

**BOROUGH OF ALLENTOWN**

**COUNTY OF MONMOUTH**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2023**

**BOROUGH OF ALLENTOWN**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, 2023 and 2022, 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, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

#### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above 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, 2023 and 2022, 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, 2023, 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.

#### ***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* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of Allentown, in the County of Monmouth, State of New Jersey, as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions on Regulatory Basis of Accounting***

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, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on 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 and pervasive.

***Responsibilities of Management 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary 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 accompanying 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 schedule of expenditures of federal awards is 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 is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplemental statements and schedules, and schedule of expenditures of federal awards 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 31, 2024 on our consideration of the Borough of Allentown's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 31, 2024

**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 statement 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, 2023, 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 31, 2024. 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.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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 31, 2024



**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis  
 As of December 31, 2023 and 2022

<u>ASSETS</u>	Ref.	<u>2023</u>	<u>2022</u>
Regular Fund:			
Cash	SA-1	\$ 1,159,436.83	\$ 1,356,169.99
Cash--Change Funds	SA-3	160.00	160.00
		<u>1,159,596.83</u>	<u>1,356,329.99</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	74,686.16	95,633.79
Tax Title Liens Receivable	SA-5	105,676.95	99,192.81
Property Acquired for Taxes--Assessed Valuation		16,400.00	16,400.00
Revenue Accounts Receivable	SA-6	21,352.73	5,588.82
Due from Animal Control Fund	SB-4		252.11
Due from Federal and State Grant Fund	SA-18	20,000.00	150,000.00
		<u>238,115.84</u>	<u>367,067.53</u>
		<u>1,397,712.67</u>	<u>1,723,397.52</u>
Federal and State Grant Fund:			
Cash	SA-1	4,437.52	38,664.55
Federal and State Grants Receivable	SA-19	757,212.16	929,352.91
		<u>761,649.68</u>	<u>968,017.46</u>
		<u>\$ 2,159,362.35</u>	<u>\$ 2,691,414.98</u>

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**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis  
 As of December 31, 2023 and 2022

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	<u>2023</u>	<u>2022</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-8	\$ 236,059.81	\$ 312,629.65
Reserve for Encumbrances	SA-9	96,098.91	93,898.38
Prepaid Taxes	SA-11	48,719.91	75,489.26
Tax Overpayments	SA-12	197.59	3,759.28
Due to County for Added and Omitted Taxes	SA-14	227.92	
Regional School Taxes Payable	SA-17		141,107.06
Due to State of New Jersey (Ch. 73, P.L. 1976)	SA-7	1,336.47	836.47
Accounts Payable	SA-10		2,047.50
Payroll Deductions Payable	SA-15	203.50	187.64
Reserve for PFRS	SA-16	7,650.00	
Reserve for Municipal Relief Fund Aid	SA-1		6,864.52
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
		<hr/>	<hr/>
		395,504.11	641,829.76
Reserve for Receivables and Other Assets	A	238,115.84	367,067.53
Fund Balance	A-1	764,092.72	714,500.23
		<hr/>	<hr/>
		1,397,712.67	1,723,397.52
Federal and State Grant Fund:			
Due to Current Fund	SA-18	20,000.00	150,000.00
Unappropriated Reserves	SA-20	883.93	822.30
Reserve for Encumbrances	SA-9 & SA-21	330,428.06	389,508.60
Appropriated Reserves	SA-21	410,337.69	427,686.56
		<hr/>	<hr/>
		761,649.68	968,017.46
		<hr/>	<hr/>
		\$ 2,159,362.35	\$ 2,691,414.98

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance--Regulatory Basis  
 For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 434,090.00	\$ 470,000.00
Miscellaneous Revenue Anticipated	867,845.67	860,280.92
Receipts from Delinquent Taxes	96,133.79	121,530.52
Receipts from Current Taxes	5,478,836.72	5,760,024.87
Non-Budget Revenues	14,029.65	21,981.21
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	266,287.81	261,350.67
Statutory Excess in Reserve for Dog Fund Expenditures		252.11
Cancellation of Reserves for Federal and State Grants	5,280.00	5,371.34
Reserves Liquidated:		
Due from Federal and State Grant Fund	130,000.00	
	<hr/>	<hr/>
Total Income	7,292,503.64	7,500,791.64
<u>Expenditures</u>		
Budget Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	942,650.00	882,950.00
Other Expenses	901,857.00	906,435.00
Deferred Charges and Statutory Expenditures--Within "CAPS"	247,349.00	241,521.00
Operations-- Excluded from "CAPS":		
Salaries and Wages	195,000.00	187,250.00
Other Expenses	461,726.19	479,856.50
Municipal Debt Service--Excluded from "CAPS"	228,950.00	216,189.02
Deferred Charges--Excluded from "CAPS"	47,500.00	52,587.50
County Taxes	476,933.99	540,083.66
Due to County for Added and Omitted Taxes	227.92	
Municipal Open Space Tax	86,945.61	87,180.89
Regional School Tax	3,213,901.44	3,515,102.00
Senior Citizens' Deductions Disallowed by Tax Collector--		
Prior Year Taxes	500.00	250.00
Cancellation of Federal and State Grants Receivable	5,280.00	5,060.00
Reserves Created:		
Due from Federal and State Grant Fund		150,000.00
Due from Animal Control Fund		252.11
	<hr/>	<hr/>
Total Expenditures	6,808,821.15	7,264,717.68
Statutory Excess to Surplus	483,682.49	236,073.96
Balance Jan. 1	714,500.23	948,426.27
	<hr/>	<hr/>
	1,198,182.72	1,184,500.23
Decreased by:		
Utilized as Revenue	434,090.00	470,000.00
	<hr/>	<hr/>
Balance Dec. 31	\$ 764,092.72	\$ 714,500.23

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2023

	<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	\$ 434,090.00		\$ 434,090.00	
Miscellaneous Revenue				
Licenses:				
Alcoholic Beverages	5,250.00		5,000.00	\$ (250.00)
Fees and Permits:				
Other	4,600.00		9,878.76	5,278.76
Fines and Costs:				
Municipal Court	73,000.00		71,230.32	(1,769.68)
Interest and Cost on Taxes	19,000.00		19,664.52	664.52
Interest on Investments and Deposits	1,000.00		10,225.35	9,225.35
Cable Franchise Fees	26,247.95		26,247.95	
Lease Agreement- Cellular Antenna Site	119,500.00		130,925.35	11,425.35
Reserve for Municipal Relief Aid	6,864.52		20,590.61	13,726.09
Energy Receipts Tax	132,505.00		132,504.62	(0.38)
Shared Services Agreement - Municipal Court Services	75,000.00		47,589.06	(27,410.94)
State and Federal Revenue Off-Set with Appropriations:				
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
State and Federal Revenues Off-Set with Appropriations:				
Recycling Tonnage Grant	11,076.89		11,076.89	
Clean Communities Program		\$ 4,000.00	4,000.00	
Drive Sober or Get Pulled Over - Holiday Crackdown Grant		7,000.00	7,000.00	
Body Armor Replacement Fund	822.30		822.30	
NJ Department of Transportation - Sidewalks (Phase II)	274,290.00		274,290.00	
Bulletproof Vest Program		1,200.00	1,200.00	
Stormwater Assistance Grant		25,000.00	25,000.00	
Other Special Items:				
General Capital Surplus	60,599.94		60,599.94	
Outside Employment of Police Officers - Administrative Fee from Trust Other Fund	10,000.00		10,000.00	
Miscellaneous Revenue Anticipated	819,756.60	37,200.00	867,845.67	10,889.07
Receipts from Delinquent Taxes	85,000.00		96,133.79	11,133.79
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	1,798,985.59		1,869,814.20	70,828.61
Budget Totals	3,137,832.19	37,200.00	3,267,883.66	92,851.47
Non-Budget Revenues			14,029.65	14,029.65
	\$ 3,137,832.19	\$ 37,200.00	\$ 3,281,913.31	\$ 106,881.12

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**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2023

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 5,478,836.72
Allocated to:		
School, County and Local Open Space Taxes		<u>3,759,022.52</u>
Balance for Support of Municipal Budget Appropriations		1,719,814.20
Add: Appropriation "Reserve for Uncollected Taxes"		<u>150,000.00</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 1,869,814.20</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		<u>\$ 96,133.79</u>
Fees and Permits-- Other:		
Clerk:		
Searches for Municipal Improvements		
Certified Copies		\$ 1,406.00
Fees and Permits-- Other		7,515.00
Police		512.76
Mercantile Licenses		<u>445.00</u>
		<u>\$ 9,878.76</u>
Interest on Investments:		
Treasurer		<u>\$ 10,225.35</u>
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue not Anticipated:		
Protested Check Fees	\$ 80.00	
Senior Citizens and Veteran's Deduction Administrative Fee	170.00	
White Goods Removal	725.00	
Landlord Registration Certificate	650.00	
Vacant Properties	500.00	
Miscellaneous- Other	<u>11,904.65</u>	
		<u>\$ 14,029.65</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, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS - WITHIN "CAPS"</u>						
<u>General Government</u>						
Mayor and Council						
Salaries and Wages	\$ 28,300.00	\$ 28,300.00	\$ 25,350.19		\$ 2,949.81	
Other Expenses	2,500.00	2,500.00	1,157.54	\$ 303.16	1,039.30	
Municipal Clerk						
Salaries and Wages	84,600.00	85,600.00	85,152.69		447.31	
Other Expenses	34,365.00	34,365.00	20,284.48	5,790.00	8,290.52	
Financial Administration						
Salaries and Wages	42,350.00	42,350.00	40,034.96		2,315.04	
Other Expenses	15,950.00	15,950.00	13,653.96	758.28	1,537.76	
Annual Audit	14,000.00	14,000.00	13,975.00		25.00	
Assessment of Taxes						
Salaries and Wages	11,500.00	11,500.00	11,320.82		179.18	
Other Expenses	1,370.00	1,370.00	971.81		398.19	
Collection of Taxes						
Salaries and Wages	25,000.00	25,000.00	21,997.54		3,002.46	
Other Expenses	6,000.00	6,000.00	4,641.94	164.88	1,193.18	
Legal Services						
Other Expenses	70,500.00	70,500.00	43,407.69	5,046.30	22,046.01	
Municipal Court						
Salaries and Wages	62,300.00	62,300.00	55,697.89		6,602.11	
Other Expenses	7,875.00	7,875.00	5,318.39	647.35	1,909.26	
Public Defender (P.L. 1997, C.256)						
Other Expenses	3,500.00	3,500.00	3,100.00		400.00	
Engineering Services						
Other Expenses	95,000.00	118,000.00	76,039.47	38,316.78	3,643.75	
Historical Preservation						
Other Expenses	1,800.00	1,800.00	9.68	12.32	1,778.00	

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**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Land Use Administration</u>						
Planning Board						
Salaries and Wages	\$ 5,000.00	\$ 5,000.00	\$ 2,181.07		\$ 2,818.93	
Other Expenses	4,700.00	4,700.00	1,793.86		2,906.14	
<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			1,200.00	
<u>Insurance</u>						
Liability Insurance	22,000.00	22,000.00	20,750.00		1,250.00	
Workers Compensation Insurance	21,217.00	21,217.00	21,217.00			
Employee Group Insurance	77,900.00	67,900.00	66,179.19		1,720.81	
Employee Group Health Waivers	10,100.00	10,100.00	2,500.00		7,600.00	
Disability Insurance	1,000.00	1,000.00	702.58		297.42	
<u>Public Safety Functions</u>						
Police						
Salaries and Wages	607,500.00	607,500.00	565,103.53	\$ 698.16	41,698.31	
Other Expenses	41,000.00	41,000.00	35,328.47	3,860.67	1,810.86	
Office of Emergency Management						
Salaries and Wages	1,700.00	1,700.00	1,687.36		12.64	
Other Expenses	100.00	100.00			100.00	
Aid to Volunteer Fire Co.	34,000.00	34,000.00	34,000.00			
Prosecutor						
Other Expenses	12,000.00	12,000.00	10,000.00	500.00	1,500.00	

(Continued)

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	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	\$ 9,809.88	\$ 594.95	\$ 5,845.17	
Shade Tree						
Other Expenses	8,000.00	8,000.00	3,475.00	3,012.32	1,512.68	
Garbage and Trash Removal						
Other Expenses	227,700.00	217,700.00	211,196.83		6,503.17	
Recycling Program						
Salaries and Wages	5,100.00	5,100.00	4,970.56		129.44	
Other Expenses	250.00	250.00			250.00	
Public Buildings and Grounds						
Salaries and Wages	68,300.00	68,300.00	54,295.04		14,004.96	
Other Expenses	49,000.00	49,000.00	32,476.40	6,383.72	10,139.88	
Vehicle Maintenance						
Other Expenses	21,600.00	21,600.00	13,021.72	1,722.19	6,856.09	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Health and Welfare</u>						
Environmental Commission						
Other Expenses	1,500.00	1,500.00	418.36	12.32	1,069.32	
Economic Development	1,500.00	1,500.00		12.32	1,487.68	
Senior Committee						
Aid to Library (N.J.S. 40:54-35)	3,000.00	3,000.00	3,000.00			
<u>Recreation</u>						
Recreation Programs						
Other Expenses	2,000.00	2,000.00	1,995.00		5.00	

(Continued)



**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Utility Expenses and Bulk Purchases</u>						
Electricity	\$ 15,000.00	\$ 15,000.00	\$ 8,447.46	\$ 187.80	\$ 6,364.74	
Street Lighting	33,000.00	35,000.00	32,387.24		2,612.76	
Telephone and Telegraph	16,600.00	16,600.00	12,675.04	356.54	3,568.42	
Natural Gas	8,000.00	8,000.00	3,621.10		4,378.90	
Gasoline	18,630.00	12,630.00	7,274.53	1,165.04	4,190.43	
<u>Unclassified</u>						
Contingent	2,500.00	2,500.00			2,500.00	
Total Operations within "CAPS"	1,844,507.00	1,844,507.00	1,582,621.27	69,545.10	192,340.63	-
Detail:						
Salaries and Wages	941,650.00	942,650.00	867,791.65	698.16	74,160.19	-
Other Expenses (Including Contingent)	902,857.00	901,857.00	714,829.62	68,846.94	118,180.44	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	33,501.00	33,501.00	33,501.00			
Social Security System	75,000.00	75,000.00	69,872.79		5,127.21	
Police and Firemen's Retirement System	138,848.00	138,848.00	138,848.00			
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	247,349.00	247,349.00	242,221.79	-	5,127.21	-
Total General Appropriations for Municipal Purposes within "CAPS"	2,091,856.00	2,091,856.00	1,824,843.06	69,545.10	197,467.84	-
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Employee Group Health						
Garbage and Trash Removal	10,300.00	10,300.00	10,300.00			
Gasoline	11,370.00	11,370.00	11,370.00			
Insurance:						
Worker Compensation Insurance	783.00	783.00	783.00			
Public Employees' Retirement System	2,189.00	2,189.00	2,189.00			
Police and Firemen's Retirement System of NJ (P.L.2003, C 108)	27,031.00	27,031.00	27,031.00			
Total Other Operations - Excluded from "CAPS"	51,673.00	51,673.00	51,673.00	-	-	-
<u>Shared Service Agreements</u>						
Municipal Court Services (Township of Upper Freehold)	75,000.00	75,000.00	47,154.54		27,845.46	
Fire Services (Township of Upper Freehold)	120,000.00	120,000.00	83,699.68	26,553.81	9,746.51	
Other Expenses - Emergency Management (Township of Freehold)						
Everbridge Emergency Management System	864.00	864.00	864.00			
Other Expenses - Housing, Zoning & Code Enforcement	8,000.00	8,000.00	8,000.00			
First Aid Services (Township of Upper Freehold)	76,800.00	76,800.00	76,800.00			
Department of Public Works (Robbinsville)	1,000.00	1,000.00			1,000.00	
Total Shared Service Agreements	281,664.00	281,664.00	216,518.22	26,553.81	38,591.97	-

(Continued)

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2023

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D)</u>						
<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 + \$1,200.00)		1,200.00	1,200.00			
Recycling Tonnage Grant	\$ 11,076.89	11,076.89	11,076.89			
Drive Sober or Get Pulled Over - Holiday Crack Down Grant (N.J.S.A. 40A:4-87 + \$7,000.00)		7,000.00	7,000.00			
Body Armor Replacement Fund	822.30	822.30	822.30			
N.J. Department of Transportation - Sidewalks (Phase II)	274,290.00	274,290.00	274,290.00			
Stormwater Assistance Grant		25,000.00	25,000.00			
Total Public and Private Programs Offset by Revenues	286,189.19	323,389.19	323,389.19	-	-	-
Total Operations - Excluded from "CAPS"	619,526.19	656,726.19	591,580.41	\$ 26,553.81	\$ 38,591.97	-
Detail:						
Salaries and Wages	195,000.00	195,000.00	130,854.22	26,553.81	37,591.97	-
Other Expenses	424,526.19	461,726.19	460,726.19		1,000.00	
<u>Municipal Debt Service - Excluded from "CAPS"</u>						
Payment of Bond Principal	30,000.00	30,000.00	30,000.00			
Payment of Bond Anticipation Notes and Capital Notes	150,000.00	150,000.00	150,000.00			
Interest on Bonds	21,950.00	21,950.00	21,950.00			
Interest on Notes	27,000.00	27,000.00	27,000.00			
Total Municipal Debt Service - Excluded from "CAPS"	228,950.00	228,950.00	228,950.00	-	-	-

(Continued)

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2023

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</b>						
Special Emergency Authorizations - 5 Years						
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"	47,500.00	47,500.00	47,500.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	895,976.19	933,176.19	868,030.41	\$ 26,553.81	\$ 38,591.97	-
Subtotal General Appropriations	2,987,832.19	3,025,032.19	2,692,873.47	96,098.91	236,059.81	-
Reserve for Uncollected Taxes	150,000.00	150,000.00	150,000.00			
Total General Appropriations	\$ 3,137,832.19	\$ 3,175,032.19	\$ 2,842,873.47	\$ 96,098.91	\$ 236,059.81	-

