New Jersey 08501

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Allentown's, in the County of Monmouth, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal and state programs for the year ended December 31, 2020. The Borough's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Allentown's, in the County of Monmouth, State of New Jersey, compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Allentown, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 29, 2021

BOROUGH OF ALLENTOWN
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity ID#	State Account Number	Program or Award Amount	Matching Contribution	Grant Period		Balance (Deficit) December 31, 2019	Receipts or Revenues Recognized	Adjustments +/-	Passed- Through to Code Subrecipients	Program Expenditures	Encumbrances	Balance (Deficit) December 31, 2020	Cash Collected	Memo Only Accumulated Expenditures			
						From	To												
<u>U.S. Department of Housing and Urban Development</u>																			
Passed through Monmouth County Community Development Block Grant	14.218	G-14-56-892-170-224	N/A	\$ 138,000.00	N/A	7/1/2019	Project End			\$ 138,000.00	1	\$ 138,000.00			\$ 138,000.00	\$ 138,000.00			
CDBG - Entitlement Grants Cluster Total												138,000.00			138,000.00	138,000.00			
Total U.S. Department of Housing and Urban Development												138,000.00			138,000.00	138,000.00			
<u>U.S. Environmental Protection Agency (EPA)</u>																			
Passed through New Jersey State Department of Environmental Protection NJ Environmental Infrastructure Financing Program - Water Meter	66.458	S340567-06	510-042-4860	322,221.00	N/A	N/A	N/A		\$ 116,881.50			116,881.50			116,881.50	116,881.50			
NJ Environmental Infrastructure Financing Program - WWTP	66.458	S340567-05	510-042-4860	2,254,455.00	N/A	N/A	N/A		1,470,648.50			1,470,648.50			1,470,648.50	1,470,648.50			
Clean Water State Revolving Fund Cluster Total												1,587,530.00			1,587,530.00	1,587,530.00			
Total U.S. Environmental Protection Agency (EPA)												1,587,530.00			1,587,530.00	1,587,530.00			
<u>U.S. Department of Transportation</u>																			
Passed thru New Jersey Department of Law and Public Safety Drive Sober or Get Pulled Over	20.616	EA-19-45-01-MS-01	100-6120-165	6,000.00	N/A	N/A	N/A		6,000.00			3,850.00		\$ 2,150.00		3,850.00			
Total Highway Safety Cluster												6,000.00			3,850.00	3,850.00			
<u>U.S. Department of Justice</u>																			
Bulletproof Vest Partnership	16.607	N/A	100-005-3384	2,136.68	N/A	N/A	N/A	\$ 1,301.68	835.00	417.45	1	417.45	\$ 1,277.92	858.76	417.50	858.76			
Total U.S. Department of Justice												1,301.68	835.00	417.45	417.45	1,277.92	858.76	417.50	858.76
Total Federal Financial Assistance									\$ 1,301.68	\$ 1,594,365.00	\$ 138,417.45		\$ 1,729,797.45	\$ 1,277.92	\$ 3,008.76	\$ 1,725,947.50	\$ 1,730,238.76		

KEY TO CODES

(1) Prior Year Encumbrances

The accompanying Notes to the Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are integral parts of this schedule.

BOROUGH OF ALLENTOWN
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended December 31, 2020