Appropriation by 40A:4-87  
Budget

\$ 37,200.00  
3,137,832.19  
\$ 3,175,032.19

Reserve for Federal and State Grants  
Reserve for Uncollected Taxes  
Disbursed

\$ 323,389.19  
150,000.00  
2,369,484.28  
\$ 2,842,873.47

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, 2023 and 2022

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Cash	SB-1	\$ 1,700.40	\$ 4,590.11
		<u>1,700.40</u>	<u>4,590.11</u>
Other Funds:			
Cash	SB-1	331,875.68	229,206.34
Due from Current Fund		<u>5,000.00</u>	<u>5,000.00</u>
		<u>336,875.68</u>	<u>234,206.34</u>
Municipal Open Space Fund:			
Cash	SB-1	<u>260,804.96</u>	<u>254,120.26</u>
		<u>260,804.96</u>	<u>254,120.26</u>
		<u>\$ 599,381.04</u>	<u>\$ 492,916.71</u>

(Continued)

**BOROUGH OF ALLENTOWN**  
TRUST FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2023 and 2022

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-2	\$ 1,392.20	\$ 4,040.00
Reserve for Encumbrances - Animal Control Fund	SB-2	307.00	298.00
Due to Current Fund	SB-4		252.11
Due to State of New Jersey	SB-3	1.20	
		<u>1,700.40</u>	<u>4,590.11</u>
Other Funds:			
Reserve for New Jersey Unemployment Compensation Insurance Trust Fund	SB-5	16,117.79	13,162.61
Reserve for Developers' Escrow Fund	SB-5	63,150.00	58,003.65
Reserve for Encumbrances - Developers' Escrow Fund	SB-5	217.50	
Reserve for Recreation Commission	SB-5	3,641.85	3,373.61
Reserve for Encumbrances - Recreation Commission	SB-5	287.76	
Reserve for Outside Employment of Off-Duty Municipal Police Officers	SB-5	46,560.00	63,620.67
Reserve for Encumbrances - Outside Employment of Off-Duty Municipal Police Officers	SB-5	56,667.00	
Reserve for Public Defender Fees	SB-5		400.00
Reserve for Parking Offenses Adjudication Act	SB-5	10.00	4.00
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	44,300.00	10,000.00
Reserve for Storm Recovery Trust Fund	SB-5	35,388.73	29,388.73
Reserve for Celebration for Public Events	SB-5	500.00	500.00
Reserve for Economic Development Trust	SB-5	1,833.95	1,857.95
Reserve for Accumulated Absences Liability	SB-5	40,084.58	24,084.58
Reserve for Police Donations	SB-5	4,426.32	3,620.34
Reserve for Encumbrances - Police Donations	SB-5		2,500.00
Reserve for Shade Trees	SB-5	2,759.00	2,759.00
Reserve for Senior Citizen Committee	SB-5	108.00	108.00
Reserve for Law Enforcement Trust	SB-5	1,356.64	1,356.64
		<u>336,875.68</u>	<u>234,206.34</u>
Municipal Open Space Fund:			
Reserve for Insurance - Monitoring	SB-7	10,000.00	5,000.00
Reserve for Encumbrances	SB-8	7,298.00	2,447.50
Reserve for Future Use	SB-8	225,761.96	230,292.76
Reserve for Farm Rental Income	SB-6	17,745.00	16,380.00
		<u>260,804.96</u>	<u>254,120.26</u>
		<u>\$ 599,381.04</u>	<u>\$ 492,916.71</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF ALLENTOWN**  
**TRUST--MUNICIPAL OPEN SPACE FUND**  
 Statements of Operations and Changes in Reserve for Future Use--Regulatory Basis  
 For the Years Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>		
Amount to be Raised by Taxation	\$ 86,945.61	\$ 87,180.89
Interest Earnings	820.31	280.95
Other Credits to Income:		
Encumbrances Cancelled	2,447.50	27,929.01
	<hr/>	<hr/>
Total Income	90,213.42	115,390.85
	<hr/>	<hr/>
<u>Expenditures</u>		
Development of Lands for Recreation & Conservation	7,996.58	36,620.53
Maintenance of Lands for Recreation & Conservation	26,694.64	17,774.52
Deferred Charge	50,000.00	50,000.00
Acquisition of Lands for Recreation & Conservation	2,755.00	
Reserve for Encumbrances	7,298.00	2,447.50
	<hr/>	<hr/>
Total Expenditures	94,744.22	106,842.55
	<hr/>	<hr/>
Excess (Deficit) to Reserve	(4,530.80)	8,548.30
	<hr/>	<hr/>
Balance Jan. 1	230,292.76	221,744.46
	<hr/>	<hr/>
Balance Dec. 31	\$ 225,761.96	\$ 230,292.76
	<hr/>	<hr/>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF ALLENTOWN**  
 TRUST--MUNICIPAL OPEN SPACE FUND  
 Statement of Revenues--Regulatory Basis  
 For the Year Ended December 31, 2023

	<u>Anticipated</u>	<u>Budget After</u>	<u>Realized</u>	<u>Excess or</u>
	<u>Budget</u>	<u>Modification</u>		<u>(Deficit)</u>
Amount to be Raised by Taxation	\$ 86,904.45	\$ 86,904.45	\$ 86,904.45	
Interest Income			820.31	\$ 820.31
Reserve Funds:				
Reserve for Future Use	175,292.76	175,292.76	230,292.76	55,000.00
Reserve for Debt Service	50,000.00	50,000.00		(50,000.00)
Reserve for Donations for Insurance (Breza Rd)	10,000.00	10,000.00		(10,000.00)
Reserve for Rental Proceeds	16,380.00	16,380.00		(16,380.00)
	<u>\$ 338,577.21</u>	<u>\$ 338,577.21</u>	<u>\$ 318,017.52</u>	<u>\$ (20,559.69)</u>

Analysis of Realized Revenues

Current Year Levy	\$ 86,904.45
Interest Income	820.31
Reserve Funds	<u>230,292.76</u>
	<u>\$ 318,017.52</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, 2023**

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	
Development of Lands for Recreation and Conservation:					
Other Expenses	\$ 120,000.00	\$ 120,000.00	\$ 7,996.58		\$ 112,003.42
Maintenance of Lands for Recreation and Conservation:					
Salary & Wages	40,000.00	40,000.00	18,000.00		22,000.00
Other Expenses	88,577.21	88,577.21	8,694.64	\$ 7,298.00	72,584.57
Deferred Charge - Future Taxation Ordinance 2020-05	50,000.00	50,000.00	50,000.00		
Acquisition of Lands for Recreation and Conservation	40,000.00	40,000.00	2,755.00		37,245.00
	<u>\$ 338,577.21</u>	<u>\$ 338,577.21</u>	<u>\$ 87,446.22</u>	<u>\$ 7,298.00</u>	<u>\$ 243,832.99</u>
		Disbursed	<u>\$ 87,446.22</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, 2023 and 2022

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash	SC-1	\$ 749,221.30	\$ 173.87
Deferred Charges to Future Taxation--Funded	SC-3	1,510,000.00	515,000.00
Deferred Charges to Future Taxation--Unfunded	SC-4	975,500.00	2,248,000.00
Due from State of New Jersey	SC-8	305,912.33	900,000.00
		<u>\$ 3,540,633.63</u>	<u>\$ 3,663,173.87</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	SC-10	\$ 1,510,000.00	\$ 515,000.00
Bond Anticipation Notes	SC-9	450,000.00	600,000.00
Capital Improvement Fund	SC-6	34,761.92	34,761.92
Reserve for Encumbrances	SC-7	170,957.17	307,754.35
Accounts Payable	SC-1	4,147.57	
Improvement Authorizations:			
Funded	SC-5	606,452.96	905,596.53
Unfunded	SC-5	525,000.00	663,005.49
Due to Sewer Operating Fund	SC-1		462,000.00
Fund Balance	C-1	239,314.01	175,055.58
		<u>\$ 3,540,633.63</u>	<u>\$ 3,663,173.87</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 175,055.58
Increased by:	
Premium on BAN Issue	<u>124,858.37</u>
	299,913.95
Decreased by:	
Appropriated to 2023 Budget Revenue	<u>60,599.94</u>
Balance Dec. 31, 2023	<u><u>\$ 239,314.01</u></u>

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, 2023 and 2022

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Cash--Treasurer	SD-1	\$ 1,030,989.42	\$ 1,152,387.43
Cash--Change Fund		25.00	25.00
		<u>1,031,014.42</u>	<u>1,152,412.43</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-5	152,267.51	129,792.20
Water Utility Liens	SD-6	95.69	95.69
		<u>152,363.20</u>	<u>129,887.89</u>
Total Operating Fund		<u>1,183,377.62</u>	<u>1,282,300.32</u>
Capital Fund:			
Cash	SD-1	648,397.61	192,466.37
Fixed Capital	SD-8	3,384,241.91	3,374,241.91
Fixed Capital Authorized and Uncompleted	SD-9	4,330,000.00	4,330,000.00
Total Capital Fund		<u>8,362,639.52</u>	<u>7,896,708.28</u>
		<u>\$ 9,546,017.14</u>	<u>\$ 9,179,008.60</u>

(Continued)

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis  
 As of December 31, 2023 and 2022

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4 & SD-10	\$ 133,617.28	\$ 77,993.76
Reserve for Encumbrances	SD-11	37,238.99	130,802.08
Overpayment of Rents	SD-2	840.75	840.75
Accrued Interest on Serial Bonds and Notes	SD-13	7,250.64	7,077.26
		<u>178,947.66</u>	<u>216,713.85</u>
Reserve for Receivables	D	152,363.20	129,887.89
Fund Balance	D-1	852,066.76	935,698.58
		<u>1,183,377.62</u>	<u>1,282,300.32</u>
Total Operating Fund			
		<u>1,183,377.62</u>	<u>1,282,300.32</u>
Capital Fund:			
Serial Bonds	SD-21	725,000.00	525,000.00
NJ Environmental Infrastructure Loan Payable	SD-20	308,333.93	351,667.33
NJ Environmental Infrastructure Loan Payable - Prelim	SD-12	776,355.00	91,519.00
Bond Anticipation Notes	SD-19	315,120.00	367,640.00
Capital Improvement Fund	SD-14	72,350.00	72,350.00
Reserve for Water Capital Improvements	SD-4	207,543.50	85,669.50
Reserve for Hydrants	SD-7	58,547.68	11,771.97
Accounts Payable	SD-3	2,008.43	
Reserve for Encumbrances	SD-15	311,124.39	222,407.89
Improvement Authorizations:			
Funded	SD-16	76,065.02	55,645.47
Unfunded	SD-16	1,257,032.04	2,105,483.29
Reserves for:			
Amortization	SD-17	3,942,037.98	3,763,704.58
Deferred Amortization	SD-18	293,580.00	241,060.00
Fund Balance	D-2	17,541.55	2,789.25
		<u>8,362,639.52</u>	<u>7,896,708.28</u>
		<u>\$ 9,546,017.14</u>	<u>\$ 9,179,008.60</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2023 and 2022

<u>Revenue and Other Income Realized</u>	<u>2023</u>	<u>2022</u>
Operating Fund Balance Utilized	\$ 273,800.00	\$ 75,900.00
Rents	802,317.10	838,984.77
Miscellaneous	92,154.08	9,193.30
Water Capital Fund Surplus	367.70	1,744.00
American Rescue Plan		185,786.68
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	74,569.88	133,881.98
 Total Income	 <u>1,243,208.76</u>	 <u>1,245,490.73</u>
 <u>Expenditures</u>		
Operating	574,060.00	531,700.00
Capital Improvements	190,000.00	235,786.68
Debt Service	241,480.58	231,175.65
Deferred Charges and Statutory Expenditures	47,500.00	17,100.00
 Total Expenditures	 <u>1,053,040.58</u>	 <u>1,015,762.33</u>
 Excess in Revenue	 190,168.18	 229,728.40
 <u>Fund Balance</u>		
Balance Jan. 1	<u>935,698.58</u>	<u>781,870.18</u>
 Decreased by:	 1,125,866.76	 1,011,598.58
Utilized in Operating Budget	<u>273,800.00</u>	<u>75,900.00</u>
 Balance Dec. 31	 <u>\$ 852,066.76</u>	 <u>\$ 935,698.58</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF ALLENTOWN**  
WATER UTILITY CAPITAL FUND  
Statement of Fund Balance -- Regulatory Basis  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 2,789.25
Increased by:	
Premium on Sale of Serial Bonds	<u>15,120.00</u>
	17,909.25
Decreased by:	
Appropriated to 2023 Budget Revenue	<u>367.70</u>
Balance Dec. 31, 2023	<u><u>\$ 17,541.55</u></u>

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, 2023

	<u>Budget</u>	<u>Realized</u>	Excess or (Deficit)
Fund Balance Anticipated	\$ 273,800.00	\$ 273,800.00	
Rents	775,000.00	802,317.10	\$ 27,317.10
Miscellaneous	3,999.50	92,154.08	88,154.58
Water Capital Fund Surplus	367.70	367.70	
	<u>\$ 1,053,167.20</u>	<u>\$ 1,168,638.88</u>	<u>\$ 115,471.68</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable	<u>\$ 802,317.10</u>
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Miscellaneous:

Interest on Investments	\$ 10,531.63
Penalties on Delinquent Accounts	3,884.31
Connection Fees	900.00
Bad Check Fee	186.85
Miscellaneous	<u>76,651.29</u>
	<u>\$ 92,154.08</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, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 105,400.00	\$ 105,400.00	\$ 86,558.91		\$ 18,841.09	
Other Expenses	468,960.00	468,660.00	317,523.04	\$ 37,238.99	113,897.97	
<b>Total Operating</b>	<b>574,360.00</b>	<b>574,060.00</b>	<b>404,081.95</b>	<b>37,238.99</b>	<b>132,739.06</b>	<b>-</b>
Capital Improvements:						
Capital Outlay	90,000.00	90,000.00	90,000.00			
Replacement of Lead Lines - Church Street	100,000.00	100,000.00	100,000.00			
<b>Total Capital Improvements</b>	<b>190,000.00</b>	<b>190,000.00</b>	<b>190,000.00</b>			<b>-</b>
Debt Service:						
Payment of Bond Principal	100,000.00	100,000.00	100,000.00			
Payment of Bond Anticipation Notes	52,520.00	52,520.00	52,520.00			
Interest on Bonds	24,525.00	25,425.00	25,346.91			\$ 78.09
Interest on Notes	16,543.80	16,143.80	16,103.49			40.31
Payment on NJIB	43,333.40	43,333.40	43,333.40			
Payment on NJIB - Interest	4,385.00	4,185.00	4,176.78			8.22
<b>Total Debt Service</b>	<b>241,307.20</b>	<b>241,607.20</b>	<b>241,480.58</b>	<b>-</b>	<b>-</b>	<b>126.62</b>
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Costs of Improvements Authorized:						
Ordinance No. 09-2018	25,000.00	25,000.00	25,000.00			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	15,000.00	15,000.00	15,000.00			
Social Security System (O.A.S.I.)	7,500.00	7,500.00	6,621.78		878.22	
<b>Total Deferred Charges and Statutory Expenditures</b>	<b>47,500.00</b>	<b>47,500.00</b>	<b>46,621.78</b>	<b>-</b>	<b>878.22</b>	<b>-</b>
	<b>\$ 1,053,167.20</b>	<b>\$ 1,053,167.20</b>	<b>\$ 882,184.31</b>	<b>\$ 37,238.99</b>	<b>\$ 133,617.28</b>	<b>\$ 126.62</b>
Interest on Bonds			\$ 25,346.91			
Interest on Notes			16,103.49			
Interest on Loans			4,176.78			
Disbursed			836,557.13			
			<u>\$ 882,184.31</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, 2023 and 2022

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Cash	SE-1	\$ 2,052,964.43	\$ 1,624,718.39
Due from General Capital Fund	SE-1		462,000.00
		<u>2,052,964.43</u>	<u>2,086,718.39</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SE-4	71,939.66	54,321.57
Sewer Utility Liens	SE-5	703.75	703.75
		<u>72,643.41</u>	<u>55,025.32</u>
Total Operating Fund		<u>2,125,607.84</u>	<u>2,141,743.71</u>
Capital Fund:			
Cash	SE-1	408,191.77	280,293.77
Fixed Capital	SE-6	3,832,861.77	3,764,912.77
Fixed Capital Authorized and Uncompleted	SE-7	6,300,000.00	6,300,000.00
Total Capital Fund		<u>10,541,053.54</u>	<u>10,345,206.54</u>
		<u>\$ 12,666,661.38</u>	<u>\$ 12,486,950.25</u>

(Continued)

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis  
 As of December 31, 2023 and 2022

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3 & SE-8	\$ 204,635.61	\$ 434,910.64
Reserve for Encumbrances	SE-9	46,468.37	6,406.00
Accrued Interest on Bonds and Notes	SE-10	9,969.88	1,853.43
		<u>261,073.86</u>	<u>443,170.07</u>
Reserve for Receivables	E	72,643.41	55,025.32
Fund Balance	E-1	1,791,890.57	1,643,548.32
		<u>2,125,607.84</u>	<u>2,141,743.71</u>
Total Operating Fund			
		<u>2,125,607.84</u>	<u>2,141,743.71</u>
Capital Fund:			
Serial Bonds	SE-16	410,000.00	485,000.00
NJ Environmental Infrastructure Loan Payable	SE-17	4,227,148.61	4,277,198.00
NJ Environmental Infrastructure Loan Payable - Preliminary Expenses	SE-18	177,198.00	177,198.00
Capital Improvement Fund	SE-12	102,350.00	102,350.00
Reserve for Sewer Capital Equipment	SE-15	400,100.00	263,049.00
Reserve for Encumbrances	SE-14		8,778.00
Improvement Authorizations:			
Funded	SE-14	6,030.59	6,405.59
Unfunded	SE-14	45,285.49	45,285.49
Reserve for:			
Amortization	SE-11	4,826,595.16	4,633,596.77
Deferred Amortization	SE-13	346,316.00	346,316.00
Fund Balance		29.69	29.69
		<u>10,541,053.54</u>	<u>10,345,206.54</u>
Total Capital Fund		<u>10,541,053.54</u>	<u>10,345,206.54</u>
		<u>\$ 12,666,661.38</u>	<u>\$ 12,486,950.25</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2023 and 2022

<u>Revenue and Other Income Realized</u>	<u>2023</u>	<u>2022</u>
Operating Fund Balance Utilized	\$ 226,997.00	\$ 152,000.00
Rents	1,041,634.99	1,035,072.49
Miscellaneous	36,729.82	6,134.34
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	275,591.01	235,200.41
	<hr/>	<hr/>
Total Income	1,580,952.82	1,428,407.24
	<hr/>	<hr/>
<u>Expenditures</u>		
Operating	833,750.00	812,750.00
Capital Improvements	75,000.00	130,000.00
Debt Service	274,363.57	95,762.33
Deferred Charges and Statutory Expenditures	22,500.00	16,600.00
	<hr/>	<hr/>
Total Expenditures	1,205,613.57	1,055,112.33
	<hr/>	<hr/>
Excess in Revenue	375,339.25	373,294.91
	<hr/>	<hr/>
<u>Fund Balance</u>		
Balance Jan. 1	1,643,548.32	1,422,253.41
	<hr/>	<hr/>
Decreased by:	2,018,887.57	1,795,548.32
Utilized in Operating Budget	226,997.00	152,000.00
	<hr/>	<hr/>
Balance Dec. 31	\$ 1,791,890.57	\$ 1,643,548.32
	<hr/>	<hr/>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2023

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 226,997.00	\$ 226,997.00	
Rents	975,000.00	1,041,634.99	\$ 66,634.99
Miscellaneous	4,000.12	36,729.82	32,729.70
	<u>\$ 1,205,997.12</u>	<u>\$ 1,305,361.81</u>	<u>\$ 99,364.69</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable

\$ 1,041,634.99

Miscellaneous:

Interest on Investments

\$ 12,690.26

Penalties on Delinquent Accounts

5,348.07

Connection Fees

12,690.26

Miscellaneous

6,001.23

\$ 36,729.82

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, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 92,400.00	\$ 92,400.00	\$ 86,558.86		\$ 5,841.14	
Other Expenses	749,850.00	741,350.00	496,965.38	\$ 46,468.37	197,916.25	
Total Operating	842,250.00	833,750.00	583,524.24	46,468.37	203,757.39	-
Capital Improvements:						
Capital Outlay	75,000.00	75,000.00	75,000.00			
Total Capital Improvements	75,000.00	75,000.00	75,000.00	-	-	-
Debt Service:						
Payment of Bond Principal	75,000.00	75,000.00	75,000.00			
Interest on Bonds	22,550.00	22,550.00	22,241.78			\$ 308.22
Interest on Notes						
Payment on NJIB	50,049.39	50,049.39	50,049.39			
Payment on NJIB - Interest	118,647.73	127,147.73	127,072.40			75.33
Total Debt Service	266,247.12	274,747.12	274,363.57	-	-	383.55
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.)	7,500.00	7,500.00	6,621.78		878.22	
Total Deferred Charges and Statutory Expenditures	22,500.00	22,500.00	21,621.78	-	878.22	-
	<u>\$ 1,205,997.12</u>	<u>\$ 1,205,997.12</u>	<u>\$ 954,509.59</u>	<u>\$ 46,468.37</u>	<u>\$ 204,635.61</u>	<u>\$ 383.55</u>
Interest on Bonds			\$ 22,241.78			
Interest on Loans			127,072.40			
Disbursed			805,195.41			
			<u>\$ 954,509.59</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, 2023

	Balance <u>Dec. 31, 2022</u>	<u>Additions</u>	Balance <u>Dec. 31, 2023</u>
General Fixed Assets:			
Land	\$ 1,952,700.00		\$ 1,952,700.00
Land Improvements	512,021.80		512,021.80
Buildings and Improvements	989,166.29	\$ 357,398.72	1,346,565.01
Equipment	427,853.61	67,764.55	495,618.16
Vehicles	407,570.95		407,570.95
Total General Fixed Assets	<u>\$ 4,289,312.65</u>	<u>\$ 425,163.27</u>	<u>\$ 4,714,475.92</u>
Total Investment in General Fixed Assets	<u>\$ 4,289,312.65</u>		<u>\$ 4,714,475.92</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, 2023

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**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 2020 census is 1,734.

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* (2 CFR Part 225), 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, 2022 and decreased by the amount deferred at December 31, 2023.

**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 immediately 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.

**Impact of Recently Issued Accounting Principles****Recently Issued Accounting Pronouncements**

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

**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, 2023, the Borough's bank balances of \$6,696,793.41 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$ 2.878</u>	<u>\$ 3.029</u>	<u>\$ 3.026</u>	<u>\$ 2.951</u>	<u>\$ 3.029</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.932	\$ 0.890	\$ 0.869	\$ 0.820	\$ 0.822
Municipal Open Space	0.045	0.045	0.045	0.045	0.045
County	0.200	0.228	0.241	0.241	0.243
County Open Space	0.030	0.030	0.029	0.028	0.028
County Library	0.014	0.017	0.018	0.018	0.017
County Health	0.004	0.005	0.005	0.005	0.005
Regional School Tax	1.653	1.814	1.819	1.794	1.869

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2023	\$ 193,121,000.00
2022	193,735,300.00
2021	193,424,900.00
2020	192,688,600.00
2019	192,242,000.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 5,558,022.38	\$ 5,478,836.72	98.58%
2022	5,868,242.24	5,760,024.87	98.16%
2021	5,863,730.79	5,732,787.51	97.77%
2020	5,693,685.23	5,559,380.38	97.64%
2019	5,827,583.96	5,730,718.73	98.34%

**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):

**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>
2023	\$ 105,676.95	\$ 74,686.16	\$ 180,363.11	3.25%
2022	99,192.81	95,633.79	194,826.60	3.32%
2021	92,565.47	121,083.52	213,648.99	3.64%
2020	134,209.90	122,062.96	256,272.86	4.50%
2019	124,477.49	85,552.42	210,029.91	3.60%

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>
2023	13
2022	13
2021	10
2020	11
2019	11

**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>
2023	\$ 16,400.00
2022	16,400.00
2021	16,400.00
2020	16,400.00
2019	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>			
2023	\$ 129,792.20	\$ 95.69	\$ 824,792.41	\$ 954,680.30	\$ 802,317.10
2022	141,060.23	95.69	827,716.74	968,872.66	838,984.77
2021	168,558.05	3,203.05	786,827.27	958,588.37	814,325.09
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

**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>			
2023	\$ 54,321.57	\$ 703.75	\$ 1,059,253.08	\$ 1,114,278.40	\$ 1,041,634.99
2022	53,987.30	703.75	1,035,406.76	1,090,097.81	1,035,072.49
2021	51,499.94	10,536.80	963,954.05	1,025,990.79	961,466.69
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

**Note 7: LEASES RECEIVABLE**

The Borough, as lessor, has entered into the following leases which meet the requirements of GASB Statement No. 87, *Leases*:

**Cell Tower Leases**

On December 12, 2021, the Borough entered into a five-year lease agreement with AT&T for the lease of cell towers with an incremental borrowing rate of 5.00%. The initial five-year term was for \$3,560.42 monthly with an annual increase adjusted by the Consumer Price Index. The agreement included four (4) five-year automatic extensions under the same terms unless the lessee terminates it at the end of the then current term by giving written notice of intent to terminate at least 180 days prior. The initial and extensions period will end with the monthly payment in December 11, 2045. After the final extension period, the agreement can continue under the same terms but subject to the termination by either party.

On April 1, 2006, the Borough entered into a five-year lease agreement with T-Mobile for the lease of cell towers with an incremental borrowing rate of 5.00%. The initial five-year term was for \$1,657.00 monthly with an annual increase adjusted by the Consumer Price Index. The agreement included four (4) five-year automatic extensions under the same terms unless the lessee terminates it at the end of the then current term by giving written notice of intent to terminate at least 180 days prior. The initial and extensions period will end with the monthly payment in March 31, 2030. After the final extension period, the agreement can continue under the same terms but subject to the termination by either party.

On May 1, 2021, the Borough entered into a five-year lease agreement with Verizon for the lease of cell towers with an incremental borrowing rate of 5.00%. The initial five-year term was for \$3,646.87 monthly with an annual increase adjusted by the Consumer Price Index. The agreement included three (3) five-year automatic extensions under the same terms unless the lessee terminates it at the end of the then current term by giving written notice of intent to terminate at least 180 days prior. The initial and extensions period will end with the monthly payment in April 30, 2040. After the final extension period, the agreement can continue under the same terms but subject to the termination by either party.

Under the provisions of GASB 87, as of December 31, 2023, the balance of the lease's receivable is \$1,685,260.51. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

The following is a summary of the leases as of December 31, 2023:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Towers	<u>\$ 1,685,260.51</u>	<u>\$ 86,865.25</u>	<u>\$ 86,184.78</u>

Under the provisions of GASB 87, for the year ended December 31, 2023, the Borough would have recognized \$38,434.97 in a reduction of lease receivable and \$86,184.78 in interest revenue related to the leases. In addition, \$86,865.25 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

As a result of the regulatory basis of accounting previously described in note 1, the rental payments collected of \$130,925.35 were reported as revenue in the current fund.

**Note 7: LEASES RECEIVABLE (CONT'D)****Cell Tower Leases (Cont'd)**

The following schedule represents the future payments that are included in the measurement of the lease receivable:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 44,095.32	\$ 84,263.03	\$ 128,358.35
2025	50,150.84	82,058.26	132,209.10
2026	56,624.66	79,550.72	136,175.38
2027	63,541.16	76,719.48	140,260.64
2028	70,926.02	73,542.43	144,468.45
2029-2033	348,683.72	312,646.56	661,330.28
2034-2038	452,616.65	221,695.30	674,311.95
2039-2043	439,539.22	97,868.89	537,408.11
2044-2045	<u>159,082.92</u>	<u>12,089.91</u>	<u>171,172.83</u>
Total	<u>\$ 1,685,260.51</u>	<u>\$ 1,040,434.58</u>	<u>\$ 2,725,695.09</u>



**Note 8: 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>
2023	\$ 764,092.72	\$ 341,540.00	44.70%
2022	714,500.23	434,090.00	60.75%
2021	948,426.27	470,000.00	49.56%
2020	805,520.85	444,500.00	55.18%
2019	1,107,027.88	566,547.90	51.18%

**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>
2023	\$ 852,066.76	\$ 219,500.00	25.76%
2022	935,698.58	273,800.00	29.26%
2021	781,870.18	75,900.00	9.71%
2020	599,355.50	82,000.00	13.68%
2019	487,901.47	159,445.00	32.68%

**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>
2023	\$ 1,791,890.57	\$ 320,000.00	17.86%
2022	1,643,548.32	226,997.00	13.81%
2021	1,422,253.41	152,000.00	10.69%
2020	1,207,448.95	168,000.00	13.91%
2019	1,009,936.44	180,000.00	17.82%

**Note 9: 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, 2023:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 20,000.00	\$ 5,000.00
Federal and State Grant		20,000.00
Trust - Other	5,000.00	
	<u>5,000.00</u>	<u>20,000.00</u>
	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</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 2024, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 10: 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. In addition, several Borough employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower (formerly Prudential Financial) for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. As a local participation employer of these pension plans, the Borough is referred to as "Employer" throughout this note. 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, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, 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 10: 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, and disability benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Employer. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**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 ten years of service.

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 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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 10: 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.

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**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.

*Special Funding Situation Component* - Under N.J.S.A. 43:15A, 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. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

**Note 10: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd) - Special Funding Situation Component (Cont'd)** - 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 Employer's contractually required contribution rate for the year ended December 31, 2023 was 17.80% of the Employer'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, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is \$79,211.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$62,162.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$34,763.04.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2023 was 0.0059491297% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$2,677.00. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was \$1,565.00.

**Note 10: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**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.

*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 Employer's contractually required contribution rate for the year ended December 31, 2023 was 29.30% of the Employer'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, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is \$134,931.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$158,940.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$48,043.60.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2023 was 5.13% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$23,599.00, and is payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was \$30,994.00, which was paid on April 1, 2023.

**Note 10: 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, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$858,435.00. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer'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, 2023 measurement date, the Employer's proportion was .0059266281%, which was a decrease of .0009972361% from its proportion measured as of June 30, 2022.

**Note 10: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

**Pension (Benefit) Expense** - For the year ended December 31, 2023, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was \$74,602.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PERS was \$62,162.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2023 measurement date, was \$2,677.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

**Police and Firemen's Retirement System**

**Pension Liability** - As of December 31, 2023, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 1,119,908.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>206,356.00</u>
	<u>\$ 1,326,264.00</u>



**Note 10: 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 (Cont'd)**

**Pension Liability (Cont'd)** - The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer'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, 2023 measurement date, the Employer's proportion was .0101360300%, which was a decrease of .0020849200% from its proportion measured as of June 30, 2022. Likewise, at June 30, 2023, the State of New Jersey's proportion, on-behalf of the Employer, was .0101359500%, which was a decrease of .0020851300% from its proportion, on-behalf of the Employer, measured as of June 30, 2022.

**Pension (Benefit) Expense** - For the year ended December 31, 2023, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was \$56,164.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PFRS was \$158,940.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2023 measurement date, was \$23,473.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - As of December 31, 2023, the Employer 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		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 8,208.00	\$ 47,952.00	\$ 56,160.00	\$ 3,509.00	\$ 53,410.00	\$ 56,919.00
Changes of Assumptions	1,886.00	2,417.00	4,303.00	52,025.00	75,621.00	127,646.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,953.00	57,035.00	60,988.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	240,729.00	261,750.00	502,479.00	12,156.00	325,829.00	337,985.00
Contributions Subsequent to the Measurement Date	39,606.00	67,466.00	107,072.00	-	-	-
	<u>\$ 294,382.00</u>	<u>\$ 436,620.00</u>	<u>\$ 731,002.00</u>	<u>\$ 67,690.00</u>	<u>\$ 454,860.00</u>	<u>\$ 522,550.00</u>

**Note 10: 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)** - Deferred outflows of resources in the amounts of \$39,606.00 and \$67,466.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2024. These amounts were based on an estimated April 1, 2025 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2023 to the Employer's year end of December 31, 2023.

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

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
June 30, 2023	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
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
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16

**Note 10: 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:

<b>Year Ending Dec 31,</b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2024	\$ 26,965.00	\$ (54,081.00)	\$ (27,116.00)
2025	33,673.00	(72,853.00)	(39,180.00)
2026	96,180.00	91,411.00	187,591.00
2027	27,542.00	(11,669.00)	15,873.00
2028	2,726.00	(32,234.00)	(29,508.00)
Thereafter	-	(6,280.00)	(6,280.00)
	<u>\$ 187,086.00</u>	<u>\$ (85,706.00)</u>	<u>\$ 101,380.00</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

**Note 10: 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-2021.

**Police and Firemen's Retirement System**

Pre-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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, 2023) 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, 2023 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

**Note 10: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Discount Rate -**

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make 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 Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2023 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer'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:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Proportionate Share of the Net Pension Liability	<u>\$ 1,117,500.00</u>	<u>\$ 858,435.00</u>	<u>\$ 637,937.00</u>

**Note 10: PENSION PLANS (CONT'D)****Sensitivity of 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 Employer's annual required contribution. As such, the net pension liability as of the June 30, 2023 measurement date, for the Employer 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:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Proportionate Share of the Net Pension Liability	\$ 1,560,396.00	\$ 1,119,908.00	\$ 753,087.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>287,521.00</u>	<u>206,356.00</u>	<u>138,765.00</u>
	<u>\$ 1,847,917.00</u>	<u>\$ 1,326,264.00</u>	<u>\$ 891,852.00</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 10: 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.