State Grantor/Pass-Through Grantor/Program	State Account Number	Grantor's ID #	Program or Award Amount	Matching Contribution	Grant Period From	Grant Period To	Balance December 31, 2019	Receipts or Revenue Recognized	Adjustments +/-	Code	Passed-Through to Subrecipients	Program Expenditures	Encumbered	Balance December 31, 2020	Memo Only Accumulated Expenditures
State Department of Transportation															
Municipal Aid Program															
FY17 - Streetscape Phase II	480-078-6320	N/A	\$ 235,000.00	N/A	N/A	N/A			\$ 235,000.00	1		\$ 235,000.00			\$ 235,000.00
FY19 - Pondview	480-078-6320	N/A	225,000.00	N/A	N/A	N/A	\$ 225,000.00						\$ 225,000.00		
FY20 - Waldron	480-078-6320	N/A	180,000.00	N/A	N/A	N/A		\$ 180,000.00						\$ 180,000.00	
Total State Department of Transportation							225,000.00	180,000.00	235,000.00			235,000.00	225,000.00	180,000.00	235,000.00
State Department of Law and Public Safety															
Drunk Driving Enforcement Grants															
	100-078-6400	N/A	3,115.00	N/A	N/A	N/A	3,115.00					1,320.00		1,795.00	1,320.00
Body Armor Replacement Fund															
	718-066-1020	N/A	4,313.37	N/A	N/A	N/A	3,393.70	919.67	417.45	1		417.45	1,277.93	3,035.44	417.45
Total State Department of Law and Public Safety							6,508.70	919.67	417.45			1,737.45	1,277.93	4,830.44	1,737.45
State Department of Environmental Protection															
NJ Environmental Infrastructure Financing Program - Water Meter															
	510-042-4860	S340567-06	107,407.00	N/A	N/A	N/A		38,960.50				38,960.50			38,960.50
NJ Environmental Infrastructure Financing Program - WWTP															
	510-042-4860	S340567-05	2,254,455.00	N/A	N/A	N/A		1,470,648.50				1,470,648.50			1,470,648.50
Total NJ Environmental Infrastructure Financing Program								1,509,609.00				1,509,609.00			1,509,609.00
Clean Communities Program															
	765-042-4900	N/A	9,528.98	N/A	N/A	N/A	5,528.98	4,000.00	246.51	1		676.99		9,098.50	676.99
Recycling Tonnage Grant															
	100-042-4910	N/A	4,127.66	N/A	N/A	N/A	2,227.28	1,900.38				374.57		3,753.09	374.57
Total State Department of Environmental Protection							7,756.26	1,515,509.38	246.51			1,510,660.56		12,851.59	1,510,660.56
Total State Financial Assistance							\$ 239,264.96	\$ 1,696,429.05	\$ 235,663.96			\$ 1,747,398.01	\$ 226,277.93	\$ 197,682.03	\$ 1,747,398.01

KEY TO CODES

(1) Prior Year Encumbrances

The accompanying Notes to the Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and of State Financial Assistance are integral parts of this schedule.

BOROUGH OF ALLENTOWN

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended December 31, 2020

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the "schedules") include federal and state award activity of the Borough of Allentown (hereafter referred to as the "Borough") under programs of the federal government and state government for the year ended December 31, 2020. The Borough is defined in note 1 to the financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position and changes in operations of the Borough.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedules are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

The Borough has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent the reversal of prior year encumbrances.

Note 6: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

PART III
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

BOROUGH OF ALLENTOWN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Section 1- Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	_____ yes <u> X </u> no

Identification of major programs:

CFDA Number(s)

66.458 _____

Name of Federal Program or Cluster

Clean Water State Revolving Fund Cluster _____

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000.00
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

BOROUGH OF ALLENTOWN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs _____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? _____ yes X no

Identification of major programs:

GMIS Number(s)

510-042-4860

Name of State Program

NJ Environmental Infrastructure Financing Program

Dollar threshold used to distinguish between type A and type B programs: _____ \$ _____ 750,000.00

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

BOROUGH OF ALLENTOWN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Section 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

None.

BOROUGH OF ALLENTOWN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Section 3 - Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

BOROUGH OF ALLENTOWN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

BOROUGH OF ALLENTOWN
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

Not Applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

Not Applicable.

BOROUGH OF ALLENTOWN
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Thomas Fritts	Mayor	(B)
Robert Strovinsky	President of Council	(B)
Angela Anthony	Councilmember	(B)
Michael Drennan	Councilmember	(B)
John A. Elder III	Councilmember	(B)
Martha A. Johnson	Councilmember	(B)
Dan Payson	Councilmember	(B)
Laurie A. Roth	Municipal Clerk	(B)
Toni Mullen	Tax Collector	(A)
June Madden	Chief Financial Officer and Purchasing Agent	(B)
Maryann Szbanz	Deputy Tax Collector and Police Clerk	(A)
R. Douglas Hoffman	Judge of the Municipal Court	(A)
Sandra Brodbeck	Court Administrator	(A)
Victoria Butchon	Assessor	(B)
Roberts Engineering Group	Engineer	
Gregory Cannon, Esq.	Solicitor	

(A) Statutory Position Bond - Monmouth County Joint Insurance Pool \$50,000.00. Amounts in excess of \$50,000.00 covered by Municipal Excess Liability Joint Insurance Fund to \$950,000.00

(B) Public Officials Bond - Monmouth County Joint Insurance Pool \$50,000.00. Amounts in excess of \$50,000.00 covered by Municipal Excess Liability Joint Insurance Fund to \$950,000.00

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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, reading "Michael D. Cesaro". The signature is written in a cursive style with a long horizontal flourish at the end.

Michael D. Cesaro
Certified Public Accountant
Registered Municipal Accountant