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0059266281%	0.0049293920%	0.0041663670%	0.0042901429%	0.0039009754%
Proportionate Share of the Net Pension Liability	\$ 858,435.00	\$ 743,913.00	\$ 493,569.00	\$ 699,610.00	\$ 702,897.00
Covered Payroll (Plan Measurement Period)	\$ 416,768.00	\$ 363,288.00	\$ 305,332.00	\$ 302,424.00	\$ 279,872.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	205.97%	204.77%	161.65%	231.33%	251.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%
	<u>Measurement Date Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0040046169%	0.0034289975%	0.0034424236%	0.0030486252%	0.0033790014%
Proportionate Share of the Net Pension Liability	\$ 788,489.00	\$ 798,216.00	\$ 1,019,547.00	\$ 684,355.00	\$ 632,641.00
Covered Payroll (Plan Measurement Period)	\$ 205,880.00	\$ 243,236.00	\$ 207,204.00	\$ 209,456.00	\$ 305,456.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	382.98%	328.17%	492.05%	326.73%	207.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

**Note 10: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 79,211.00	\$ 62,162.00	\$ 48,793.00	\$ 46,932.00	\$ 37,945.00
Contribution in Relation to the Contractually Required Contribution	<u>(79,211.00)</u>	<u>(62,162.00)</u>	<u>(48,793.00)</u>	<u>(46,932.00)</u>	<u>(37,945.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 445,006.00	\$ 398,297.00	\$ 349,984.00	\$ 305,332.00	\$ 285,279.00
Contributions as a Percentage of Covered Payroll	17.80%	15.61%	13.94%	15.37%	13.30%
	<u>Year Ended December 31,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 39,833.00	\$ 31,766.00	\$ 30,582.00	\$ 26,210.00	\$ 27,856.00
Contribution in Relation to the Contractually Required Contribution	<u>(39,833.00)</u>	<u>(31,766.00)</u>	<u>(30,582.00)</u>	<u>(26,210.00)</u>	<u>(27,856.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 298,920.00	\$ 242,662.00	\$ 213,256.00	\$ 194,056.00	\$ 197,523.00
Contributions as a Percentage of Covered Payroll	13.33%	13.09%	14.34%	13.51%	14.10%



**Note 10: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0101360300%	0.0122209500%	0.0108919680%	0.0094544178%	0.0117260427%
Proportionate Share of the Net Pension Liability	\$ 1,119,908.00	\$ 1,398,854.00	\$ 796,110.00	\$ 1,221,635.00	\$ 1,435,012.00
State's Proportionate Share of the Net Pension Liability	<u>206,356.00</u>	<u>248,955.00</u>	<u>223,906.00</u>	<u>189,592.00</u>	<u>226,591.00</u>
Total	<u>\$ 1,326,264.00</u>	<u>\$ 1,647,809.00</u>	<u>\$ 1,020,016.00</u>	<u>\$ 1,411,227.00</u>	<u>\$ 1,661,603.00</u>
Covered Payroll (Plan Measurement Period)	\$ 409,512.00	\$ 435,500.00	\$ 381,820.00	\$ 326,224.00	\$ 397,432.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	273.47%	321.21%	208.50%	374.48%	361.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.16%	68.33%	77.26%	63.52%	65.00%
	<u>Measurement Date Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0106424880%	0.0104802334%	0.0095105040%	0.0084882732%	0.0073489485%
Proportionate Share of the Net Pension Liability	\$ 1,440,104.00	\$ 1,617,945.00	\$ 1,816,750.00	\$ 1,413,850.00	\$ 924,430.00
State's Proportionate Share of the Net Pension Liability	<u>195,614.00</u>	<u>181,224.00</u>	<u>152,562.00</u>	<u>123,990.00</u>	<u>99,546.00</u>
Total	<u>\$ 1,635,718.00</u>	<u>\$ 1,799,169.00</u>	<u>\$ 1,969,312.00</u>	<u>\$ 1,537,840.00</u>	<u>\$ 1,023,976.00</u>
Covered Payroll (Plan Measurement Period)	\$ 353,072.00	\$ 339,244.00	\$ 303,980.00	\$ 268,804.00	\$ 232,116.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	476.93%	597.65%	525.98%	398.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%	56.31%	62.41%

**Note 10: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 134,931.00	\$ 158,940.00	\$ 126,942.00	\$ 105,622.00	\$ 118,446.00
Contribution in Relation to the Contractually Required Contribution	<u>(134,931.00)</u>	<u>(158,940.00)</u>	<u>(126,942.00)</u>	<u>(105,622.00)</u>	<u>(118,446.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 460,462.00	\$ 391,771.00	\$ 436,761.00	\$ 393,415.00	\$ 336,973.00
Contributions as a Percentage of Covered Payroll	29.30%	40.57%	29.06%	26.85%	35.15%
	<u>Year Ended December 31,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 104,046.00	\$ 92,752.00	\$ 77,543.00	\$ 68,997.00	\$ 56,445.00
Contribution in Relation to the Contractually Required Contribution	<u>(104,046.00)</u>	<u>(92,752.00)</u>	<u>(77,543.00)</u>	<u>(68,997.00)</u>	<u>(56,445.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 362,227.00	\$ 354,233.00	\$ 340,051.00	\$ 304,234.00	\$ 274,436.00
Contributions as a Percentage of Covered Payroll	28.72%	26.18%	22.80%	22.68%	20.57%

**Note 10: 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 Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

**Changes in Assumptions**

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%

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

The June 30, 2023 measurement date include the following plan amendment: Chapter 92, P.L. 2023 establishing an extension of the previous plan amendment Chapter 52, P.L. 2021, allowing members enrolled between January 18, 2000 and April 19, 2021 to retire prior to age 55 if they have attained 20 years of creditable service and retire by May 1, 2026.

**Changes in Assumptions**

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%

**Note 11: 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, 2023, 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>9</u>
	<u>10</u>

**Total OPEB Liability**

The Borough's total OPEB liability of \$2,427,314.00 was measured as of December 31, 2023 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	3.26%
Healthcare Cost Trend Rates	Medical: 5.1% in 2023, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026 Drug: 6.0% in 2023, reducing by 0.5% per annum, leveling at 4.5% per annum in 2026 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum
Retirees' Share of Benefit-Related Costs	Contribution rates in effect at retirement

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

**Note 11: 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* - PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021

An experience study was not performed on the actuarial assumptions used in the December 31, 2023 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, 2022		\$ 2,377,226.00
Changes for the Year:		
Service Cost	\$ 58,755.00	
Interest Cost	90,027.00	
Benefit Payments	(31,795.00)	
Changes in Assumptions	(66,899.00)	
Difference between Expected and Actual Experience	<u>-</u>	
Net Changes		<u>50,088.00</u>
Balance at December 31, 2023		<u>\$ 2,427,314.00</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 3.72% at December 31, 2022 to 3.26% at December 31, 2023.

**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, 2023</u>		
	<b>1.00% Decrease (2.26%)</b>	<b>Current Discount Rate (3.26%)</b>	<b>1.00% Increase (4.26%)</b>
Total OPEB Liability	<u>\$ 2,762,741.00</u>	<u>\$ 2,427,314.00</u>	<u>\$ 2,166,193.00</u>

**Note 11: 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:

	<b>December 31, 2023</b>		
	<b><u>1.00% Decrease</u></b>	<b><u>Healthcare Cost Trend Rates</u></b>	<b><u>1.00% Increase</u></b>
Total OPEB Liability	<u>\$ 2,203,413.00</u>	<u>\$ 2,427,314.00</u>	<u>\$ 2,722,312.00</u>

**OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended December 31, 2023, the Borough recognized OPEB (benefit) expense of \$161,716.00. As of December 31, 2023, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes of Assumptions	\$ 549,069.00	\$ -
Difference Between Expected and Actual Experience	-	365,088.00
	<u>\$ 549,069.00</u>	<u>\$ 365,088.00</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:

<b>Year Ending Dec 31,</b>	
2024	\$ 12,934.00
2025	12,934.00
2026	12,934.00
2027	12,934.00
2028	12,934.00
Thereafter	<u>119,311.00</u>
	<u>\$ 183,981.00</u>

**Note 11: 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 Six Years)***

	<u>Plan Measurement Date December 31,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 58,755.00	\$ 58,755.00	\$ 35,768.00
Interest Cost	90,027.00	48,996.00	51,286.00
Benefit Payments	(31,795.00)	(31,655.00)	(32,227.00)
Changes in Assumptions	(66,899.00)	(226,957.00)	(118,787.00)
Difference Between Expected and Actual Experience	-	192,556.00	-
Net Change in Total OPEB Liability	50,088.00	41,695.00	(63,960.00)
Total OPEB Liability, January 1	2,377,226.00	2,335,531.00	2,399,491.00
Total OPEB Liability, December 31	<u>\$ 2,427,314.00</u>	<u>\$ 2,377,226.00</u>	<u>\$ 2,335,531.00</u>
Covered-Employee Payroll	\$ 642,805.33	\$ 573,898.51	\$ 404,832.57
Total OPEB Liability as a Percentage of Covered Payroll	377.61%	414.22%	576.91%
	<u>Plan Measurement Date December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
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, January 1	2,122,732.00	1,776,804.00	1,694,545.00
Total OPEB Liability, December 31	<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%

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****BOROUGH OF ALLENTOWN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**Changes in Benefit Terms

None.

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	3.26%	2018	4.10%
2022	3.72%		
2021	2.06%		
2020	2.12%		
2019	2.74%		



**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFITS BENEFITS PLAN**

In May 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 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, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

**General Information about the State Health Benefit Local Government Retired Employees Plan**

**Plan Description and Benefits Provided** - The State of New Jersey (the "State") provides postemployment benefits to certain Borough retirees and their dependents under a special funding situation as described below.

The State, 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") annual financial statements, 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.

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

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

**Special Funding Situation Component** - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. 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, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

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 expense, on-behalf of the Borough, is (\$134,642.00) for the year ended December 31, 2022, representing (-0.343675259%) of the Borough's covered payroll.

**OPEB Liability**

**OPEB Liability** - At December 31, 2022, the State's proportionate share of the net OPEB liability associated with the Borough was \$820,882.00. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

The State's proportion of the net OPEB liability, associated with 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, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the State's proportion on-behalf of the Borough was 0.024331%, which was a decrease of 0.011582% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

## Salary Increases:

PFRS - Rates for all future years 3.25% to 16.25% based on years of service

## Mortality:

PFRS - Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Actuarial assumptions used in the valuation were based on the results of the PFRS experience study prepared for July 1, 2018 to June 30, 2021.

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 (the "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.

**Discount Rate** - The discount rate used to measure the OPEB liability at June 30, 2022 was 3.54%. 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.

The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription Drug Trend
	Pre-65	PPO Post-65	HMO Post-65	
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The net OPEB liability, calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	<b>1% Decrease <u>(2.54%)</u></b>	<b>Current Discount Rate <u>(3.54%)</u></b>	<b>1% Increase <u>(4.54%)</u></b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 951,567.00</u>	<u>\$ 820,882.00</u>	<u>\$ 715,733.00</u>

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

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 696,379.00</u>	<u>\$ 820,882.00</u>	<u>\$ 980,335.00</u>

**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.

**Supplementary OPEB Information**

In accordance with GASBS 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.

**Note 11: 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 Proportionate Share of the Net OPEB Liability Associated with the Borough (Last Six Plan Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>820,882.00</u>	<u>1,386,729.00</u>	<u>1,124,197.00</u>
Total	<u>\$ 820,882.00</u>	<u>\$ 1,386,729.00</u>	<u>\$ 1,124,197.00</u>
Covered Payroll (Plan Measurement Period)	\$ 425,141.00	\$ 420,369.00	\$ 364,834.00
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	193.08%	329.88%	308.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%
	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>926,774.00</u>	<u>1,312,053.00</u>	<u>1,561,957.00</u>
Total	<u>\$ 926,774.00</u>	<u>\$ 1,312,053.00</u>	<u>\$ 1,561,957.00</u>
Covered Payroll (Plan Measurement Period)	\$ 335,350.00	\$ 367,566.00	\$ 346,908.00
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	276.36%	356.96%	450.25%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****Supplementary OPEB Information (Cont'd)****Other Notes to Supplementary OPEB Information**

**Changes in Benefit Terms** - The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, included changes due to employers adopting and /or changing Chapter 48 provisions.

**Changes in Assumptions** - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated experience study.

There were no changes to mortality projections.

**Note 12: 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, 2023, the balance of the fund was \$40,084.58. It is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at \$44,116.17.

**Note 13: 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 14: 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.

General Improvement Bonds, Series 2023 - On December 21, 2023, the Borough issued \$1,025,000.00 of general improvement bonds, with an interest rate of 5.0%. The final maturity of the bonds is December 1, 2036.

Water Improvement Bonds, Series 2023 - On December 21, 2023, the Borough issued \$300,000.00 of water improvement bonds, with an interest rate of 5.0%. The final maturity of the bonds is December 1, 2033.

**Note 14: 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**

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2024	\$ 95,000.00	\$ 68,852.78	\$ 163,852.78
2025	100,000.00	66,950.00	166,950.00
2026	105,000.00	61,950.00	166,950.00
2027	110,000.00	56,700.00	166,700.00
2028	115,000.00	51,300.00	166,300.00
2029-2033	605,000.00	173,600.00	778,600.00
2034-2036	380,000.00	34,700.00	414,700.00
	<u>\$ 1,510,000.00</u>	<u>\$ 514,052.78</u>	<u>\$ 2,024,052.78</u>

**Water Utility**

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2024	\$ 140,000.00	\$ 33,691.67	\$ 173,691.67
2025	145,000.00	27,525.00	172,525.00
2026	70,000.00	20,275.00	90,275.00
2027	80,000.00	16,775.00	96,775.00
2028	80,000.00	12,925.00	92,925.00
2029-2033	210,000.00	20,150.00	230,150.00
	<u>\$ 725,000.00</u>	<u>\$ 131,341.67</u>	<u>\$ 856,341.67</u>

**Sewer Utility**

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2024	\$ 75,000.00	\$ 18,800.00	\$ 93,800.00
2025	80,000.00	15,050.00	95,050.00
2026	85,000.00	11,050.00	96,050.00
2027	85,000.00	6,800.00	91,800.00
2028	85,000.00	3,400.00	88,400.00
	<u>\$ 410,000.00</u>	<u>\$ 55,100.00</u>	<u>\$ 465,100.00</u>



**Note 14: 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.

On December 6, 2022, the Borough entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$2,227,198.00, at no interest, from the fund loan, and \$2,050,000.00 at a 5% interest rate 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 2052.

During 2023, the Borough entered into a preliminary loan agreement with the New Jersey Environmental Infrastructure Trust (NJEIT) for the water plant. As of December 31, 2023 the Borough has submitted for reimbursement for preliminary costs in the amount of \$776,355.00. The preliminary costs reimbursed by NJEIT will be added to the loan and repaid by the Borough when the loan is finalized.

During 2023, the Borough entered into a preliminary loan agreement with the New Jersey Environmental Infrastructure Trust (NJEIT) for a wastewater treatment plant project. As of December 31, 2023 the Borough has submitted for reimbursement for preliminary costs in the amount of \$177,198.00. 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:

**Water Utility**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 43,333.40	\$ 3,600.00	\$ 46,933.40
2025	43,333.40	3,100.00	46,433.40
2026	43,333.40	2,600.00	45,933.40
2027	43,333.40	2,100.00	45,433.40
2028	43,333.40	1,600.00	44,933.40
2029-2030	91,666.93	1,700.00	93,366.93
	<u>\$ 308,333.93</u>	<u>\$ 14,700.00</u>	<u>\$ 323,033.93</u>

**Sewer Utility**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 110,074.08	\$ 102,500.00	\$ 212,574.08
2025	110,074.08	100,750.00	210,824.08
2026	110,074.08	99,000.00	209,074.08
2027	115,074.08	97,250.00	212,324.08
2028	115,074.08	95,250.00	210,324.08
2029-2033	605,370.40	444,500.00	1,049,870.40
2034-2038	670,370.40	380,500.00	1,050,870.40
2039-2043	755,370.40	299,000.00	1,054,370.40
2044-2048	855,370.40	194,000.00	1,049,370.40
2049-2052	780,296.61	61,750.00	842,046.61
	<u>\$ 4,227,148.61</u>	<u>\$ 1,874,500.00</u>	<u>\$ 6,101,648.61</u>

**Note 14: CAPITAL DEBT (CONT'D)**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 1,960,000.00	\$ 1,115,000.00	\$ 1,300,000.00
Water Utility:			
Bonds, Loans and Notes	2,124,808.93	1,335,826.33	1,522,175.73
Sewer Utility:			
Bonds and Loans	4,814,346.61	4,939,396.00	4,795,955.00
Total Issued	<u>8,899,155.54</u>	<u>7,390,222.33</u>	<u>7,618,130.73</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	525,500.00	1,648,000.00	2,494,383.00
Water Utility:			
Bonds, Loans and Notes	1,353,815.00	2,363,651.00	2,368,155.00
Sewer Utility:			
Bonds and Loans	145,604.00	145,604.00	359,045.00
Total Authorized but not Issued	<u>2,024,919.00</u>	<u>4,157,255.00</u>	<u>5,221,583.00</u>
Total Issued and Authorized but not Issued	<u>10,924,074.54</u>	<u>11,547,477.33</u>	<u>12,839,713.73</u>
<b><u>Deductions</u></b>			
Water Utility:			
Self-Liquidating	3,478,623.93	3,699,477.33	3,890,330.73
Sewer Utility:			
Self-Liquidating	4,959,950.61	5,085,000.00	5,155,000.00
Total Deductions	<u>8,438,574.54</u>	<u>8,784,477.33</u>	<u>9,045,330.73</u>
<b>Net Debt</b>	<u>\$ 2,485,500.00</u>	<u>\$ 2,763,000.00</u>	<u>\$ 3,794,383.00</u>

**Note 14: 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 1.140%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Purposes	\$ 4,600,958.63	\$ 4,600,958.63	
Water Utility	3,478,623.93	3,478,623.93	
Sewer Utility	4,959,950.61	4,959,950.61	
General	2,485,500.00		\$ 2,485,500.00
	<u>\$ 15,525,033.17</u>	<u>\$ 13,039,533.17</u>	<u>\$ 2,485,500.00</u>

Net Debt \$2,485,500.00 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$217,991,034.33 equals 1.140%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 7,629,686.20
Less: Net Debt	<u>2,485,500.00</u>
Remaining Borrowing Power	<u>\$ 5,144,186.20</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	\$ 1,168,638.88
Deductions:	
Operating and Maintenance Costs	\$ 596,560.00
Debt Service per Water Fund	<u>241,480.58</u>
Total Deductions	<u>838,040.58</u>
Excess in Revenue	<u>\$ 330,598.30</u>

**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		\$ 1,305,361.81
Deductions:		
Operating and Maintenance Costs	\$ 856,250.00	
Debt Service per Sewer Fund	274,363.57	
Total Deductions		<u>1,130,613.57</u>
Excess in Revenue		<u>\$ 174,748.24</u>

**Note 15: 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:

	<u>Balance December 31,</u>	
	<u>2023</u>	<u>2022</u>
Balance of Tax	\$ 1,597,306.51	\$ 1,757,400.01
Deferred	<u>1,597,306.51</u>	<u>1,616,292.95</u>
	<u>-</u>	<u>\$ 141,107.06</u>

**Note 16: 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 the activity and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 5,288.49	\$ 2,333.31	\$ 16,117.79
2022	5,000.00	1,683.04	13,162.61
2021	1,411.15	1,597.75	9,845.65

**Note 16: 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, 2023, which can be obtained from:

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

**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>
<b>General Improvements</b>		
Various Capital Improvements and Equipment	5/14/2024	\$ 1,350,000.00
<b>Water Utility Improvements</b>		
Replacement of Lead Pipes	3/26/2024	1,200,000.00

**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**



**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Current Cash -- Treasurer  
For the Year Ended December 31, 2023

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2022	\$ 1,356,169.99	\$ 38,664.55
Increased by Receipts:		
Collector	\$ 5,559,805.84	
Revenue Accounts Receivable	433,376.06	
Due State of New Jersey - (Ch. 73, P.L. 1976)	8,500.00	
Miscellaneous Revenue not Anticipated	14,029.65	
Interest on Investments and Deposits	10,225.35	
Municipal Relief Fund Aid	13,726.09	
Anticipated General Capital Surplus	60,599.94	
Payroll Deductions Payable	368,290.27	
Due from Federal and State Grant Fund	305,000.00	
Federal and State Grant Fund:		
Due Current Fund		\$ 175,000.00
Receivable		490,311.57
	6,773,553.20	665,311.57
	8,129,723.19	703,976.12
Decreased by Disbursements:		
2023 Budget Appropriations	2,369,484.28	
2022 Appropriation Reserves	132,590.22	
Accounts Payable	2,047.50	
Refund of Tax Overpayments	4,001.85	
County Taxes	476,933.99	
Regional School Taxes	3,355,008.50	
Payroll Deductions Payable	368,274.41	
Due Federal and State Grant Fund	175,000.00	
Due Trust -- Municipal Open Space Fund	86,945.61	
Federal and State Grant Fund:		
Due Current Fund		305,000.00
Appropriated Reserve		394,538.60
	6,970,286.36	699,538.60
Balance Dec. 31, 2023	\$ 1,159,436.83	\$ 4,437.52

**BOROUGH OF ALLENTOWN**  
CURRENT FUND  
Statement of Current Cash--Collector  
For the Year Ended December 31, 2023

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## Received:

Taxes Receivable	\$ 5,489,820.37	
2024 Prepaid Taxes	48,719.91	
Tax Overpayments	1,601.04	
Interest and Costs on Taxes	<u>19,664.52</u>	
		\$ 5,559,805.84

## Decreased by:

Payments to Treasurer		<u><u>\$ 5,559,805.84</u></u>
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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, 2023

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<u>Office</u>	<u>Dec. 31, 2023</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, 2023

Year	Balance Dec. 31, 2022	2023 Levy	Added Taxes	2022	Collected 2023	Overpayments Applied	Due from State of New Jersey	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2023
2022	\$ 95,633.79		\$ 500.00		\$ 96,133.79					
	95,633.79		500.00		96,133.79					
2023		\$ 5,560,659.47		\$ 75,489.26	5,393,686.58	\$ 1,160.88	\$ 8,500.00	\$ 6,484.14	\$ 652.45	\$ 74,686.16
	\$ 95,633.79	\$ 5,560,659.47	\$ 500.00	\$ 75,489.26	\$ 5,489,820.37	\$ 1,160.88	\$ 8,500.00	\$ 6,484.14	\$ 652.45	\$ 74,686.16

Analysis of 2023 Property Tax Levy

Tax Yield

General Purpose Tax	\$ 5,558,022.38
Added/Omitted Taxes (54:4-63.1 et seq.)	2,637.09
General Purpose Tax	<u>\$ 5,560,659.47</u>

Tax Levy

Regional School Tax	\$ 3,194,915.00
County Taxes:	
County Tax	\$ 386,514.44
County Library Tax	27,961.56
County Health Service Tax	7,698.48
County Open Space Fund Tax	54,759.51
Due County for Added/Omitted Taxes (54:4-63.1 et seq.)	<u>227.92</u>
Total County Taxes	477,161.91
Municipal Open Space Tax	86,945.61
Local Tax for Municipal Purposes	1,798,985.59
Add: Additional Tax Levied	<u>2,651.36</u>
Local Tax for Municipal Purposes Levied	<u>1,801,636.95</u>
	<u>\$ 5,560,659.47</u>

**BOROUGH OF ALLENTOWN**  
CURRENT FUND  
Statement of Tax Title Liens  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 99,192.81
Increased by:	
Transfers from Taxes Receivable	<u>6,484.14</u>
Balance Dec. 31, 2023	<u><u>\$ 105,676.95</u></u>

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Accrued</u> <u>in 2023</u>	<u>Collection</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Clerk -- Registrar of Vital Statistics:				
Licenses:				
Alcoholic Beverage		\$ 5,000.00	\$ 5,000.00	
Fees and Permits--Other		7,515.00	7,515.00	
Certified Copies		1,406.00	1,406.00	
Police:				
Fees and Permits		512.76	512.76	
Mercantile Licenses		445.00	445.00	
Cable TV Franchise Fees		26,247.95	26,247.95	
Lease Agreement- Cellular Antenna Site		130,925.35	130,925.35	
Energy Receipts Tax		132,504.62	132,504.62	
Shared Services Agreement - Municipal Court Services		66,412.79	47,589.06	\$ 18,823.73
Outside Employment of Police Officers - Administrative Fee from Trust Other Fund		10,000.00	10,000.00	
Municipal Court:				
Fines and Costs	\$ 5,588.82	68,170.50	71,230.32	2,529.00
	<u>\$ 5,588.82</u>	<u>\$ 449,139.97</u>	<u>\$ 433,376.06</u>	<u>\$ 21,352.73</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, 2023

Balance Dec. 31, 2022		\$ 836.47
Increased by:		
Collections		8,500.00
		9,336.47
Decreased by:		
Accrued in 2023:		
Senior Citizens' Deductions per Billings	\$ 500.00	
Veterans' Deductions per Billings	8,000.00	
	8,500.00	
Add:		
Veterans' and Senior Citizens' Deductions Allowed by Tax Collector	250.00	
	8,750.00	
Deduct:		
Veterans' and Senior Citizens' Deductions Disallowed by Tax Collector	250.00	
Subtotal - 2023 Taxes	8,500.00	
Less: Deductions Disallowed by Tax Collector--Prior Year Taxes	500.00	
		8,000.00
Balance Dec. 31, 2023		\$ 1,336.47

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of 2022 Appropriation Reserves  
For the Year Ended December 31, 2023

	Balance		Balance After	Paid or	Balance
	December 31, 2022				
	<u>Encumbered</u>	<u>Reserved</u>			
<b>OPERATIONS--WITHIN "CAPS"</b>					
<u>General Government</u>					
Mayor and Council					
Salaries and Wages		\$ 223.09	\$ 223.09		\$ 223.09
Other Expenses		1,338.93	1,338.93		1,338.93
Municipal Clerk					
Salaries and Wages		1,307.65	1,307.65		1,307.65
Other Expenses	\$ 6,248.81	9,467.02	15,715.83	\$ 6,628.22	9,087.61
Financial Administration					
Salaries and Wages		4,762.60	4,762.60		4,762.60
Other Expenses	3,399.55	562.31	3,961.86	3,593.65	368.21
Annual Audit		25.00	25.00		25.00
Assessment of Taxes					
Salaries and Wages		1,319.62	1,319.62		1,319.62
Other Expenses		769.20	769.20		769.20
Collection of Taxes					
Salaries and Wages		247.93	247.93		247.93
Other Expenses		818.83	818.83		818.83
Legal Services and Costs					
Other Expenses	12,639.90	35,157.39	47,797.29	12,961.05	34,836.24
Municipal Court					
Salaries and Wages		12,689.19	12,689.19		12,689.19
Other Expenses	490.08	790.00	1,280.08	490.08	790.00
Engineering Services and Costs					
Other Expenses	11,410.48	28,280.55	39,691.03	13,674.23	26,016.80
Historical Preservation					
Other Expenses		190.20	190.20		190.20
<u>Land Use Administration</u>					
Planning Board					
Salaries and Wages		5,148.92	5,148.92		5,148.92
Other Expenses	540.60	2,862.02	3,402.62	119.76	3,282.86
<u>Code Enforcement Administration</u>					
Code Enforcement Office					
Other Expenses		250.00	250.00		250.00
Housing Inspector					
Other Expenses		1,200.00	1,200.00		1,200.00
<u>Insurance</u>					
Liability Insurance		9.50	9.50		9.50
Workers Compensation Insurance		9.50	9.50		9.50
Employee Group Insurance		15,377.07	15,377.07		15,377.07
Employee Group Health Waivers		11,653.96	11,653.96	4,938.10	6,715.86
Disability Insurance		1,334.52	1,334.52		1,334.52
<u>Public Safety Functions</u>					
Police					
Salaries and Wages	142.34	53,527.02	53,669.36	20,324.91	33,344.45
Other Expenses	6,369.46	1,125.20	7,494.66	7,366.20	128.46
Office of Emergency Management					
Salaries and Wages		22.38	22.38		22.38
Other Expenses		100.00	100.00		100.00
Prosecutor					
Other Expenses	1,000.00	3,000.00	4,000.00	1,000.00	3,000.00
<u>Public Works Functions</u>					
Road Repairs and Maintenance					
Other Expenses	3,740.00	3,041.75	6,781.75	3,934.78	2,846.97
Shade Tree					
Other Expenses	6,780.00	47.24	6,827.24	6,660.00	167.24
Garbage and Trash Removal					
Other Expenses		18,986.49	18,986.49		18,986.49
Recycling Program					
Salaries and Wages		50.78	50.78		50.78
Other Expenses		500.00	500.00		500.00

(Continued)



**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of 2022 Appropriation Reserves  
For the Year Ended December 31, 2023

	Balance		Balance After	Paid or	Balance
	December 31, 2022	Reserved			
	<u>Encumbered</u>	<u>Reserved</u>			
<b>OPERATIONS--WITHIN "CAPS" (CONT'D)</b>					
<u>Public Works Functions</u>					
Public Buildings and Grounds					
Salaries and Wages		\$ 19,308.93	\$ 19,308.93	\$ 10,000.00	\$ 9,308.93
Other Expenses	\$ 7,556.94	6,748.96	14,305.90	9,027.73	5,278.17
Vehicle Maintenance					
Other Expenses		8,513.43	8,513.43	407.59	8,105.84
<u>Health and Welfare</u>					
Environmental Commission					
Other Expenses		1,114.09	1,114.09	20.08	1,094.01
Economic Development		310.00	310.00		310.00
Senior Committee		1,000.00	1,000.00		1,000.00
<u>Recreation</u>					
Recreation Programs					
Other Expenses		511.36	511.36		511.36
<u>Utility Expenses and Bulk Purchases</u>					
Electricity		2,913.11	2,913.11	1,074.60	1,838.51
Street Lighting		3,163.38	3,163.38	2,835.66	327.72
Telephone and Telegraph		3,493.59	3,493.59		3,493.59
Natural Gas		601.36	601.36	601.36	
Gasoline	2,275.12	972.43	3,247.55	2,275.12	972.43
<u>Unclassified</u>					
Contingent		2,500.00	2,500.00		2,500.00
Total Operations--Within "CAPS"	62,593.28	267,346.50	329,939.78	107,933.12	222,006.66
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		11,273.24	11,273.24	1,002.00	10,271.24
Total Deferred Charges and Statutory Expenditures Municipal--Within "CAPS"	-	11,273.24	11,273.24	1,002.00	10,271.24
Total General Appropriations for Municipal Purposes Within "CAPS"	62,593.28	278,619.74	341,213.02	108,935.12	232,277.90
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
<u>Shared Service Agreements</u>					
Municipal Court Services		18,042.74	18,042.74		18,042.74
Fire Services	31,305.10	9,967.17	41,272.27	31,305.10	9,967.17
Other Expenses - Shared Services Crossing Guards		2,500.00	2,500.00		2,500.00
Department of Public Works (Robbinsville)		1,000.00	1,000.00		1,000.00
<u>Public and Private Programs Offset by Revenues</u>					
Matching Funds for Grants		2,500.00	2,500.00		2,500.00
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	31,305.10	34,009.91	65,315.01	31,305.10	34,009.91
	<u>\$ 93,898.38</u>	<u>\$ 312,629.65</u>	<u>\$ 406,528.03</u>	<u>\$ 140,240.22</u>	<u>\$ 266,287.81</u>
Transfer to Reserve for PFRS				\$ 7,650.00	
Disbursed				<u>132,590.22</u>	
				<u>\$ 140,240.22</u>	

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2023

---

Balance Dec. 31, 2022		
Current Fund	\$ 93,898.38	
Federal and State Grant Fund	<u>389,508.60</u>	
		\$ 483,406.98
Increased by - Transfers from:		
2023 Budget Appropriations	96,098.91	
Reserve for Federal and State Grants Appropriated	<u>330,428.06</u>	
		<u>426,526.97</u>
		909,933.95
Decreased by - Transfers to:		
2022 Appropriation Reserves	93,898.38	
Reserve for Federal and State Grants Appropriated	<u>389,508.60</u>	
		<u>483,406.98</u>
Balance Dec. 31, 2023		<u><u>\$ 426,526.97</u></u>
<u>Analysis of Balance Dec. 31, 2023</u>		
Current Fund		\$ 96,098.91
Federal and State Grant Fund		<u>330,428.06</u>
		<u><u>\$ 426,526.97</u></u>

Exhibit SA-10

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Accounts Payable  
For the Year Ended December 31, 2023

---

Balance Dec. 31, 2022		\$ 2,047.50
Decreased by:		
Disbursements		<u><u>\$ 2,047.50</u></u>

**BOROUGH OF ALLENTOWN**  
CURRENT FUND  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2023

---

Balance Dec. 31, 2022 (2023 Taxes)	\$ 75,489.26
Increased by:	
Collections--2024 Taxes	<u>48,719.91</u>
	124,209.17
Decreased by:	
Application to 2023 Taxes Receivable	<u>75,489.26</u>
Balance Dec. 31, 2023 (2024 Taxes)	<u><u>\$ 48,719.91</u></u>

**BOROUGH OF ALLENTOWN**  
CURRENT FUND  
Statement of Tax Overpayments  
For the Year Ended December 31, 2023

---

Balance Dec. 31, 2022		\$ 3,759.28
Increased by:		
Overpayments in 2023		<u>1,601.04</u>
Decreased by:		
Refunds	\$ 4,001.85	
Applied to Current Year Taxes	<u>1,160.88</u>	
		<u>5,162.73</u>
Balance Dec. 31, 2023		<u><u>\$ 197.59</u></u>

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2023

---

2023 Tax Levy:		
County Tax	\$	386,514.44
County Library Tax		27,961.56
County Health Service Tax		7,698.48
County Open Space Fund Tax		<u>54,759.51</u>
		\$ 476,933.99
Decreased by:		
Payments		<u>\$ 476,933.99</u>

Exhibit SA-14

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Due County for Added Taxes  
For the Year Ended December 31, 2023

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Increased by County Share of 2023 Levy:		
Added Taxes (R.S.54:4-63.1 et seq.)	\$	<u>227.92</u>
Balance Dec. 31, 2023		<u>\$ 227.92</u>

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Payroll Deductions Payable  
For the Year Ended December 31, 2023

---

Balance Dec. 31, 2022	\$	187.64
Increased by:		
Receipts		368,290.27
		368,477.91
Decreased by:		
Disbursements		368,274.41
Balance Dec. 31, 2023	\$	203.50

## Exhibit SA-16

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Reserve for PFRS  
For the Year Ended December 31, 2023

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Increased by Transfers From:		
2022 Appropriation Reserves	\$	7,650.00
Balance Dec. 31, 2023	\$	7,650.00

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Regional School Tax  
For the Year Ended December 31, 2023

<hr/>		
Balance Dec. 31, 2022:		
School Tax Payable	\$ 141,107.06	
School Tax Deferred	<u>1,616,292.95</u>	
		\$ 1,757,400.01
Increased by:		
Levy--School Year July 1, 2023 to June 30, 2024		<u>3,194,915.00</u>
		4,952,315.01
Decreased by:		
Payments		<u>3,355,008.50</u>
Balance Dec. 31, 2023:		
School Tax Deferred		<u><u>\$ 1,597,306.51</u></u>
2023 Liability for Regional School Tax		
Tax Paid		3,355,008.50
Less: Tax Payable Dec. 31, 2022		<u>141,107.06</u>
Amount Charged to 2023 Operations		<u><u>\$ 3,213,901.44</u></u>

**BOROUGH OF ALLENTOWN**  
FEDERAL AND STATE GRANT FUND  
Statement of Due to Current Fund  
For the Year Ended December 31, 2023

---

Balance Dec. 31, 2022		\$ 150,000.00
Decreased by:		
Disbursements	\$ 305,000.00	
Cancellation of Federal and State Grants Receivable	<u>5,280.00</u>	
		<u>310,280.00</u>
Increased by:		
Receipts	175,000.00	
Cancellation of Federal and State Grants Appropriated	<u>5,280.00</u>	
		<u>180,280.00</u>
Balance Dec. 31, 2023		<u><u>\$ 20,000.00</u></u>



**BOROUGH OF ALLENTOWN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal, State and Other Grants Receivable  
For the Year Ended December 31, 2023

<u>Program</u>	<u>Balance Dec. 31, 2022</u>	<u>Accrued</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2023</u>
Federal Grants:					
Monmouth County CDBG	\$ 137,280.00				\$ 137,280.00
Bulletproof Vest	1,553.29	\$ 1,200.00	\$ 393.25		2,360.04
Drive Sober or Get Pulled Over - Holiday Crackdown		7,000.00	6,720.00	\$ 280.00	
Total Federal Grants Receivable	138,833.29	8,200.00	7,113.25	280.00	139,640.04
State Grants:					
Clean Communities		4,000.00	4,000.00		
Body Armor Replacement Fund		883.93	883.93		
Drunk Driving Enforcement Grant	2,007.12				2,007.12
Recycling Tonnage Grant		11,076.89	11,076.89		
N.J. Department of Transportation - Waldron	45,000.00		45,000.00		
N.J. Department of Transportation - Sidewalks	375,000.00		281,250.00		93,750.00
N.J. Department of Transportation - Sidewalks (Phase II)	232,600.00				232,600.00
N.J. Department of Transportation - Broad, Hamilton & Maiden		274,290.00			274,290.00
Stormwater Assistance Grant		25,000.00	15,000.00		10,000.00
Total State Grants Receivable	654,607.12	315,250.82	357,210.82	-	612,647.12
Other Grants:					
Monmouth County Open Space Grant	125,000.00		120,000.00	5,000.00	
Monmouth County Historical Commission	10,912.50		5,987.50		4,925.00
Total Other Grants Receivable	135,912.50	-	125,987.50	5,000.00	4,925.00
Total Federal, State and Other Grants Receivable	\$ 929,352.91	\$ 323,450.82	\$ 490,311.57	\$ 5,280.00	\$ 757,212.16

**BOROUGH OF ALLENTOWN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal, State and Other Grants -- Unappropriated  
For the Year Ended December 31, 2023

<u>Program</u>	<u>Balance Dec. 31, 2022</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2023 Budget</u>	<u>Balance Dec. 31, 2023</u>
Federal Grants:				
Bulletproof Vest		\$ 1,200.00	\$ 1,200.00	
Drive Sober or Get Pulled Over - Holiday Crackdown		7,000.00	7,000.00	
Total Federal Grants	-	8,200.00	8,200.00	-
State Grants:				
Recycling Tonnage Grant		11,076.89	11,076.89	
Clean Communities		4,000.00	4,000.00	
Body Armor Replacement Fund	\$ 822.30	883.93	822.30	\$ 883.93
N.J. Department of Transportation - Broad, Hamilton & Maiden		274,290.00	274,290.00	
Stormwater Assistance Grant		25,000.00	25,000.00	
Total State Grants	822.30	315,250.82	315,189.19	883.93
Total Reserve Federal, State and Other Grants	\$ 822.30	\$ 323,450.82	\$ 323,389.19	\$ 883.93

**BOROUGH OF ALLENTOWN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal, State and Other Grants -- Appropriated  
For the Year Ended December 31, 2023

Program	Balance Dec. 31, 2022		Transfer from 2023 Budget Appropriation	Disbursed	Encumbered	Cancelled	Balance Dec. 31, 2023
	Encumbered	Reserved					
Federal Grants:							
Monmouth County CDBG		\$ 137,280.00			\$ 137,280.00		
Bulletproof Vest Program	\$ 393.25	2,303.89	\$ 1,200.00	\$ 393.25	1,343.64		\$ 2,160.25
Drive Sober or Get Pulled Over - Holiday Crackdown			7,000.00	6,720.00		\$ 280.00	
Total Reserve for Federal Grants	393.25	139,583.89	8,200.00	7,113.25	138,623.64	280.00	2,160.25
State Grants:							
Clean Communities		14,054.66	4,000.00	2,095.31			15,959.35
Body Armor Replacement Fund	393.25	3,703.12	822.30	393.25	1,343.64		3,181.78
Recycling Tonnage Grant		10,223.25	11,076.89	259.56			21,040.58
Special Legislative Grant - Generator		2,297.40					2,297.40
Special Legislative Grant - Electronic Equipment		2.86					2.86
Drunk Driving Enforcement Program		3,815.00		280.00			3,535.00
N.J. Department of Transportation - Sidewalks (Phase I)	375,000.00			357,398.72	17,601.28		
N.J. Department of Transportation - Sidewalks (Phase II)		232,600.00			166,958.00		65,642.00
N.J. Department of Transportation - Broad, Hamilton & Maiden			274,290.00				274,290.00
Stormwater Assistance Grant			25,000.00	8,098.50	5,901.50		11,000.00
Total Reserve for State Grants	375,393.25	266,696.29	315,189.19	368,525.34	191,804.42	-	396,948.97
Other Grants:							
Heritage Park Trust		6,303.47					6,303.47
Monmouth County Historical Commission		4,925.00					4,925.00
Monmouth County Open Space Grant 2021	13,722.10	10,177.91		18,900.01		5,000.00	
Total Reserve for Other Grants	13,722.10	21,406.38	-	18,900.01	-	5,000.00	11,228.47
Total Reserve for Federal, State and Other Grants	\$ 389,508.60	\$ 427,686.56	\$ 323,389.19	\$ 394,538.60	\$ 330,428.06	\$ 5,280.00	\$ 410,337.69

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**BOROUGH OF ALLENTOWN**  
**TRUST-OTHER FUNDS**  
Statement of Trust Cash--Treasurer  
For the Year Ended December 31, 2023

	<u>Animal Control</u>	<u>Open Space</u>	<u>Other</u>
Balance Dec. 31, 2022	\$ 4,590.11	\$ 254,120.26	\$ 229,206.34
Increased by Receipts:			
Dog License Fees	\$ 1,531.20		
Cat License Fees	192.00		
State Registration Fees	217.20		
Due Current Fund		\$ 86,945.61	
Reserve for Miscellaneous Trust Reserves			\$ 324,252.85
Municipal Open Space		820.31	
Farm Rental Income		1,365.00	
Insurance/Monitoring		5,000.00	
	<u>1,940.40</u>	<u>94,130.92</u>	<u>324,252.85</u>
	6,530.51	348,251.18	553,459.19
Decreased by Disbursements:			
Expenditures Under R.S.4:19-15.11	4,362.00		
State Registration Fees	216.00		
Due Current Fund	252.11		
Reserve for Miscellaneous Trust Reserves			221,583.51
Municipal Open Space		87,446.22	
	<u>4,830.11</u>	<u>87,446.22</u>	<u>221,583.51</u>
Balance Dec. 31, 2023	<u>\$ 1,700.40</u>	<u>\$ 260,804.96</u>	<u>\$ 331,875.68</u>

**BOROUGH OF ALLENTOWN**  
**ANIMAL CONTROL FUND**  
Statement of Reserve for Animal Control Expenditures  
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 4,040.00
Increased by:		
Prior Year Encumbrances	\$ 298.00	
Animal Control License Fees Collected:		
Dog License Fees	1,531.20	
Cat License Fees	<u>192.00</u>	
		<u>2,021.20</u>
		6,061.20
Decreased by:		
Encumbrances	307.00	
Expenditures Under R.S.4:19-15.1--Cash	<u>4,362.00</u>	
		<u>4,669.00</u>
Balance Dec. 31, 2023		<u><u>\$ 1,392.20</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2021	\$ 1,831.00
2022	<u>1,872.00</u>
	<u><u>\$ 3,703.00</u></u>

**BOROUGH OF ALLENTOWN**  
**ANIMAL CONTROL FUND**  
Statement of Due to State of New Jersey  
Dog Registration Fees  
For the Year Ended December 31, 2023

Increased by:		
Receipts		<u>\$ 217.20</u>
		217.20
Decreased by:		
Disbursements		<u>216.00</u>
Balance Dec. 31, 2023		<u><u>\$ 1.20</u></u>

**BOROUGH OF ALLENTOWN**  
ANIMAL CONTROL FUND  
Statement of Due to Current Fund  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 252.11
Decreased by:	
Disbursements	<u>\$ 252.11</u>

**BOROUGH OF ALLENTOWN**  
**TRUST OTHER FUNDS**  
Statement of Miscellaneous Trust Reserves  
For the Year Ended December 31, 2023

	Balance Dec. 31, 2022	Increased By		Decreased By		Balance Dec. 31, 2023
		Transfer from Reserve for Encumbrances	Receipts	Reserve for Encumbrances	Disbursements	
Reserve for:						
Unemployment Compensation Insurance	\$ 13,162.61		\$ 5,288.49		\$ 2,333.31	\$ 16,117.79
Redemption of Tax Sale Certificates			5,647.36		5,647.36	
Developers' Escrow Fund	58,003.65		38,404.00	\$ 217.50	33,040.15	63,150.00
Recreation Commission	3,373.61		5,200.00	287.76	4,644.00	3,641.85
Outside Employment of Off-Duty Police	63,620.67		203,507.00	56,667.00	163,900.67	46,560.00
Public Defender Fees	400.00				400.00	
Parking Offenses Adjudication Act	4.00		6.00			10.00
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	10,000.00		39,200.00		4,900.00	44,300.00
Storm Recovery Trust Fund	29,388.73		6,000.00			35,388.73
Celebration for Public Events	500.00					500.00
Economic Development Trust	1,857.95				24.00	1,833.95
Accumulated Absences Liability	24,084.58		16,000.00			40,084.58
Police Donations	3,620.34	2,500.00	5,000.00		6,694.02	4,426.32
Shade Trees	2,759.00					2,759.00
Senior Citizen Committee	108.00					108.00
Law Enforcement Trust	1,356.64					1,356.64
	<u>\$ 231,706.34</u>	<u>\$ 2,500.00</u>	<u>\$ 324,252.85</u>	<u>\$ 57,172.26</u>	<u>\$ 221,583.51</u>	<u>\$ 279,703.42</u>



**BOROUGH OF ALLENTOWN**  
TRUST--MUNICIPAL OPEN SPACE FUND  
Statement of Reserve for Farm Rental Income  
For the Year Ended December 31, 2023

---

Balance Dec. 31, 2022	\$ 16,380.00
Increased by:	
Receipts	<u>1,365.00</u>
Balance Dec. 31, 2023	<u><u>\$ 17,745.00</u></u>

Exhibit SB-7

**BOROUGH OF ALLENTOWN**  
TRUST--MUNICIPAL OPEN SPACE FUND  
Statement of Reserve for Insurance - Monitoring  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 5,000.00
Increased by:	
Receipts	<u>5,000.00</u>
Balance Dec. 31, 2023	<u><u>\$ 10,000.00</u></u>

**BOROUGH OF ALLENTOWN**  
**TRUST--MUNICIPAL OPEN SPACE FUND**  
**Statement of Reserve for Future Use**  
**For the Year Ended December 31, 2023**

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Balance Dec. 31, 2022		\$ 230,292.76
Increased by:		
Collected by Current Fund		
Tax Levy	\$ 86,904.45	
Cash Receipts:		
Interest Earnings	820.31	
Added/Omitted Tax Levy	41.16	
Prior Year Encumbrances	2,447.50	
	90,213.42	90,213.42
		320,506.18
Decreased by:		
Encumbered	7,298.00	
Disbursements	87,446.22	
	94,744.22	94,744.22
Balance Dec. 31, 2023		\$ 225,761.96

Exhibit SB-9

**BOROUGH OF ALLENTOWN**  
**TRUST--MUNICIPAL OPEN SPACE FUND**  
**Statement of Due Current Fund**  
**For the Year Ended December 31, 2023**

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Increased by:		
Received by Current Fund:		
Tax Levy	\$ 86,904.45	
2023 Added & Omitted - Open Space	41.16	
	86,945.61	\$ 86,945.61
		86,945.61
Decreased by:		
Receipts		\$ 86,945.61

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash -- Treasurer  
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 173.87
Increased by Receipts:		
Due from NJ Transportation Trust Fund	\$ 594,087.67	
Bond Anticipation Notes	450,000.00	
Premium on BAN Issue	124,858.37	
General Serial Bonds	1,025,000.00	
Accounts Payable	4,147.57	
2023 Budget Appropriations:		
Improvement Costs	97,500.00	
		2,295,593.61
		2,295,767.48
Decreased by Disbursements:		
Improvement Authorizations	573,946.24	
General Capital Surplus to Current	60,599.94	
Due Sewer Operating Fund	462,000.00	
Bond Anticipation Notes	450,000.00	
		1,546,546.18
Balance Dec. 31, 2023		\$ 749,221.30



**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Funded  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 515,000.00
Increased by:	
Serial Bonds Issued	<u>1,025,000.00</u>
	1,540,000.00
Decreased by:	
Serial Bonds	<u>30,000.00</u>
Balance Dec. 31, 2023	<u><u>\$ 1,510,000.00</u></u>

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation -- Unfunded  
 For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	<u>Analysis of Balance Dec. 31, 2023</u>							
		Balance Dec. 31, 2022	Notes Paid by Budget Appropriation	Funded by Budget Appropriation	Transferred to Deferred Taxation Funded	Balance Dec. 31, 2023	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
General Improvements:									
16-2006	Various Storm Sewer System and Road Improvements	\$ 500.00				\$ 500.00		\$ 500.00	
16-2017									
14-2023	Historic Streetscape Improvement Project, Phase II	940,000.00	\$ 60,000.00		\$ 300,000.00	580,000.00	\$ 180,000.00	133,614.39	\$ 266,385.61
11-2019	Acquisition of a Fire Truck and Various Equipment	47,500.00		\$ 47,500.00					
5-2020	Various Capital Improvements and the Acquisition of Various Capital Equipment	785,000.00	90,000.00	50,000.00	250,000.00	395,000.00	270,000.00		125,000.00
5-2021	Various Capital Improvements and Equipment	475,000.00			475,000.00				
		<u>\$ 2,248,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 97,500.00</u>	<u>\$ 1,025,000.00</u>	<u>\$ 975,500.00</u>	<u>\$ 450,000.00</u>	<u>\$ 134,114.39</u>	<u>\$ 391,385.61</u>
				\$ 47,500.00					
				<u>50,000.00</u>					
				<u>\$ 97,500.00</u>					
									\$ 525,000.00
									<u>133,614.39</u>
									<u>\$ 391,385.61</u>

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2023

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2022</u>		<u>Transfer from Reserve for Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2023</u>	
				<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
Various Capital Improvements and the Acquisition of Various Equipment	3-2005	5/26/2005	\$ 250,000.00	\$ 4,823.12				\$ 4,823.12	
Financing the Payment of a Settlement	3-2014	9/9/2014	185,000.00	773.41		\$ 773.41			
Historic Streetscape Improvement Project, Phase II	16-2017; 14-2023	12/26/2017	1,900,000.00	900,000.00	\$ 44,839.25	\$ 110,143.97	482,685.28	172,297.94	\$ 400,000.00
Acquisition of a Fire Truck and Various Equipment	11-2019	4/30/2019	200,000.00		18,467.67		5,884.34	12,583.33	
Various Capital Improvements and the Acquisition of Various Capital Equipment	5-2020	5/26/2020	1,000,000.00		445,937.32	51,901.38	51,901.38	320,937.32	125,000.00
Various Capital Improvements and Equipment	5-2021	6/1/2021	500,000.00		153,761.25	145,709.00	203,659.00	95,811.25	
				<u>\$ 905,596.53</u>	<u>\$ 663,005.49</u>	<u>\$ 307,754.35</u>	<u>\$ 744,903.41</u>	<u>\$ 606,452.96</u>	<u>\$ 525,000.00</u>
						Disbursed	\$ 573,946.24		
						Encumbered	<u>170,957.17</u>		
							<u>\$ 744,903.41</u>		



**BOROUGH OF ALLENTOWN**  
GENERAL CAPITAL FUND  
Schedule of Capital Improvement Fund  
As of December 31, 2023

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Balance Dec. 31, 2023

\$ 34,761.92

**BOROUGH OF ALLENTOWN**  
GENERAL CAPITAL FUND  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 307,754.35
Increased by:	
Charges to Improvement Authorizations	<u>170,957.17</u>
	478,711.52
Decreased by:	
Transferred to Improvement Authorizations	<u>307,754.35</u>
Balance Dec. 31, 2023	<u><u>\$ 170,957.17</u></u>

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of Due from State of New Jersey  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 900,000.00
Decreased by:	
Receipts	<u>594,087.67</u>
Balance Dec. 31, 2023	<u><u>\$ 305,912.33</u></u>

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Bond Anticipation Notes  
For the Year Ended December 31, 2023

<u>Improvement Description</u>	<u>Ord. Number</u>	<u>Note No.</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2023</u>
Historic Streetscape Improvement Project, Phase II	16-2017	2022A	10/22/2020	10/18/2022	10/18/2023	4.50%	\$ 240,000.00		\$ 240,000.00	
	16-2017	2023A	10/22/2020	10/17/2023	1/31/2024	4.50%		\$ 180,000.00		\$ 180,000.00
Various Capital Improvements and the Acquisition of Various Capital Equipment	5-2020	2022A	10/22/2020	10/18/2022	10/18/2023	4.50%	360,000.00		360,000.00	
	5-2020	2023A	10/22/2020	10/17/2023	1/31/2024	4.50%		270,000.00		270,000.00
							<u>\$ 600,000.00</u>	<u>\$ 450,000.00</u>	<u>\$ 600,000.00</u>	<u>\$ 450,000.00</u>
									\$ 150,000.00	
								<u>\$ 450,000.00</u>	<u>450,000.00</u>	
								<u>\$ 450,000.00</u>	<u>\$ 600,000.00</u>	
Paid by Budget Appropriation										
Renewals										

**BOROUGH OF ALLENTOWN**  
 GENERAL CAPITAL FUND  
 Statement of General Serial Bonds  
 For the Year Ended December 31, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2022	Issued	Decreased	Balance Dec. 31, 2023
			Date	Amount					
General Bonds	12/8/2015	\$ 620,000.00	12/1/24-26	\$ 30,000.00	5.000%	\$ 460,000.00		\$ 25,000.00	\$ 435,000.00
			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	12/1/24-26	10,000.00	5.000%	55,000.00		5,000.00	50,000.00
			12/1/27-28	10,000.00	4.000%				
General Bonds	12/21/2023	1,025,000.00	12/01/24	55,000.00	5.000%				
			12/01/25	60,000.00	5.000%				
			12/01/26	65,000.00	5.000%				
			12/01/27	65,000.00	5.000%				
			12/01/28	70,000.00	5.000%				
			12/01/29	75,000.00	5.000%				
			12/01/30	80,000.00	5.000%				
			12/01/31	80,000.00	5.000%				
			12/01/32	85,000.00	5.000%				
			12/01/33	90,000.00	5.000%				
			12/01/34	95,000.00	5.000%				
			12/01/35	100,000.00	5.000%				
			12/01/36	105,000.00	5.000%				
						\$ 1,025,000.00			1,025,000.00
						\$ 515,000.00	\$ 1,025,000.00	\$ 30,000.00	\$ 1,510,000.00
Issued for Cash						\$ 1,025,000.00			
Paid by Budget Appropriation - Current Fund							\$ 30,000.00		
						\$ 1,025,000.00	\$ 30,000.00		

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds and Notes Authorized But Not Issued  
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>Bonds Issued</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2023</u>
General Improvements:					
16-2006	Various Storm Sewer System and Road Improvements	\$ 500.00			\$ 500.00
16-2017; 14-2023	Historic Streetscape Improvement Project, Phase II	700,000.00	\$ 300,000.00		400,000.00
11-2019	Acquisition of a Fire Truck and Various Equipment	47,500.00		\$ 47,500.00	
5-2020	Various Capital Improvements and the Acquisition of Various Capital Equipment	425,000.00	250,000.00	50,000.00	125,000.00
5-2021	Various Capital Improvements and Equipment	475,000.00	475,000.00		
		<u>\$ 1,648,000.00</u>	<u>\$ 1,025,000.00</u>	<u>\$ 97,500.00</u>	<u>\$ 525,500.00</u>
				Current Fund Budget \$ 47,500.00	
				Open Space Trust Budget 50,000.00	
				<u>\$ 97,500.00</u>	

**SUPPLEMENTAL EXHIBITS**

**WATER UTILITY FUND**

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY FUND**  
Statement of Water Utility Cash -- Treasurer  
For the Year Ended December 31, 2023

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2022	\$ 1,152,387.43	\$ 192,466.37
Increased by Receipts:		
Tax Collector	\$ 894,471.18	
Miscellaneous Revenue:		
Water Capital Fund Surplus	367.70	
2023 Budget Appropriations:		
Cost of Improvements Authorized		\$ 25,000.00
Reserve for Water Capital Improvements		140,000.00
Reserve for Hydrants		46,775.71
Serial Bonds Issued		300,000.00
NJ Environmental Infrastructure Trust - Prelim		684,836.00
Bond Anticipation Notes Issued		315,120.00
Premium on Serial Bonds Issued		15,120.00
Accounts Payable		2,008.43
	894,838.88	1,528,860.14
	2,047,226.31	1,721,326.51
Decreased by Disbursements:		
2023 Appropriations	836,557.13	
2022 Appropriation Reserves	134,225.96	
Accrued Interest on Bonds	45,453.80	
Bond Anticipation Notes Issued		315,120.00
Reserve for Capital Equipment		18,126.00
Water Operating Surplus		367.70
Improvement Authorizations		739,315.20
	1,016,236.89	1,072,928.90
Balance Dec. 31, 2023	\$ 1,030,989.42	\$ 648,397.61



**BOROUGH OF ALLENTOWN**  
WATER UTILITY FUND  
Statement of Water Utility Cash--Collector  
For the Year Ended December 31, 2023

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## Receipts:

Consumer Accounts Receivable	\$ 802,317.10
Miscellaneous	<u>92,154.08</u>

894,471.18

## Disbursements:

Payments to Treasurer	<u>\$ 894,471.18</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, 2023

	Balance (Deficit) <u>Dec. 31, 2022</u>	Receipts				Disbursements					Balance (Deficit) <u>Dec. 31, 2023</u>	
		Budget Appropriation	NJEIT Loans	Bond		Improvement Authorizations	Bond		Transfers			
				Anticipation Notes	Miscellaneous		Anticipation Notes	Miscellaneous	From	To		
Fund Balance	\$ 2,789.25				\$ 15,120.00				\$ 367.70			\$ 17,541.55
Capital Improvement Fund	72,350.00											72,350.00
Reserve for Encumbrances	222,407.89									\$ 222,407.89	\$ 311,124.39	311,124.39
Reserve for Water Capital Improvements	85,669.50	\$ 140,000.00							18,126.00			207,543.50
Reserve for Hydrants	11,771.97	46,775.71										58,547.68
Accounts Payable					2,008.43							2,008.43
<b>Ordinance Number</b>												
General Improvements:												
3-2008 Various Water Utility Improvements	2,342.25					\$ 901.59						1,440.66
9-2010 Various Water Utility Improvements	53,303.22					11,698.75				49,690.00	29,890.84	21,805.31
15-2017 Various Water Utility Improvements	(247,056.70)		\$ 684,836.00	\$ 315,120.00	300,000.00	679,670.38	\$ 315,120.00			170,213.06	164,923.19	52,819.05
9-2018 Various Water Utility Improvements	(11,111.01)	25,000.00				47,044.48				91,221.33	27,593.86	(96,782.96)
	<u>\$ 192,466.37</u>	<u>\$ 211,775.71</u>	<u>\$ 684,836.00</u>	<u>\$ 315,120.00</u>	<u>\$ 317,128.43</u>	<u>\$ 739,315.20</u>	<u>\$ 315,120.00</u>	<u>\$ 18,493.70</u>	<u>\$ 533,532.28</u>	<u>\$ 533,532.28</u>	<u>\$ 648,397.61</u>	

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of Reserve for Water Capital Improvements  
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 85,669.50
Increased by:		
Receipts:		
2023 Budget Appropriation - Capital Outlay		140,000.00
		225,669.50
Decreased by:		
Disbursements		18,126.00
Balance Dec. 31, 2023		\$ 207,543.50
	<u>Analysis of Balance</u>	
	Miscellaneous	\$ 17,543.50
	Lead Pipe Replacement	100,000.00
	Well #1 Rehabilitation	90,000.00
		\$ 207,543.50

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY OPERATING FUND**  
 Statement of Consumer Accounts Receivable  
 For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$	129,792.20
Increased by:		
Water Rents Levied		824,792.41
		954,584.61
Decreased by:		
Collections		802,317.10
Balance Dec. 31, 2023	\$	152,267.51

Exhibit SD-6

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY OPERATING FUND**  
 Schedule of Water Utility Liens  
 As of December 31, 2023

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Balance December 31, 2023	\$	95.69
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**BOROUGH OF ALLENTOWN**  
WATER UTILITY CAPITAL FUND  
Statement of Reserve for Hydrants  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 11,771.97
Increased by:	
Receipts:	
2023 Budget Appropriation - Capital Outlay	<u>46,775.71</u>
Balance Dec. 31, 2023	<u><u>\$ 58,547.68</u></u>

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of Fixed Capital  
For the Year Ended December 31, 2023

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u> <u>By Budget</u> <u>Capital Outlay</u>	<u>Balance</u> <u>Dec. 31, 2023</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	\$ 10,000.00	15,956.45
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	149,489.22		149,489.22
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	205,796.59		205,796.59
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
Lead Pipe Replacement	102,668.53		102,668.53
	<u>\$ 3,374,241.91</u>	<u>\$ 10,000.00</u>	<u>\$ 3,384,241.91</u>

Capital Outlay:  
2023 Budget Appropriation

\$ 10,000.00

**BOROUGH OF ALLENTOWN**  
WATER UTILITY CAPITAL FUND  
Schedule of Fixed Capital Authorized and Uncompleted  
As of December 31, 2023

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2023</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	500,000.00
				<u>\$ 4,330,000.00</u>

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY OPERATING FUND**  
**Statement of 2022 Appropriation Reserves**  
**For the Year Ended December 31, 2023**

	Balance December 31, 2022		Balances After Modifications	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salaries and Wages		\$ 27,977.05	\$ 27,977.05		\$ 27,977.05
Other Expenses	\$ 30,925.22	49,547.57	80,472.79	\$ 34,332.10	46,140.69
Total Operating	30,925.22	77,524.62	108,449.84	34,332.10	74,117.74
Capital Improvements:					
Capital Outlay	16,758.71	17.00	16,775.71	16,775.71	
Replacement of Lead Lines - Church St	83,118.15		83,118.15	83,118.15	
Total Capital Outlay	99,876.86	17.00	99,893.86	99,893.86	
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		452.14	452.14		452.14
Total Statutory Expenditures	-	452.14	452.14	-	452.14
	<u>\$ 130,802.08</u>	<u>\$ 77,993.76</u>	<u>\$ 208,795.84</u>	<u>\$ 134,225.96</u>	<u>\$ 74,569.88</u>
			Disbursed	<u><u>\$ 134,225.96</u></u>	



**BOROUGH OF ALLENTOWN**  
 WATER UTILITY OPERATING FUND  
 Statement of Reserve for Encumbrances  
 For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$	130,802.08
Increased by:		
Encumbrances--2023 Appropriations		37,238.99
		168,041.07
Decreased by:		
Transferred-- 2022 Appropriation Reserves		130,802.08
Balance Dec. 31, 2023	\$	37,238.99

**BOROUGH OF ALLENTOWN**  
 WATER UTILITY CAPITAL FUND  
 Statement of Reserve for NJEIT Loan Payable - Preliminary Expenses  
 For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$	91,519.00
Increased by:		
Loan Issued		684,836.00
Balance Dec. 31, 2023	\$	776,355.00

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY OPERATING FUND**  
Statement of Accrued Interest on Serial Bonds, Loans and Notes and Analysis of Balance  
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 7,077.26
Increased by:		
Budget Appropriation for:		
Interest on Bonds	\$ 25,346.91	
Interest on Loans	4,176.78	
Interest on Notes	16,103.49	
		45,627.18
		52,704.44
Decreased by:		
Interest Paid by		
Operating Fund		45,453.80
Balance Dec. 31, 2023		\$ 7,250.64
<u>Analysis of Balance Dec. 31, 2023</u>		
Operating Fund		\$ 7,250.64

Analysis of Accrued Interest Dec. 31, 2023

Serial Bonds	Principal Outstanding Dec. 31, 2023	Interest Rate	From	To	Period (Days)	Amount
	\$ 80,000.00	5.00%	12/1/2023	12/31/2023	30	\$ 328.77
	80,000.00	5.00%	12/1/2023	12/31/2023	30	328.77
	15,000.00	5.00%	12/1/2023	12/31/2023	30	61.64
	15,000.00	5.00%	12/1/2023	12/31/2023	30	61.64
	20,000.00	5.00%	12/1/2023	12/31/2023	30	82.19
	20,000.00	5.00%	12/1/2023	12/31/2023	30	82.19
	20,000.00	5.00%	12/1/2023	12/31/2023	30	82.19
	20,000.00	5.00%	12/1/2023	12/31/2023	30	82.19
	20,000.00	3.50%	12/1/2023	12/31/2023	30	57.53
	25,000.00	3.50%	12/1/2023	12/31/2023	30	71.92
	25,000.00	3.50%	12/1/2023	12/31/2023	30	71.92
	25,000.00	3.50%	12/1/2023	12/31/2023	30	71.92
	10,000.00	5.00%	12/1/2023	12/31/2023	30	41.10
	10,000.00	5.00%	12/1/2023	12/31/2023	30	41.10
	10,000.00	5.00%	12/1/2023	12/31/2023	30	41.10
	15,000.00	4.00%	12/1/2023	12/31/2023	30	49.32
	15,000.00	4.00%	12/1/2023	12/31/2023	30	49.32
	35,000.00	5.00%	12/1/2023	12/31/2023	30	143.84
	40,000.00	5.00%	12/1/2023	12/31/2023	30	164.38
	40,000.00	5.00%	12/1/2023	12/31/2023	30	164.38
	45,000.00	5.00%	12/1/2023	12/31/2023	30	184.93
	45,000.00	5.00%	12/1/2023	12/31/2023	30	184.93
	45,000.00	5.00%	12/1/2023	12/31/2023	30	184.93
	50,000.00	5.00%	12/1/2023	12/31/2023	30	205.48
Total Serial Bonds						2,837.68
Bond Anticipation Notes:	315,120.00	4.50%	10/17/2023	12/31/2023	75	2,913.78
Total Bond Anticipation Notes						2,913.78
Loans						
	10,000.00	5.000%	8/1/2023	12/31/2023	152	208.22
	10,000.00	5.000%	8/1/2023	12/31/2023	152	208.22
	10,000.00	5.000%	8/1/2023	12/31/2023	152	208.22
	10,000.00	5.000%	8/1/2023	12/31/2023	152	208.22
	10,000.00	5.000%	8/1/2023	12/31/2023	152	208.22
	15,000.00	4.000%	8/1/2023	12/31/2023	152	249.86
Total Loans						1,499.18
						\$ 7,250.64

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
 Schedule of Capital Improvement Fund  
 As of December 31, 2023

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Balance Dec. 31, 2023	\$ 72,350.00
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## Exhibit SD-15

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
 Statement of Reserve for Encumbrances  
 For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 222,407.89
Increased by:	
Encumbrances -- 2023 Appropriations	311,124.39
	<u>533,532.28</u>
Decreased by:	
Transferred -- 2022 Appropriation Reserves	222,407.89
	<u>222,407.89</u>
Balance Dec. 31, 2023	\$ 311,124.39

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2022		Transfer from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2023		
				Funded	Unfunded			Funded	Unfunded	
General Improvements:										
3-2008	Various Water Utility Improvements	9/9/2008	\$ 120,000.00	\$ 2,342.25			\$ 901.59	\$ 1,440.66		
9-2010	Various Water Utility Improvements	9/14/2010	250,000.00	53,303.22		\$ 29,890.84	61,388.75	21,805.31		
15-2017	Various Water Utility Improvements	12/12/2017	2,960,000.00		\$ 1,641,594.30	164,923.19	849,883.44	52,819.05	\$ 903,815.00	
9-2018	Various Water Utility Improvements	8/14/2018	500,000.00		463,888.99	27,593.86	138,265.81		353,217.04	
				<u>\$ 55,645.47</u>	<u>\$ 2,105,483.29</u>	<u>\$ 222,407.89</u>	<u>\$ 1,050,439.59</u>	<u>\$ 76,065.02</u>	<u>\$ 1,257,032.04</u>	
							Reserve for Encumbrances	\$ 311,124.39		
							Disbursed	739,315.20		
								<u>\$ 1,050,439.59</u>		

**BOROUGH OF ALLENTOWN**  
WATER UTILITY CAPITAL FUND  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022		\$ 3,763,704.58
Increased by:		
Budget Appropriation --		
Costs of Improvements Authorized	\$ 25,000.00	
Capital Outlay Paid by Operating Budget	10,000.00	
Loans Paid by Operating Budget	43,333.40	
Serial Bonds Paid by Operating Budget	<u>100,000.00</u>	
		<u>178,333.40</u>
Balance Dec. 31, 2023		<u><u>\$ 3,942,037.98</u></u>

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of Deferred Reserve For Amortization  
For the Year Ended December 31, 2023

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2022</u>	<u>Payment of Notes</u>	<u>Balance Dec. 31, 2023</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	182,560.00	\$ 52,520.00	235,080.00
9-2018	Various Water Utility Improvements	8/14/2018	25,000.00		25,000.00
			<u>\$ 241,060.00</u>	<u>\$ 52,520.00</u>	<u>\$ 293,580.00</u>

**BOROUGH OF ALLENTOWN**  
 WATER UTILITY CAPITAL FUND  
 Statement of Bond Anticipation Notes  
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Note Number</u>	<u>Date of Issue of Original Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2023</u>	
15-2017	Various Water Utility Improvements	2022A	10/24/19	10/18/2022	10/18/2023	4.50%	\$ 367,640.00		\$ 367,640.00		
	Various Water Utility Improvements	2023A	10/24/19	10/17/2023	1/31/2024	4.50%		\$ 315,120.00		\$ 315,120.00	
							<u>\$ 367,640.00</u>	<u>\$ 315,120.00</u>	<u>\$ 367,640.00</u>	<u>\$ 315,120.00</u>	
Paid by Budget Appropriation									\$ 52,520.00		
Renewals								\$ 315,120.00	315,120.00		
								<u>\$ 315,120.00</u>	<u>\$ 367,640.00</u>		

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of New Jersey Environmental Infrastructure Loan Payable  
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 351,667.33
Decreased by:	
Paid by Operating Budget	43,333.40
Balance Dec. 31, 2023	\$ 308,333.93

Schedule of New Jersey Environmental Infrastructure Loan Payable Dec. 31, 2023

<u>Due Date</u>	<u>Series 2021A</u>		<u>Total</u>
	<u>Trust</u>	<u>Fund</u>	
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
	\$ 75,000.00	\$ 233,333.93	\$ 308,333.93



**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
**Statement of Water Serial Bonds**  
**For the Year Ended December 31, 2023**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2023</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds of 2012	5/22/2012	\$ 910,000.00	12/01/24	\$ 80,000.00	5.00%	\$ 235,000.00		\$ 75,000.00	\$ 160,000.00
			12/01/25	80,000.00	5.00%				
Various Water Utility Improvements	12/8/2015	325,000.00	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	12/01/24	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%				
					70,000.00		10,000.00	60,000.00	
Water Capital Bonds	12/21/2023	300,000.00	12/01/24	35,000.00	5.00%				
			12/01/25	40,000.00	5.00%				
			12/01/26	40,000.00	5.00%				
			12/01/27	45,000.00	5.00%				
			12/01/28	45,000.00	5.00%				
			12/01/29	45,000.00	5.00%				
			12/01/30	50,000.00	5.00%				
					\$ 300,000.00			300,000.00	
					\$ 525,000.00	\$ 300,000.00	\$ 100,000.00	\$ 725,000.00	
						\$ 300,000.00			
							\$ 100,000.00		
						\$ 300,000.00	\$ 100,000.00		

Issued for Cash  
 Paid by Budget Appropriation

\$ 300,000.00	
	\$ 100,000.00
<u>\$ 300,000.00</u>	<u>\$ 100,000.00</u>

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
 Statement of Bonds and Notes Authorized But Not Issued  
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>Loans Issued</u>	<u>Bonds Issued</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2023</u>
15-2017	Various Water Utility Improvements	\$ 1,888,651.00	\$ 684,836.00	\$ 300,000.00		\$ 903,815.00
9-2018	Various Water Utility Improvements	475,000.00			\$ 25,000.00	450,000.00
		<u>\$ 2,363,651.00</u>	<u>\$ 684,836.00</u>	<u>\$ 300,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 1,353,815.00</u>

**SUPPLEMENTAL EXHIBITS**

**SEWER UTILITY FUND**

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY FUND**  
Statement of Sewer Utility Cash -- Treasurer  
For the Year Ended December 31, 2023

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2022	\$ 1,624,718.39	\$ 280,293.77
Increased by Receipts:		
Collector	\$ 1,078,364.81	
Capital Outlay - Reserve for Sewer Capital Equipment		\$ 137,051.00
Due General Capital Fund	<u>462,000.00</u>	
	<u>1,540,364.81</u>	<u>137,051.00</u>
	3,165,083.20	417,344.77
Decreased by Disbursements:		
2023 Appropriations	805,195.41	
2022 Appropriation Reserves	165,725.63	
Accrued Interest on Bonds and Notes	141,197.73	
Improvement Authorizations		<u>9,153.00</u>
	<u>1,112,118.77</u>	<u>9,153.00</u>
Balance Dec. 31, 2023	<u><u>\$ 2,052,964.43</u></u>	<u><u>\$ 408,191.77</u></u>

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY FUND**  
Statement of Sewer Utility Cash--Collector  
For the Year Ended December 31, 2023

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Consumer Accounts Receivable	\$ 1,041,634.99
Miscellaneous Revenue Anticipated:	
Miscellaneous	<u>36,729.82</u>
	1,078,364.81
Disbursements:	
Payments to Treasurer	<u><u>\$ 1,078,364.81</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, 2023

	Balance (Deficit) <u>Dec. 31, 2022</u>	Disbursements		Transfers		Balance (Deficit) <u>Dec. 31, 2023</u>
		Improvement Authorizations		From	To	
Fund Balance	\$ 29.69					\$ 29.69
Capital Improvement Fund	102,350.00					102,350.00
Reserve for Sewer Capital Equipment	263,049.00					400,100.00
Reserve for Encumbrances	8,778.00			\$ 8,778.00		
Ordinance						
<u>Number</u>						
General Improvements:						
4-2015 Acquisition of a New Generator	6,405.59	\$ 375.00				6,030.59
16-2016; 4-2017; 7-2019; 20-2019 Various Sewer Utility Improvements	(100,318.51)	8,778.00		\$ 8,778.00		(100,318.51)
	<u>\$ 280,293.77</u>	<u>\$ 9,153.00</u>	<u>\$ 8,778.00</u>	<u>\$ 8,778.00</u>	<u>\$ 8,778.00</u>	<u>\$ 408,191.77</u>

**BOROUGH OF ALLENTOWN**  
SEWER UTILITY OPERATING FUND  
Statement of Consumer Accounts Receivable  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 54,321.57
Increased by:	
Sewer Rents Levied	<u>1,059,253.08</u>
	1,113,574.65
Decreased by:	
Collections	<u>1,041,634.99</u>
Balance Dec. 31, 2023	<u><u>\$ 71,939.66</u></u>

**BOROUGH OF ALLENTOWN**  
SEWER UTILITY OPERATING FUND  
Schedule of Sewer Utility Liens  
As of December 31, 2023

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Balance December 31, 2023	<u>\$ 703.75</u>
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**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Fixed Capital  
 For the Year Ended December 31, 2023

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Capital</u> <u>Outlay</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
General Equipment	\$ 61,400.33		\$ 61,400.33
Construction of Sanitary Sewerage System	725,484.69		725,484.69
Improvement of the Sanitary Sewerage Treatment and Disposal Plant	2,536,716.67		2,536,716.67
Conversion of Sludge Drying Bed to Filters for Treatment of Sewage Effluent	3,300.20		3,300.20
Sludge Pump and Electrical Circuit Protection Unit	3,877.65		3,877.65
Sludge Pump	7,421.40	\$ 67,949.00	75,370.40
Sewer Lines	207,675.51		207,675.51
Sewer Plant Upgrade	176,929.82		176,929.82
Computer Equipment	10,205.50		10,205.50
Waste Water Treatment Plant Site Remediation	31,901.00		31,901.00
	<u>\$ 3,764,912.77</u>	<u>\$ 67,949.00</u>	<u>\$ 3,832,861.77</u>
2023 Budget		<u>\$ 67,949.00</u>	

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
 Schedule of Fixed Capital Authorized and Uncompleted  
 As of December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2023</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; 7-2019; 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 2022 Appropriation Reserves  
For the Year Ended December 31, 2023

	<u>Balance Dec. 31, 2022</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		\$ 11,312.36	\$ 11,312.36		\$ 11,312.36
Other Expenses	\$ 6,406.00	292,817.26	299,223.26	\$ 35,725.63	263,497.63
Total Operating	6,406.00	304,129.62	310,535.62	35,725.63	274,809.99
Capital Improvements:					
Capital Outlay		130,000.00	130,000.00	130,000.00	
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		781.02	781.02		781.02
Total Statutory Expenditures	-	130,781.02	130,781.02	130,000.00	781.02
	\$ 6,406.00	\$ 434,910.64	\$ 441,316.64	\$ 165,725.63	\$ 275,591.01
			Disbursed	<u>\$ 165,725.63</u>	

**BOROUGH OF ALLENTOWN**  
SEWER UTILITY OPERATING FUND  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022	\$ 6,406.00
Increased by:	
Encumbrances -- 2023 Appropriations	<u>46,468.37</u>
	52,874.37
Decreased by:	
Transferred -- 2022 Appropriation Reserves	<u>6,406.00</u>
Balance Dec. 31, 2023	<u><u>\$ 46,468.37</u></u>

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Accrued Interest on Serial Bonds and Loans and Analysis of Balance  
 For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 1,853.43
Increased by:		
Budget Appropriation for:		
Interest on Bonds	\$ 22,241.78	
Interest on Loans	127,072.40	
		149,314.18
Decreased by:		
Interest Paid by		
Operating Fund		141,197.73
Balance Dec. 31, 2023		\$ 9,969.88
<u>Analysis of Balance Dec. 31, 2023</u>		
Operating Fund		\$ 9,969.88

Analysis of Accrued Interest Dec. 31, 2023

	Principal Outstanding Dec. 31, 2023	Interest Rate	From	To	Period (Days)	Amount
Serial Bonds:						
	\$ 75,000.00	5.000%	12/1/2023	12/31/2023	30	\$ 308.22
	80,000.00	5.000%	12/1/2023	12/31/2023	30	328.77
	85,000.00	5.000%	12/1/2023	12/31/2023	30	349.32
	85,000.00	4.000%	12/1/2023	12/31/2023	30	279.45
	85,000.00	4.000%	12/1/2023	12/31/2023	30	279.45
				Total Bonds		1,545.21
Loans:						
	35,000.00	5.000%	12/1/2023	12/31/2023	30	143.84
	35,000.00	5.000%	12/1/2023	12/31/2023	30	143.84
	35,000.00	5.000%	12/1/2023	12/31/2023	30	143.84
	40,000.00	5.000%	12/1/2023	12/31/2023	30	164.38
	40,000.00	5.000%	12/1/2023	12/31/2023	30	164.38
	40,000.00	5.000%	12/1/2023	12/31/2023	30	164.38
	45,000.00	5.000%	12/1/2023	12/31/2023	30	184.93
	45,000.00	5.000%	12/1/2023	12/31/2023	30	184.93
	50,000.00	5.000%	12/1/2023	12/31/2023	30	205.48
	50,000.00	5.000%	12/1/2023	12/31/2023	30	205.48
	55,000.00	5.000%	12/1/2023	12/31/2023	30	226.03
	55,000.00	5.000%	12/1/2023	12/31/2023	30	226.03
	60,000.00	5.000%	12/1/2023	12/31/2023	30	246.58
	60,000.00	5.000%	12/1/2023	12/31/2023	30	246.58
	65,000.00	5.000%	12/1/2023	12/31/2023	30	267.12
	70,000.00	5.000%	12/1/2023	12/31/2023	30	287.67
	70,000.00	5.000%	12/1/2023	12/31/2023	30	287.67
	75,000.00	5.000%	12/1/2023	12/31/2023	30	308.22
	80,000.00	5.000%	12/1/2023	12/31/2023	30	328.77
	85,000.00	5.000%	12/1/2023	12/31/2023	30	349.32
	90,000.00	5.000%	12/1/2023	12/31/2023	30	369.86
	90,000.00	5.000%	12/1/2023	12/31/2023	30	369.86
	95,000.00	5.000%	12/1/2023	12/31/2023	30	390.41
	100,000.00	5.000%	12/1/2023	12/31/2023	30	410.96
	105,000.00	5.000%	12/1/2023	12/31/2023	30	431.51
	110,000.00	5.000%	12/1/2023	12/31/2023	30	452.05
	115,000.00	5.000%	12/1/2023	12/31/2023	30	472.60
	125,000.00	5.000%	12/1/2023	12/31/2023	30	513.70
	130,000.00	5.000%	12/1/2023	12/31/2023	30	534.25
				Total Loans		8,424.67
						\$ 9,969.88

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2023

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Balance Dec. 31, 2022		\$	4,633,596.77
Increased by:			
Capital Outlay:			
Budget Appropriation	\$	67,949.00	
NJFIT Loans Paid by Operating Budget		50,049.39	
Serial Bonds Paid by Operating Budget		75,000.00	
		<u>192,998.39</u>	
Balance Dec. 31, 2023		\$	<u><u>4,826,595.16</u></u>

Exhibit SE-12

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
Schedule of Capital Improvement Fund  
As of December 31, 2023

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Balance Dec. 31, 2023		\$	<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, 2023

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2023</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, 2023

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2022		Transfer from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2023		
				Funded	Unfunded			Funded	Unfunded	
General Improvements:										
4-2015	Acquisition of a New Generator	8/25/2015	\$ 300,000.00	\$ 6,405.59			\$ 375.00	\$ 6,030.59		
16-2016; 4-2017; 7-2019; 20-2019	Various Sewer Utility Improvements	11/29/2016;	3,030,000.00		\$ 45,285.49	\$ 8,778.00	8,778.00		\$ 45,285.49	
		10/22/2019								
				\$ 6,405.59	\$ 45,285.49	\$ 8,778.00	\$ 9,153.00	\$ 6,030.59	\$ 45,285.49	
				Disbursed			\$ 9,153.00			



**BOROUGH OF ALLENTOWN**  
SEWER UTILITY CAPITAL FUND  
Statement of Reserve for Sewer Capital Equipment  
For the Year Ended December 31, 2023

---

Balance Dec. 31, 2022		\$ 263,049.00
Increased by:		
Receipts:		
Budget Appropriation - Capital Outlay	\$ 7,051.00	
Appropriation Reserve - Capital Outlay	<u>130,000.00</u>	
		<u>137,051.00</u>
Balance Dec. 31, 2023		<u><u>\$ 400,100.00</u></u>



**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of New Jersey Environmental Infrastructure Loan Payable  
 For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 4,277,198.00
Decreased by:	
Paid by Operating Budget	50,049.39
Balance Dec. 31, 2023	\$ 4,227,148.61

Schedule of New Jersey Environmental Infrastructure Loan Payable Dec. 31, 2023

<u>Due Date</u>	Series 2022A		<u>Total</u>
	<u>Trust</u>	<u>Fund</u>	
February 2024		\$ 25,024.69	\$ 25,024.69
August 2024	\$ 35,000.00	50,049.39	85,049.39
February 2025		25,024.69	25,024.69
August 2025	35,000.00	50,049.39	85,049.39
February 2026		25,024.69	25,024.69
August 2026	35,000.00	50,049.39	85,049.39
February 2027		25,024.69	25,024.69
August 2027	40,000.00	50,049.39	90,049.39
February 2028		25,024.69	25,024.69
August 2028	40,000.00	50,049.39	90,049.39
February 2029		25,024.69	25,024.69
August 2029	40,000.00	50,049.39	90,049.39
February 2030		25,024.69	25,024.69
August 2030	45,000.00	50,049.39	95,049.39
February 2031		25,024.69	25,024.69
August 2031	45,000.00	50,049.39	95,049.39
February 2032		25,024.69	25,024.69
August 2032	50,000.00	50,049.39	100,049.39
February 2033		25,024.69	25,024.69
August 2033	50,000.00	50,049.39	100,049.39
February 2034		25,024.69	25,024.69
August 2034	55,000.00	50,049.39	105,049.39
February 2035		25,024.69	25,024.69
August 2035	55,000.00	50,049.39	105,049.39
February 2036		25,024.69	25,024.69
August 2036	60,000.00	50,049.39	110,049.39
February 2037		25,024.69	25,024.69
August 2037	60,000.00	50,049.39	110,049.39
February 2038		25,024.69	25,024.69
August 2038	65,000.00	50,049.39	115,049.39
February 2039		25,024.69	25,024.69
August 2039	70,000.00	50,049.39	120,049.39
February 2040		25,024.69	25,024.69
August 2040	70,000.00	50,049.39	120,049.39
February 2041		25,024.69	25,024.69
August 2041	75,000.00	50,049.39	125,049.39
February 2042		25,024.69	25,024.69
August 2042	80,000.00	50,049.39	130,049.39
February 2043		25,024.69	25,024.69
August 2043	85,000.00	50,049.39	135,049.39
February 2044		25,024.69	25,024.69
August 2044	90,000.00	50,049.39	140,049.39
February 2045		25,024.69	25,024.69
August 2045	90,000.00	50,049.39	140,049.39
February 2046		25,024.69	25,024.69
August 2046	95,000.00	50,049.39	145,049.39
February 2047		25,024.69	25,024.69
August 2047	100,000.00	50,049.39	150,049.39
February 2048		25,024.69	25,024.69
August 2048	105,000.00	50,049.39	155,049.39
February 2049		25,024.69	25,024.69
August 2049	110,000.00	50,049.39	160,049.39
February 2050		25,024.69	25,024.69
August 2050	115,000.00	50,049.39	165,049.39
February 2051		25,024.69	25,024.69
August 2051	125,000.00	50,049.39	175,049.39
February 2052		25,024.69	25,024.69
August 2052	130,000.00	50,049.68	180,049.68
	\$ 2,050,000.00	\$ 2,177,148.61	\$ 4,227,148.61

**BOROUGH OF ALLENTOWN**  
SEWER UTILITY CAPITAL FUND  
Schedule of Reserve for NJEIT Loan Payable - Preliminary Expenses  
As of December 31, 2023

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Balance Dec. 31, 2023

\$ 177,198.00

**BOROUGH OF ALLENTOWN**  
SEWER UTILITY CAPITAL FUND  
Schedule of Bonds and Notes Authorized But Not Issued  
As of December 31, 2023

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2023</u>
16-2016; 4-2017; 7-2019; 20-2019	Various Sewer Utility Improvements	<u>\$ 145,604.00</u>
		<u><u>\$ 145,604.00</u></u>

**PART II**  
**SINGLE AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**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 Program**

***Opinion on the Major Federal 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 identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Borough's major federal program for the year ended December 31, 2023. The Borough's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Borough of Allentown, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

***Basis for Opinion on the Major Federal Program***

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; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its major federal program. Our audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Borough's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



## Report on 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 the federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 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 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
July 31, 2024

**BOROUGH OF ALLENTOWN**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Additional Award Identification	Pass-Through Entity ID#	State Account Number	Program or Award Amount	Matching Contribution	Grant Period		Receipts or Revenues Recognized	Passed- Through to Subrecipients	Program Expenditures	Memo Only	
							From	To				Cash Collected	Accumulated Expenditures
<u>U.S. Environmental Protection Agency (EPA)</u>													
Passed through New Jersey State Department of Environmental Protection NJ Environmental Infrastructure Financing Program - WWTP	66.458		S340567-05	510-042-4860	\$ 2,254,455.00	N/A	N/A	N/A	\$ 684,836.00		\$ 342,418.00	\$ 791,556.50	\$ 449,138.50
Total Clean Water State Revolving Fund Cluster									684,836.00		342,418.00	791,556.50	449,138.50
Total U.S. Environmental Protection Agency (EPA)									684,836.00		342,418.00	791,556.50	449,138.50
<u>U.S. Department of Justice</u>													
ARP Coronavirus Local Fiscal Recovery Grant	21.027	COVID-19	N/A	100-8030-687	185,786.68	N/A	7/1/21	9/30/24	92,893.34		183,118.15	185,786.68	183,118.15
Total U.S. Treasury Department									92,893.34		183,118.15	185,786.68	183,118.15
<u>U.S. Department of Transportation</u>													
Passed thru New Jersey Department of Transportation Highway Planning and Construction Transportation Alternatives Program	20.205		2021-DT-BLA-305	078-6320-480	1,000,000.00	N/A	N/A	N/A	594,087.67		373,684.95	594,087.67	948,606.68
Total Highway Planning and Construction									594,087.67		373,684.95	594,087.67	948,606.68
Passed thru New Jersey Department of Law and Public Safety Drive Sober or Get Pulled Over	20.616		N/A	100-1160-158	7,000.00	N/A	1/1/23	12/31/23	6,720.00		6,720.00	6,720.00	6,720.00
Total Highway Safety Cluster									6,720.00		6,720.00	6,720.00	6,720.00
Total U.S. Department of Transportation									600,807.67		380,404.95	600,807.67	955,326.68
<u>U.S. Department of Justice</u>													
Bulletproof Vest Partnership	16.607		N/A	100-005-3384	1,418.18	N/A	1/1/23	12/31/23	393.25		393.25	1,250.98	393.25
Total U.S. Department of Justice									393.25		393.25	1,250.98	393.25
Total Federal Financial Assistance									\$ 1,378,930.26	\$	906,334.35	\$ 1,579,401.83	\$ 1,587,976.58

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

**BOROUGH OF ALLENTOWN**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2023

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "schedule") include federal award activity of the Borough of Allentown (hereafter referred to as the "Borough") under programs of the federal government for the year ended December 31, 2023. The Borough is defined in note 1 to the financial statements. The information in this schedule 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). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. Because the schedule presents 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 in accordance with the *Requirements of Audit* (the "*Requirements*") as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and present expenditures on the modified accrual basis of accounting with minor exceptions as mandated by the *Requirements*. 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*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedule are presented at the federal participation level; thus, any matching portion is not included.

**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 FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

**Note 5: 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, 2023**

**BOROUGH OF ALLENTOWN**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2023

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued	Adverse and 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:

**Assistance Listings Number(s)**

**Name of Federal Program or Cluster**

20.205

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Highway Planning and Construction

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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, 2023

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

**State Financial Assistance**                      Not applicable.

Internal control over major programs:

Material weakness(es) identified?                      \_\_\_\_\_ yes                      \_\_\_\_\_ no

Significant deficiency(ies) identified?                      \_\_\_\_\_ yes                      \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs                      \_\_\_\_\_

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

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Auditee qualified as low-risk auditee?                      \_\_\_\_\_ yes                        X   no

**BOROUGH OF ALLENTOWN**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2023

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***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, 2023

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***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, 2023

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***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.

Not applicable.

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**BOROUGH OF ALLENTOWN**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance..

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**BOROUGH OF ALLENTOWN**  
 Officials in Office and Surety Bonds

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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)
John A. Elder III	President of Council	(B)
Nikki A. Darling	Councilmember	(B)
Erica DeKranes	Councilmember	(B)
Michael Drennan	Councilmember	(B)
Martha A. Johnson	Councilmember	(B)
Daniel Payson	Councilmember	(B)
Laurie A. Roth	Borough Administrator/Municipal Clerk	(B)
Danielle Lippincott	Tax Collector	(A)
June Madden	Chief Financial Officer and Purchasing Agent	(B)
Maryann Szbanz	Deputy Tax Collector and Police Clerk	(A)
Scott Basen	Judge of the Municipal Court (from 8/9/2022)	(A)
Brittany Stapon	Court Administrator	(A)
Gail Scaglione	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,

A handwritten signature in black ink that reads "Bowman & Company LLP". The signature is written in a cursive, flowing style.

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink that reads "Michael D. Cesaro". The signature is written in a cursive, flowing style.

Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant