

**BOROUGH OF ALLENTOWN**

**COUNTY OF MONMOUTH**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2017**



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**BOROUGH OF ALLENTOWN**  
**PART I**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Allentown, in the County of Monmouth, State of New Jersey, as of December 31, 2017 and 2016, 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, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

10200

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

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

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

### **Adverse Opinion on Accounting Principles Generally Accepted in the United States of America**

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Allentown, in the County of Monmouth, State of New Jersey, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Allentown, in the County of Monmouth, State of New Jersey, as of December 31, 2017 and 2016, 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, 2017, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2018 on our consideration of the Borough of Allentown, in the County of Monmouth, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Allentown's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Allentown's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 4, 2018

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Allentown, in the County of Monmouth, State of New Jersey, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 4, 2018. That report indicated that the Borough of Allentown's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Allentown's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, 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, in considering the Borough'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  
June 4, 2018

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis  
 As of December 31, 2017 and 2016

<u>ASSETS</u>	Ref.	<u>2017</u>	<u>2016</u>
Regular Fund:			
Cash	SA-1	\$ 1,884,132.69	\$ 1,510,509.47
Cash--Change Funds	SA-3	160.00	160.00
		<u>1,884,292.69</u>	<u>1,510,669.47</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	57,031.57	76,713.24
Tax Title Liens Receivable	SA-5	103,017.17	98,142.65
Property Acquired for Taxes--Assessed Valuation		16,400.00	16,400.00
Revenue Accounts Receivable	SA-6	7,604.18	7,496.82
Due from Animal Control Fund	SB-1	1,074.15	2,297.25
		<u>185,127.07</u>	<u>201,049.96</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	SA-14	46,500.00	25,000.00
		<u>46,500.00</u>	<u>25,000.00</u>
		<u>2,115,919.76</u>	<u>1,736,719.43</u>
Federal and State Grant Fund:			
Cash	SA-1	21,326.67	4,841.10
Federal and State Grants Receivable	SA-20	1,236,872.62	213,058.20
		<u>1,258,199.29</u>	<u>217,899.30</u>
		<u>\$ 3,374,119.05</u>	<u>\$ 1,954,618.73</u>

(Continued)

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis  
 As of December 31, 2017 and 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	<u>2017</u>	<u>2016</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-8	\$ 341,892.66	\$ 232,518.80
Reserve for Encumbrances	SA-9	114,636.59	109,628.23
Prepaid Taxes	SA-10	285,302.51	47,777.67
Tax Overpayments	SA-11	11,547.41	12,228.28
Due to County for Added and Omitted Taxes	SA-13	243.75	1,358.70
Regional School Taxes Payable	SA-18	199,846.52	180,037.00
Due to State of New Jersey (Ch. 73, P.L. 1976)	SA-7	776.47	1,276.47
Payroll Deductions Payable	SA-15	186.43	182.94
Reserve for Master Plan	SA-16	28,591.60	6,591.60
Reserve for Encumbrances - Master Plan	SA-17	2,405.20	17,550.00
Due State of New Jersey--Burial License Fees	SA-1	10.00	10.00
Due to Trust Other Fund		5,000.00	5,000.00
Due to Trust - Municipal Open Space	SB-17	35.03	185.28
		<u>990,474.17</u>	<u>614,344.97</u>
Reserve for Receivables and Other Assets	A	185,127.07	201,049.96
Fund Balance	A-1	<u>940,318.52</u>	<u>921,324.50</u>
		<u>2,115,919.76</u>	<u>1,736,719.43</u>
Federal and State Grant Fund:			
Due General Capital Fund	SC-9		60,782.75
Unappropriated Reserves	SA-21	2,001.79	
Reserve for Encumbrances	SA-9 & SA-22		2,167.88
Appropriated Reserves	SA-22	1,256,197.50	154,948.67
		<u>1,258,199.29</u>	<u>217,899.30</u>
		<u>\$ 3,374,119.05</u>	<u>\$ 1,954,618.73</u>

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

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance--Regulatory Basis  
 For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 380,400.00	\$ 302,000.00
Miscellaneous Revenue Anticipated	1,704,204.92	471,712.31
Receipts from Delinquent Taxes	81,705.16	103,451.57
Receipts from Current Taxes	5,785,190.90	5,762,636.82
Non-Budget Revenues	96,994.23	69,760.24
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	194,101.69	273,708.96
Statutory Excess in Reserve for Dog Fund Expenditures	1,074.15	2,297.25
Cancellation of Reserves for Federal and State Grants	135,616.96	7,572.00
Due from Animal Control Fund	1,223.10	
	<hr/>	<hr/>
Total Income	8,380,511.11	6,993,139.15
	<hr/>	<hr/>
<u>Expenditures</u>		
Budget Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	768,910.00	685,340.00
Other Expenses	846,558.00	886,072.06
Deferred Charges and Statutory Expenditures--Within "CAPS"	181,477.00	157,772.94
Operations-- Excluded from "CAPS":		
Salaries and Wages	32,700.00	24,000.00
Other Expenses	1,401,607.17	176,465.59
Capital Improvements--Excluded from "CAPS"	57,000.00	25,000.00
Municipal Debt Service--Excluded from "CAPS"	235,461.40	260,497.44
Deferred Charges--Excluded from "CAPS"	26,070.88	21,070.89
County Taxes	602,494.17	632,119.28
Due to County for Added and Omitted Taxes	243.75	1,358.70
Municipal Open Space Tax	86,646.76	86,612.24
Regional School Tax	3,632,581.00	3,592,962.00
Senior Citizens' Deductions Disallowed by Tax Collector--		
Prior Year Taxes	250.00	250.00
Cancellation of Federal and State Grants Receivable	135,616.96	7,572.00
Reserves Created:		
Due from Animal Control Fund		883.10
	<hr/>	<hr/>
Total Expenditures	8,007,617.09	6,557,976.24
	<hr/>	<hr/>
Excess in Revenue	372,894.02	435,162.91
	<hr/>	<hr/>
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	26,500.00	25,000.00
	<hr/>	<hr/>
Statutory Excess to Surplus	399,394.02	460,162.91
	<hr/>	<hr/>
Balance Jan. 1	921,324.50	763,161.59
	<hr/>	<hr/>
	1,320,718.52	1,223,324.50
Decreased by:		
Utilized as Revenue	380,400.00	302,000.00
	<hr/>	<hr/>
Balance Dec. 31	\$ 940,318.52	\$ 921,324.50
	<hr/>	<hr/>

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

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2017

	<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	\$ 380,400.00		\$ 380,400.00	
Miscellaneous Revenue				
Licenses:				
Alcoholic Beverages	3,700.00		4,087.80	\$ 387.80
Fees and Permits:				
Other	11,500.00		12,833.15	1,333.15
Fines and Costs:				
Municipal Court	104,000.00		106,071.20	2,071.20
Interest and Cost on Taxes	19,000.00		15,397.83	(3,602.17)
Interest on Investments and Deposits	5,000.00		7,228.01	2,228.01
Lease Agreement- Cellular Antenna Site	136,000.00		138,723.47	2,723.47
Consolidated Municipal Property Relief Aid	12,211.00		12,211.00	
Energy Receipts Tax	119,384.00		119,384.00	
Shared Services Agreement - Municipal Court Services	13,000.00		24,238.29	11,238.29
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	1,381.23		1,381.23	
Drunk Driving Enforcement Grant		\$ 2,000.00	2,000.00	
Distracted Driver Grant	5,500.00		5,500.00	
Clean Communities Program		4,000.00	4,000.00	
Safety Incentive Program	1,500.00		1,500.00	
Drive Sober or Get Pulled Over		5,500.00	5,500.00	
Drive Sober or Get Pulled Over - Holiday Crackdown Grant		5,500.00	5,500.00	
Body Armor Replacement Fund		982.07	982.07	
Monmouth County CDBG		138,000.00	138,000.00	
N.J. Department of Transportation - Municipal Aid Program		235,000.00	235,000.00	
N.J. Transportation Alternatives Program		854,000.00	854,000.00	
Bulletproof Vest Program		666.87	666.87	
Other Special Items:				
Outside Employment of Police Officers - Administrative Fee from Trust Other Fund	10,000.00		10,000.00	
Miscellaneous Revenue Anticipated	442,176.23	1,245,648.94	1,704,204.92	16,379.75
Receipts from Delinquent Taxes	90,000.00		81,705.16	(8,294.84)
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	1,537,059.50		1,635,225.43	98,165.93
Budget Totals	2,449,635.73	1,245,648.94	3,801,535.51	106,250.84
Non-Budget Revenues			96,994.23	96,994.23
	<u>\$ 2,449,635.73</u>	<u>\$ 1,245,648.94</u>	<u>\$ 3,898,529.74</u>	<u>\$ 203,245.07</u>

(Continued)

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2017

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collections	\$	5,785,190.90
Allocated to:		
School, County and Local Open Space Taxes		4,321,965.68
Balance for Support of Municipal Budget Appropriations		1,463,225.22
Add: Appropriation "Reserve for Uncollected Taxes"		172,000.21
Amount for Support of Municipal Budget Appropriation	\$	1,635,225.43
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	\$	74,885.03
Tax Title Lien Collections		6,820.13
	\$	81,705.16
Fees and Permits-- Other:		
Clerk:		
Certified Copies	\$	5,920.00
Fees and Permits-- Other		2,568.15
Housing Inspection Fees		3,375.00
Mercantile Licenses		970.00
	\$	12,833.15
Interest on Investments:		
Treasurer		
Revenue Accounts Receivable- Municipal Court- Regular	\$	7,196.46
Revenue Accounts Receivable- Municipal Court- Bail		30.45
		1.10
	\$	7,228.01

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:		
Senior Citizens and Veteran's Deduction Administrative Fee	\$	260.00
White Goods Removal		105.00
Photocopies		238.80
Cable TV Franchise Fees		29,928.90
Zoning Permits		745.00
Landlord Registration Certificate		1,225.00
Vacant Properties		7,500.00
Inspection Fines		8,312.00
Insurance Reimbursements		30,226.39
Property Maintenance Reimbursements		60.51
Miscellaneous- Other		18,392.63
	\$	96,994.23

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, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<b>OPERATIONS - WITHIN "CAPS"</b>						
<u>General Government</u>						
Mayor and Council						
Salaries and Wages	\$ 21,200.00	\$ 21,200.00	\$ 21,031.32		\$ 168.68	
Other Expenses	3,000.00	3,000.00	1,162.72	\$ 393.31	1,443.97	
Municipal Clerk						
Salaries and Wages	52,260.00	52,260.00	48,843.04		3,416.96	
Other Expenses	30,130.00	30,130.00	17,767.79	2,048.93	10,313.28	
Financial Administration						
Salaries and Wages	33,700.00	33,700.00	26,422.67		7,277.33	
Other Expenses	17,700.00	17,700.00	11,248.71	4,261.80	2,189.49	
Annual Audit	12,500.00	12,500.00	12,000.00	382.80	117.20	
Assessment of Taxes						
Salaries and Wages	10,600.00	10,600.00	10,583.40		16.60	
Other Expenses	1,600.00	1,600.00	928.13		671.87	
Collection of Taxes						
Salaries and Wages	27,600.00	27,600.00	25,154.40		2,445.60	
Other Expenses	5,500.00	5,500.00	3,690.70		1,809.30	
Legal Services						
Other Expenses	75,800.00	85,800.00	49,005.45	4,500.00	32,294.55	
Municipal Court						
Salaries and Wages	63,400.00	63,400.00	45,078.93		18,321.07	
Other Expenses	7,775.00	7,775.00	1,632.54		6,142.46	
Public Defender (P.L. 1997, C.256)						
Other Expenses	500.00	500.00	500.00			
Engineering Services						
Other Expenses	97,500.00	97,500.00	36,648.75	9,090.00	51,761.25	
Historical Preservation						
Other Expenses	1,000.00	1,000.00	59.99	940.00	0.01	

(Continued)

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	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	\$ 13,800.00	\$ 13,800.00	\$ 8,676.45		\$ 5,123.55	
Other Expenses	5,350.00	5,350.00	1,872.72		3,477.28	
Housing Element of Master Plan (N.J.S.A. 40A:4-53 +\$26,500.00)		26,500.00	26,500.00			
<u>Code Enforcement and Administration</u>						
Code Enforcement Office						
Salaries and Wages	2,700.00	2,700.00	2,563.20		136.80	
Other Expenses	250.00	250.00	99.44		150.56	
Housing Inspector						
Salaries and Wages	3,100.00	3,100.00	3,061.56		38.44	
Other Expenses	250.00	250.00	69.38		180.62	
<u>Insurance</u>						
Liability Insurance	19,700.00	19,700.00	19,666.43		33.57	
Workers Compensation Insurance	19,700.00	19,700.00	19,666.42		33.58	
Employee Group Insurance	68,000.00	48,439.00	48,100.46		338.54	
Employee Group Health Waivers	11,800.00	15,861.00	6,055.13		9,805.87	
Disability Insurance	2,000.00	2,000.00	587.67		1,412.33	
<u>Public Safety Functions</u>						
Police						
Salaries and Wages	497,000.00	497,000.00	455,046.72		41,953.28	
Other Expenses	47,253.00	47,253.00	26,005.83	\$ 14,322.31	6,924.86	
Office of Emergency Management						
Salaries and Wages	1,550.00	1,550.00	1,530.00		20.00	
Other Expenses	500.00	500.00			500.00	
Aid to Volunteer Fire Co.	34,000.00	34,000.00	34,000.00			
First Aid Organization Contribution	23,850.00	29,350.00	29,350.00			
Prosecutor						
Other Expenses	12,000.00	12,000.00	6,696.00		5,304.00	

(Continued)

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Public Works Functions</u>						
Road Repair and Maintenance						
Other Expenses	\$ 49,700.00	\$ 49,700.00	\$ 18,681.77	\$ 9,512.25	\$ 21,505.98	
Shade Tree						
Other Expenses	6,400.00	6,400.00	3,219.14	2,450.00	730.86	
Garbage and Trash Removal						
Other Expenses	140,000.00	140,000.00	122,746.74	8,668.00	8,585.26	
Recycling Program						
Salaries and Wages	2,000.00					
Other Expenses	2,000.00	2,000.00	732.00	1,220.00	48.00	
Public Buildings and Grounds						
Salaries and Wages	42,000.00	42,000.00	31,248.42		10,751.58	
Other Expenses	24,700.00	24,700.00	14,214.94	1,275.37	9,209.69	
Vehicle Maintenance						
Other Expenses	13,600.00	15,600.00	10,110.19	1,423.01	4,066.80	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Health and Welfare</u>						
Environmental Commission						
Other Expenses	1,000.00	1,000.00	300.00		700.00	
Aid to Library (N.J.S. 40:54-35)	2,500.00	2,500.00	2,500.00			
<u>Recreation</u>						
Celebration of Public Events, Anniversary or Holidays						
Other Expenses	500.00	500.00			500.00	

(Continued)

**BOROUGH OF ALLENTOWN**  
CURRENT FUND  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS - WITHIN "CAPS" (CONT'D)</b>						
<u>Utility Expenses and Bulk Purchases</u>						
Electricity	\$ 10,500.00	\$ 10,500.00	\$ 4,461.18	\$ 1,472.27	\$ 4,566.55	
Street Lighting	33,000.00	33,000.00	22,352.97	5,974.96	4,672.07	
Telephone and Telegraph	14,000.00	14,000.00	9,403.55	963.87	3,632.58	
Natural Gas	5,000.00	5,000.00	2,576.10	49.54	2,374.36	
Gasoline	15,000.00	15,000.00	12,074.05	1,202.93	1,723.02	
<u>Unclassified</u>						
Contingent	2,500.00	2,500.00	2,201.17		298.83	
<b>Total Operations within "CAPS"</b>	<b>1,588,968.00</b>	<b>1,615,468.00</b>	<b>1,258,128.17</b>	<b>70,151.35</b>	<b>287,188.48</b>	
Detail:						
Salaries and Wages	770,910.00	768,910.00	679,240.11		89,669.89	
Other Expenses (Including Contingent)	818,058.00	846,558.00	578,888.06	70,151.35	197,518.59	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>						
<u>Statutory Expenditures:</u>						
<u>Contribution to:</u>						
Public Employees' Retirement System	16,301.00	16,301.00	16,301.00			
Public Employees' Retirement System - Early Retirement	13,199.00	13,199.00	13,199.00			
Social Security System	64,000.00	64,000.00	54,212.53		9,787.47	
Police and Firemen's Retirement System	84,477.00	84,477.00	84,477.00			
Defined Contribution Retirement Program	3,500.00	3,500.00	1,153.80	67.69	2,278.51	
<b>Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"</b>	<b>181,477.00</b>	<b>181,477.00</b>	<b>169,343.33</b>	<b>67.69</b>	<b>12,065.98</b>	<b>-</b>
<b>Total General Appropriations for Municipal Purposes within "CAPS"</b>	<b>1,770,445.00</b>	<b>1,796,945.00</b>	<b>1,427,471.50</b>	<b>70,219.04</b>	<b>299,254.46</b>	<b>-</b>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
Alliance to Prevent Alcoholism and Drug Abuse - Local Match	2,500.00	2,500.00	2,500.00			
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>2,500.00</b>	<b>2,500.00</b>	<b>2,500.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Shared Service Agreements</u>						
Municipal Court Services (Township of Plumsted)	27,200.00	27,200.00	26,058.12		1,141.88	
Fire Services (Township of Upper Freehold)	140,000.00	140,000.00	78,536.63	25,951.55	35,511.82	
Other Expenses - Shared Services Crossing Guards	9,000.00	9,000.00	4,015.50		4,984.50	
Other Expenses - Emergency Management (Township of Freehold)						
Everbridge Emergency Management System	577.00	577.00	577.00			
<b>Total Shared Service Agreements</b>	<b>176,777.00</b>	<b>176,777.00</b>	<b>109,187.25</b>	<b>25,951.55</b>	<b>41,638.20</b>	<b>-</b>

(Continued)

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D)</b>						
<b>Public and Private Programs Offset by Revenues</b>						
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 + \$666.87)		666.87	666.87			
Recycling Tonnage Grant	\$ 1,381.23	1,381.23	1,381.23			
Distracted Driver Grant	5,500.00	5,500.00	5,500.00			
Safety Incentive Program	1,500.00	1,500.00	1,500.00			
Drunk Driving Enforcement Grant (N.J.S.A. 40A:4-87 + \$2,000.00)		2,000.00	2,000.00			
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 + \$5,500.00)		5,500.00	5,500.00			
Drive Sober or Get Pulled Over - Holiday Crack Down Grant (N.J.S.A. 40A:4-87 + \$5,500.00)		5,500.00	5,500.00			
Body Armor Replacement Fund (N.J.S.A. 40A:4-87 + \$982.07)		982.07	982.07			
Monmouth County CDBG (N.J.S.A. 40A:4-87 + \$138,000.00)		138,000.00	138,000.00			
N.J. Department of Transportation - Municipal Aid Program (N.J.S.A. 40A:4-87 + \$235,000.00)		235,000.00	235,000.00			
N.J. Transportation Alternatives Program (N.J.S.A. 40A:4-87 + \$854,000.00)		854,000.00	854,000.00			
Matching Funds for Grants	1,000.00	1,000.00			\$ 1,000.00	
<b>Total Public and Private Programs Offset by Revenues</b>	<b>9,381.23</b>	<b>1,255,030.17</b>	<b>1,254,030.17</b>	<b>-</b>	<b>1,000.00</b>	<b>-</b>
<b>Total Operations - Excluded from "CAPS"</b>	<b>188,658.23</b>	<b>1,434,307.17</b>	<b>1,365,717.42</b>	<b>\$ 25,951.55</b>	<b>42,638.20</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	32,700.00	32,700.00	31,558.12	-	1,141.88	-
Other Expenses	155,958.23	1,401,607.17	1,334,159.30	25,951.55	41,496.32	-
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00			
Acquisition of Various Capital Equipment	32,000.00	32,000.00	13,534.00	18,466.00		
<b>Total Capital Improvements - Excluded from "CAPS"</b>	<b>57,000.00</b>	<b>57,000.00</b>	<b>38,534.00</b>	<b>18,466.00</b>	<b>-</b>	<b>-</b>
<b>Municipal Debt Service - Excluded from "CAPS"</b>						
Payment of Bond Principal	141,000.00	141,000.00	141,000.00			
Payment of Bond Anticipation Notes and Capital Notes	37,000.00	37,000.00	37,000.00			
Interest on Bonds	55,807.50	55,807.50	55,807.50			
Interest on Notes	1,653.90	1,653.90	1,653.90			
<b>Total Municipal Debt Service - Excluded from "CAPS"</b>	<b>235,461.40</b>	<b>235,461.40</b>	<b>235,461.40</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Continued)

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</b>						
Special Emergency Authorizations - 5 Years	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00			
Deferred Charges to Future Taxation--Unfunded						\$ 0.01
Ordinance 5-2001	13,470.89	13,470.89	13,470.88			
Ordinance 3-2003	7,600.00	7,600.00	7,600.00			
<b>Total Deferred Charges - Municipal - Excluded from "CAPS"</b>	<b>26,070.89</b>	<b>26,070.89</b>	<b>26,070.88</b>	<b>-</b>	<b>-</b>	<b>0.01</b>
<b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>	<b>507,190.52</b>	<b>1,752,839.46</b>	<b>1,665,783.70</b>	<b>\$ 44,417.55</b>	<b>\$ 42,638.20</b>	<b>0.01</b>
<b>Subtotal General Appropriations</b>	<b>2,277,635.52</b>	<b>3,549,784.46</b>	<b>3,093,255.20</b>	<b>114,636.59</b>	<b>341,892.66</b>	<b>0.01</b>
<b>Reserve for Uncollected Taxes</b>	<b>172,000.21</b>	<b>172,000.21</b>	<b>172,000.21</b>			
<b>Total General Appropriations:</b>	<b>\$ 2,449,635.73</b>	<b>\$ 3,721,784.67</b>	<b>\$ 3,265,255.41</b>	<b>\$ 114,636.59</b>	<b>\$ 341,892.66</b>	<b>\$ 0.01</b>
Appropriation by 40A:4-87		\$ 1,245,648.94				
Appropriation by 40A:4-53		26,500.00				
Budget		2,449,635.73				
		<u>\$ 3,721,784.67</u>				
Reserve for Federal and State Grants			\$ 1,254,030.17			
Deferred Charges - Emergency Authorizations (N.J.S.A. 40A:4-53)			26,500.00			
Deferred Charges - Special Emergency Authorizations			5,000.00			
Reserve for Uncollected Taxes			172,000.21			
Disbursed			1,807,725.03			
			<u>\$ 3,265,255.41</u>			

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

**BOROUGH OF ALLENTOWN**  
**TRUST FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Animal Control Fund:			
Cash	SB-1	\$ 8,153.55	\$ 9,640.65
		<u>8,153.55</u>	<u>9,640.65</u>
Other Funds:			
Cash	SB-1	186,395.13	179,193.14
Due from Current Fund		<u>5,000.00</u>	<u>5,000.00</u>
		<u>191,395.13</u>	<u>184,193.14</u>
Municipal Open Space Fund:			
Cash	SB-1	192,910.21	180,537.48
Due from Current Fund	SB-17	<u>35.03</u>	<u>185.28</u>
		<u>192,945.24</u>	<u>180,722.76</u>
		<u>\$ 392,493.92</u>	<u>\$ 374,556.55</u>

(Continued)

**BOROUGH OF ALLENTOWN**  
TRUST FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2017 and 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-2	\$ 7,075.20	\$ 7,338.00
Due to Current Fund	SB-4	1,074.15	2,297.25
Due to State of New Jersey	SB-3	4.20	5.40
		<u>8,153.55</u>	<u>9,640.65</u>
Other Funds:			
Reserve for New Jersey Unemployment Compensation Insurance Trust Fund	SB-7	10,562.69	11,411.37
Reserve for Developers' Escrow Fund	SB-6	40,466.09	42,629.41
Reserve for Encumbrances - Developers' Escrow Fund	SB-6	1,691.25	
Reserve for Recreation Commission	SB-8	2,711.31	2,709.74
Reserve for Outside Employment of Off-Duty Municipal Police Officers	SB-9	41,924.11	35,532.69
Reserve for Public Defender Fees	SB-10	200.00	1,378.25
Reserve for Beautification of Parks & Grounds Donations		0.03	0.03
Reserve for Parking Offenses Adjudication Act	SB-12	108.75	100.75
Reserve for Water Tower Lease Security Deposits		17,299.84	17,299.84
Reserve for Uniform Fire Safety Act Penalty		2,166.72	2,166.72
Premiums on Tax Sale	SB-13	26,900.00	33,600.00
Reserve for Storm Recovery Trust Fund	SB-5	46,864.34	36,864.34
Reserve for Celebration for Public Events		500.00	500.00
		<u>191,395.13</u>	<u>184,193.14</u>
Municipal Open Space Fund:			
Reserve for Insurance - Monitoring	SB-15	16,893.79	16,893.79
Reserve for Encumbrances	SB-16	9,758.32	2,031.95
Reserve for Future Use	SB-16	156,738.13	153,607.02
Reserve for Farm Rental Income	SB-14	9,555.00	8,190.00
		<u>192,945.24</u>	<u>180,722.76</u>
		<u>\$ 392,493.92</u>	<u>\$ 374,556.55</u>

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

**BOROUGH OF ALLENTOWN**  
**TRUST--MUNICIPAL OPEN SPACE FUND**  
**Statement of Revenues--Regulatory Basis**  
**For the Year Ended December 31, 2017**

	Anticipated <u>Budget</u>	Budget After <u>Modification</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Amount to be Raised by Taxation	\$ 86,611.73	\$ 86,611.73	\$ 86,646.76	\$ 35.03
Interest Income			785.61	785.61
Reserve Funds:				
Reserve for Future Use	153,607.02	153,607.02	153,607.02	
Reserve for Donations for Insurance (Breza Rd)	16,893.79	16,893.79		(16,893.79)
Reserve for Rental Proceeds	8,190.00	8,190.00		(8,190.00)
	<u>\$ 265,302.54</u>	<u>\$ 265,302.54</u>	<u>\$ 241,039.39</u>	<u>\$ (24,263.15)</u>

Analysis of Realized Revenues

Current Year Levy	\$ 86,646.76
Interest Income	785.61
Reserve Funds	<u>153,607.02</u>
	<u>\$ 241,039.39</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, 2017**

	<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	\$ 20,000.00	\$ 20,000.00	\$ 3,327.15		\$ 16,672.85
Maintenance of Lands for Recreation and Conservation:					
Salary & Wages	10,000.00	10,000.00			10,000.00
Other Expenses	100,083.79	100,083.79	23,085.34	\$ 9,758.32	67,240.13
Deferred Charge - Future Taxation Ordinance 2016-11	25,000.00	25,000.00	25,000.00		
Acquisition of Lands for Recreation and Conservation	87,223.75	87,223.75	2,167.40		85,056.35
Debt Service:					
Payment of Bond Principal	21,000.00	21,000.00	21,000.00		
Interest on Bonds	1,995.00	1,995.00	1,995.00		
	<u>\$ 265,302.54</u>	<u>\$ 265,302.54</u>	<u>\$ 76,574.89</u>	<u>\$ 9,758.32</u>	<u>\$ 178,969.33</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, 2017 and 2016

<u>Assets</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	SC-1	\$ 155,024.84	\$ 45,282.90
Due from Federal and State Grant Fund	SC-9		60,782.75
Deferred Charges to Future Taxation--Funded	SC-3	1,204,000.00	1,366,000.00
Deferred Charges to Future Taxation--Unfunded	SC-4	1,996,183.00	1,079,253.88
Due from State of New Jersey	SC-10	900,000.00	
		<u>\$ 4,255,207.84</u>	<u>\$ 2,551,319.53</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	SC-12	\$ 1,204,000.00	\$ 1,366,000.00
Bond Anticipation Notes	SC-11	74,000.00	111,000.00
Capital Improvement Fund	SC-7	94,761.92	69,761.92
Reserve for Payment of Debt Service	SC-5	8,014.74	8,014.74
Reserve for Encumbrances	SC-8	30,763.65	950.00
Improvement Authorizations:			
Funded	SC-6	1,083,368.74	234,163.05
Unfunded	SC-6	1,737,330.90	738,461.93
Fund Balance		<u>22,967.89</u>	<u>22,967.89</u>
		<u>\$ 4,255,207.84</u>	<u>\$ 2,551,319.53</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, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Operating Fund:			
Cash--Treasurer	SD-1	\$ 441,109.70	\$ 333,860.14
Cash-- Change Fund		25.00	25.00
		<u>441,134.70</u>	<u>333,885.14</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-5	147,317.17	173,404.06
Water Utility Liens		3,203.05	3,203.05
		<u>150,520.22</u>	<u>176,607.11</u>
Total Operating Fund		<u>591,654.92</u>	<u>510,492.25</u>
Capital Fund:			
Cash	SD-1	226,608.77	224,208.44
Fixed Capital	SD-7	3,139,915.56	3,130,467.82
Fixed Capital Authorized and Uncompleted	SD-8	3,837,650.00	877,650.00
Total Capital Fund		<u>7,204,174.33</u>	<u>4,232,326.26</u>
		<u>\$ 7,795,829.25</u>	<u>\$ 4,742,818.51</u>

(Continued)

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis  
 As of December 31, 2017 and 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3 & SD-9	\$ 118,525.78	\$ 115,502.99
Reserve for Encumbrances	SD-10	19,159.34	13,628.76
Accrued Interest on Serial Bonds and Notes	SD-12	2,623.82	3,028.21
Accounts Payable	SD-11		2,596.75
		140,308.94	134,756.71
Reserve for Receivables	D	150,520.22	176,607.11
Fund Balance	D-1	300,825.76	199,128.43
		591,654.92	510,492.25
Total Operating Fund			
Capital Fund:			
Serial Bonds	SD-19	1,019,000.00	1,142,000.00
Reserve for Preliminary Expenses	SD-14	122.00	122.00
Capital Improvement Fund	SD-13	57,350.00	47,350.00
Reserve for Water Meters	SD-4		20,000.00
Reserve for Hydrants	SD-6	25,000.00	20,000.00
Reserve for Encumbrances	SD-15		7,633.25
Accrued Interest on Serial Bonds	SD-12	1,169.15	1,169.15
Improvement Authorizations:			
Funded	SD-16	162,263.07	154,229.49
Unfunded	SD-16	2,935,000.00	
Reserves for:			
Amortization	SD-17	2,937,040.56	2,797,592.82
Deferred Amortization	SD-18	66,150.00	41,150.00
Fund Balance		1,079.55	1,079.55
		7,204,174.33	4,232,326.26
Total Capital Fund		7,204,174.33	4,232,326.26
		\$ 7,795,829.25	\$ 4,742,818.51

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

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2017 and 2016

<u>Revenue and Other Income Realized</u>	<u>2017</u>	<u>2016</u>
Operating Fund Balance Utilized	\$ 75,000.00	\$ 75,000.00
Rents	647,586.06	579,168.09
Miscellaneous	14,970.94	9,327.71
Additional Rents		20,300.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	97,810.44	63,283.11
 Total Income	 <u>835,367.44</u>	 <u>747,078.91</u>
<u>Expenditures</u>		
Operating	427,766.00	427,516.00
Capital Improvements	30,000.00	20,000.00
Debt Service	173,663.11	170,611.73
Deferred Charges and Statutory Expenditures	27,241.00	33,650.00
 Total Expenditures	 <u>658,670.11</u>	 <u>651,777.73</u>
 Excess in Revenue	 176,697.33	 95,301.18
<u>Fund Balance</u>		
Balance Jan. 1	199,128.43	178,827.25
	375,825.76	274,128.43
Decreased by:		
Utilized in Operating Budget	75,000.00	75,000.00
 Balance Dec. 31	 <u>\$ 300,825.76</u>	 <u>\$ 199,128.43</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, 2017

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 75,000.00	\$ 75,000.00	
Rents	580,000.00	647,586.06	\$ 67,586.06
Miscellaneous	4,076.50	14,970.94	10,894.44
	<u>\$ 659,076.50</u>	<u>\$ 737,557.00</u>	<u>\$ 78,480.50</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable	<u>\$ 647,586.06</u>
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Miscellaneous:

Interest on Investments	\$ 2,557.49
Penalties on Delinquent Accounts	5,847.59
Connection Fees	1,100.00
Bad Check Fee	80.00
Miscellaneous	<u>5,385.86</u>
	<u>\$ 14,970.94</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, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 67,900.00	\$ 67,900.00	\$ 52,688.09		\$ 15,211.91	
Other Expenses	359,866.00	359,866.00	239,726.76	\$ 19,159.34	100,979.90	
<b>Total Operating</b>	<b>427,766.00</b>	<b>427,766.00</b>	<b>292,414.85</b>	<b>19,159.34</b>	<b>116,191.81</b>	
Capital Improvements:						
Capital Improvement Fund	10,000.00	10,000.00	10,000.00			
Capital Outlay	20,000.00	20,000.00	19,447.74		552.26	
<b>Total Capital Improvements</b>	<b>30,000.00</b>	<b>30,000.00</b>	<b>29,447.74</b>		<b>552.26</b>	
Debt Service:						
Payment of Bond Principal	123,000.00	123,000.00	123,000.00			
Interest on Bonds	51,067.50	51,067.50	50,663.11			\$ 404.39
Interest on Notes	2.00	2.00				2.00
<b>Total Debt Service</b>	<b>174,069.50</b>	<b>174,069.50</b>	<b>173,663.11</b>			<b>406.39</b>
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Costs of Improvements Authorized:						
Ordinance 5-1996	7,000.00	7,000.00	7,000.00			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	8,036.00	8,036.00	8,036.00			
Public Employees Retirement System - Early Retirement Incentive Program	6,505.00	6,505.00	6,505.00			
Social Security System (O.A.S.I.)	5,700.00	5,700.00	3,918.29		1,781.71	
<b>Total Deferred Charges and Statutory Expenditures</b>	<b>27,241.00</b>	<b>27,241.00</b>	<b>25,459.29</b>		<b>1,781.71</b>	
	<b>\$ 659,076.50</b>	<b>\$ 659,076.50</b>	<b>\$ 520,984.99</b>	<b>\$ 19,159.34</b>	<b>\$ 118,525.78</b>	<b>\$ 406.39</b>
Interest on Bonds Disbursed			\$ 50,663.11			
			<u>470,321.88</u>			
			<u>\$ 520,984.99</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, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Operating Fund:			
Cash	SE-1	\$ 1,140,628.92	\$ 768,529.29
		<u>1,140,628.92</u>	<u>768,529.29</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SE-4	40,167.22	30,188.79
Sewer Utility Liens	SE-5	10,536.80	10,536.80
		<u>50,704.02</u>	<u>40,725.59</u>
Total Operating Fund		<u>1,191,332.94</u>	<u>809,254.88</u>
Capital Fund:			
Cash	SE-1	187,048.80	372,174.07
Fixed Capital	SE-6	3,687,961.77	3,338,200.94
Fixed Capital Authorized and Uncompleted	SE-7	4,730,000.00	6,137,650.00
Total Capital Fund		<u>8,605,010.57</u>	<u>9,848,025.01</u>
		<u>\$ 9,796,343.51</u>	<u>\$ 10,657,279.89</u>

(Continued)

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis  
 As of December 31, 2017 and 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3 & SE-8	\$ 275,494.04	\$ 325,835.62
Reserve for Encumbrances	SE-9	35,941.27	20,289.86
Accrued Interest on Serial Bonds	SE-10	3,131.50	3,322.18
		<u>314,566.81</u>	<u>349,447.66</u>
Reserve for Receivables	E	50,704.02	40,725.59
Fund Balance	E-1	826,062.11	419,081.63
		<u>1,191,332.94</u>	<u>809,254.88</u>
Total Operating Fund			
		<u>1,191,332.94</u>	<u>809,254.88</u>
Capital Fund:			
Serial Bonds	SE-15	805,000.00	863,000.00
Capital Improvement Fund	SE-12	102,350.00	102,350.00
Reserve for Encumbrances	SE-14	63,572.79	86,548.00
Improvement Authorizations:			
Funded	SE-14	465,972.21	466,367.21
Unfunded	SE-14	3,063,611.61	4,323,379.17
Reserve for:			
Amortization	SE-11	4,016,974.27	3,841,200.94
Deferred Amortization	SE-13	87,500.00	165,150.00
Fund Balance		29.69	29.69
		<u>8,605,010.57</u>	<u>9,848,025.01</u>
Total Capital Fund		<u>8,605,010.57</u>	<u>9,848,025.01</u>
		<u>\$ 9,796,343.51</u>	<u>\$ 10,657,279.89</u>

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

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2017 and 2016

<u>Revenue and Other Income Realized</u>	<u>2017</u>	<u>2016</u>
Operating Fund Balance Utilized	\$ 33,000.00	\$ 34,500.00
Rents	870,112.49	883,469.02
Miscellaneous	14,303.58	14,482.94
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	319,574.06	164,194.30
Total Income	1,236,990.13	1,096,646.26
<u>Expenditures</u>		
Operating	618,416.00	700,576.00
Capital Improvements	20,000.00	60,000.00
Debt Service	98,229.32	92,221.89
Deferred Charges and Statutory Expenditures	60,364.33	16,600.00
Total Expenditures	797,009.65	869,397.89
Excess in Revenue	439,980.48	227,248.37
<u>Fund Balance</u>		
Balance Jan. 1	419,081.63	226,333.26
Decreased by:	859,062.11	453,581.63
Utilized in Operating Budget	33,000.00	34,500.00
Balance Dec. 31	\$ 826,062.11	\$ 419,081.63

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

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 33,000.00	\$ 33,000.00	
Rents	760,000.00	870,112.49	\$ 110,112.49
Miscellaneous	5,700.33	14,303.58	8,603.25
	<u>\$ 798,700.33</u>	<u>\$ 917,416.07</u>	<u>\$ 118,715.74</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable

\$ 870,112.49

Miscellaneous:

Interest on Investments

\$ 5,407.13

Penalties on Delinquent Accounts

2,965.18

Connection Fees

1,531.97

Miscellaneous

4,399.30

\$ 14,303.58

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, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 67,900.00	\$ 67,900.00	\$ 51,509.84		\$ 16,390.16	
Other Expenses	550,516.00	550,516.00	277,342.70	\$ 15,941.27	257,232.03	
Total Operating	618,416.00	618,416.00	328,852.54	15,941.27	273,622.19	
Capital Improvements:						
Capital Outlay	20,000.00	20,000.00		20,000.00		
Total Capital Improvements	20,000.00	20,000.00		20,000.00		
Debt Service:						
Payment of Bond Principal	58,000.00	58,000.00	58,000.00			
Interest on Notes	1,500.00	1,500.00				\$ 1,500.00
Interest on Bonds	40,420.00	40,420.00	40,229.32			190.68
Total Debt Service	99,920.00	99,920.00	98,229.32			1,690.68
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Cost of Improvements Authorized: Ordinance 6-2003	19,181.01	19,181.01	19,181.01			
Cost of Improvements Authorized: Ordinance 4-2008	20,942.32	20,942.32	20,942.32			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	8,036.00	8,036.00	8,036.00			
Public Employees Retirement System - Early Retirement Incentive Program	6,505.00	6,505.00	6,505.00			
Social Security System (O.A.S.I.)	5,700.00	5,700.00	3,828.15		1,871.85	
Total Deferred Charges and Statutory Expenditures	60,364.33	60,364.33	58,492.48		1,871.85	
	<u>\$ 798,700.33</u>	<u>\$ 798,700.33</u>	<u>\$ 485,574.34</u>	<u>\$ 35,941.27</u>	<u>\$ 275,494.04</u>	<u>\$ 1,690.68</u>
Interest on Bonds Disbursed			\$ 40,229.32			
			<u>445,345.02</u>			
			<u>\$ 485,574.34</u>			

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

**BOROUGH OF ALLENTOWN**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
Statement of General Fixed Asset Group of Accounts--Regulatory Basis  
For the Year Ended December 31, 2017

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	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
General Fixed Assets:				
Land	\$ 1,952,700.00			\$ 1,952,700.00
Buildings and Improvements	932,913.40	\$ 20,608.00		953,521.40
Equipment	602,438.81	18,806.47	\$ 16,694.74	604,550.54
Vehicles	242,062.50	32,857.00	84,816.50	190,103.00
	<hr/>			
Total General Fixed Assets	<u>\$ 3,730,114.71</u>	<u>\$ 72,271.47</u>	<u>\$ 101,511.24</u>	<u>\$ 3,700,874.94</u>
Total Investment in General Fixed Assets	<u><u>\$ 3,730,114.71</u></u>			<u><u>\$ 3,700,874.94</u></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, 2017

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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 2010 census is 1,828.

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

**Component Units** - The Borough had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, No. 61 and No. 80.

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

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

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

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

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

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

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

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

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

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

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

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

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

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

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

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due 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, 2016 and decreased by the amount deferred at December 31, 2017.

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

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

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

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

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

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

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

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

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS), and additions to/deductions from PFRS' and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, 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 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, 2017, the Borough's bank balances of \$4,437,291.02 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:

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	\$ 3.048	\$ 3.042	\$ 2.831	\$ 2.807	\$ 2.738
Apportionment of Tax Rate:					
Municipal	\$ 0.800	\$ 0.794	\$ 0.796	\$ 0.766	\$ 0.734
Municipal Open Space	0.045	0.045	0.045	0.045	0.045
County	0.273	0.287	0.264	0.269	0.274
County Open Space	0.016	0.017	0.015	0.015	0.015
County Library	0.019	0.020	0.017	0.017	0.018
County Health	0.005	0.006	0.005	0.005	0.005
Regional School Tax	1.890	1.873	1.689	1.690	1.647

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2017	\$ 192,242,800.00
2016	191,811,400.00
2015	191,371,325.00
2014	189,058,850.00
2013	191,231,000.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 5,861,933.89	\$ 5,785,190.90	98.69%
2016	5,847,427.74	5,762,636.82	98.55%
2015	5,417,722.21	5,301,438.05	97.85%
2014	5,309,067.61	5,191,472.31	97.79%
2013	5,235,904.78	5,096,450.62	97.34%

**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>
2017	\$ 103,017.17	\$ 57,031.57	\$ 160,048.74	2.73%
2016	98,142.65	76,713.24	174,855.89	2.99%
2015	103,625.33	90,445.47	194,070.80	3.58%
2014	111,358.42	104,104.85	215,463.27	4.06%
2013	97,867.97	93,726.65	191,594.62	3.66%

**Note 3: PROPERTY TAXES (CONT'D)**

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>
2017	9
2016	9
2015	10
2014	21
2013	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>
2017	\$ 16,400.00
2016	16,400.00
2015	16,400.00
2014	16,400.00
2013	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>			
2017	\$ 173,404.06	\$ 3,203.05	\$ 621,499.17	\$ 798,106.28	\$ 647,586.06
2016	103,139.79	3,203.05	669,732.36	776,075.20	599,468.09
2015	109,645.33	3,203.05	565,292.61	678,140.99	571,798.15
2014	125,890.20	3,203.05	560,486.20	689,579.45	576,731.07
2013	84,231.25	3,203.05	557,443.66	644,877.96	515,785.11

**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>			
2017	\$ 30,188.79	\$ 10,536.80	\$ 880,090.92	\$ 920,816.51	\$ 870,112.49
2016	39,204.90	10,536.80	874,452.91	924,194.61	883,469.02
2015	34,284.02	10,536.80	862,851.59	907,672.41	857,930.71
2014	41,723.55	10,536.80	884,631.02	936,891.37	892,070.55
2013	20,510.94	10,536.80	731,116.34	762,164.08	709,903.73

**Note 7: FUND BALANCES APPROPRIATED**

The following schedule details 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>
2017	\$ 940,318.52	\$ 393,324.00	41.83%
2016	921,324.50	380,400.00	41.29%
2015	763,161.59	302,000.00	39.57%
2014	613,862.97	230,000.00	37.47%
2013	517,636.17	171,239.19	33.08%

**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>
2017	\$ 300,825.76	\$ 72,000.00	23.93%
2016	199,128.43	75,000.00	37.66%
2015	178,827.25	75,000.00	41.94%
2014	154,491.42	75,000.00	48.55%
2013	102,759.99	58,000.00	56.44%

**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>
2017	\$ 826,062.11	\$ 300,000.00	36.32%
2016	419,081.63	33,000.00	7.87%
2015	226,333.26	34,500.00	15.24%
2014	100,649.97	24,126.00	23.97%
2013	45,193.29	15,000.00	33.19%

**Note 8: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2017:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 1,074.15	\$ 5,035.03
Trust - Animal Control		1,074.15
Trust - Other	5,000.00	
Trust - Open Space	35.03	
	<u>\$ 6,109.18</u>	<u>\$ 6,109.18</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2018, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 9: PENSION PLANS**

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. 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 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. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.state.nj.us/treasury/pensions/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's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

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

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS's 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 Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). 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 employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in 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 and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<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 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

**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. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2017 was 13.09% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

**Public Employees' Retirement System (Cont'd)** - Based on the most recent PERS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$31,766.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$30,582.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$19,471.54.

**Police and Firemen's Retirement System** - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 10% in State fiscal year 2017. 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. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2017 was 26.18% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$92,752.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$77,543.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$35,423.30.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2017 was 2.56% of the Borough's covered payroll.

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

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2017 is \$9,062.00, and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2016 was \$5,846.00, which was paid on April 1, 2017.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2017, employee contributions totaled \$1,764.52, and the Borough's contributions were \$962.44. There were no forfeitures during the year.

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

**Public Employees' Retirement System** - At December 31, 2017, the Borough's proportionate share of the PERS net pension liability was \$798,216.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the Borough's proportion was 0.0034289975%, which was a decrease of (0.0000134261%) from its proportion measured as of June 30, 2016.

At December 31, 2017, the Borough's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$55,434.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Borough's contribution to PERS was \$30,582.00, and was paid on April 1, 2017.

**Police and Firemen's Retirement System** - At December 31, 2017, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 1,617,945.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	181,224.00
	<u>181,224.00</u>
	<u>\$ 1,799,169.00</u>

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

**Police and Firemen's Retirement System (Cont'd)** - The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2017 measurement date, the Borough's proportion was 0.0104802334%, which was an increase of 0.0009697294% from its proportion measured as of June 30, 2016. Likewise, at June 30, 2017, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0104802334%, which was an increase of 0.0009697294% from its proportion, on-behalf of the Borough, measured as of June 30, 2016.

At December 31, 2017, the Borough's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$157,213.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Borough's contribution to PFRS was \$77,543.00, and was paid on April 1, 2017.

At December 31, 2017, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the Plan as of the June 30, 2017 measurement date is \$22,168.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2017, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 18,795.00	\$ 10,496.00	\$ 29,291.00	\$ -	\$ 9,496.00	\$ 9,496.00
Changes of Assumptions	160,813.00	199,511.00	360,324.00	160,223.00	264,972.00	425,195.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	5,435.00	30,874.00	36,309.00	-	-	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	50,132.00	283,086.00	333,218.00	43,888.00	150,229.00	194,117.00
Borough Contributions Subsequent to the Measurement Date	15,883.00	46,376.00	62,259.00	-	-	-
	<u>\$ 251,058.00</u>	<u>\$ 570,343.00</u>	<u>\$ 821,401.00</u>	<u>\$ 204,111.00</u>	<u>\$ 424,697.00</u>	<u>\$ 628,808.00</u>

\$15,883.00 and \$46,376.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. These amounts were based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2017 to the Borough's year end of December 31, 2017.

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

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The Borough will amortize the above other deferred outflow 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, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension 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>
2018	\$ 16,570.00	\$ 30,163.00	\$ 46,733.00
2019	26,135.00	63,795.00	89,930.00
2020	20,656.00	54,979.00	75,635.00
2021	(15,383.00)	(32,559.00)	(47,942.00)
2022	(16,914.00)	(17,108.00)	(34,022.00)
	<u>\$ 31,064.00</u>	<u>\$ 99,270.00</u>	<u>\$ 130,334.00</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. 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	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PFRS, preretirement mortality rates were based on the RP-2000 Preretirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the Plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the Plan actuary's modified 2014 projection scales and further projected on a generational basis using the Plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the Plan actuary's modified 2014 projection scales and further projected on a generational basis using the Plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2017) 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's and PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00% for PERS and 6.14% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through 2040 for PERS and through 2057 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for PERS and through 2057 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

**Public Employees' Retirement System (PERS)** - The following presents the Borough's proportionate share of the net pension liability at June 30, 2017, the Plan's measurement date, calculated using a discount rate of 5.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 990,241.00	\$ 798,216.00	\$ 638,235.00

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of June 30, 2017, the Plan's measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 6.14%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (5.14%)</b>	<b>Current Discount Rate (6.14%)</b>	<b>1% Increase (7.14%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 2,131,776.00	\$ 1,617,945.00	\$ 1,195,775.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	238,777.54	181,224.00	133,937.22
	<u>\$ 2,370,553.54</u>	<u>\$ 1,799,169.00</u>	<u>\$ 1,329,712.22</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 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. For additional information about PERS and PFRS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Proportion of the Net Pension Liability	0.0034289975%	0.0034424236%	0.0030486252%
Borough's Proportionate Share of the Net Pension Liability	\$ 798,216.00	\$ 1,019,547.00	\$ 684,355.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 243,236.00	\$ 207,204.00	\$ 209,456.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	328.17%	492.05%	326.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Proportion of the Net Pension Liability	0.0033790014%	0.0035344024%	
Borough's Proportionate Share of the Net Pension Liability	\$ 632,641.00	\$ 675,495.00	
Borough's Covered Payroll (Plan Measurement Period)	\$ 305,456.00	\$ 251,572.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	207.11%	268.51%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%	

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

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Contractually Required Contribution	\$ 31,766.00	\$ 30,582.00	\$ 26,210.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(31,766.00)</u>	<u>(30,582.00)</u>	<u>(26,210.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 242,662.00	\$ 213,256.00	\$ 194,056.00
Borough's Contributions as a Percentage of Covered Payroll	13.09%	14.34%	13.51%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Contractually Required Contribution	\$ 27,856.00	\$ 26,631.00	
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(27,856.00)</u>	<u>(26,631.00)</u>	
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Borough's Covered Payroll (Calendar Year)	\$ 197,523.00	\$ 256,708.00	
Borough's Contributions as a Percentage of Covered Payroll	14.10%	10.37%	

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Proportion of the Net Pension Liability	0.0104802334%	0.0095105040%	0.0084882732%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,617,945.00	\$ 1,816,750.00	\$ 1,413,850.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	181,224.00	152,562.00	123,990.00
Total	<u>\$ 1,799,169.00</u>	<u>\$ 1,969,312.00</u>	<u>\$ 1,537,840.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 339,244.00	\$ 303,980.00	\$ 268,804.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	476.93%	597.65%	525.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Proportion of the Net Pension Liability	0.0073489485%	0.0105619998%	
Borough's Proportionate Share of the Net Pension Liability	\$ 924,430.00	\$ 1,404,123.00	
State's Proportionate Share of the Net Pension Liability associated with the Borough	99,546.00	130,881.00	
Total	<u>\$ 1,023,976.00</u>	<u>\$ 1,535,004.00</u>	
Borough's Covered Payroll (Plan Measurement Period)	\$ 232,116.00	\$ 331,468.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	398.26%	423.61%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.41%	58.70%	

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

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Borough's Contractually Required Contribution	\$ 92,752.00	\$ 77,543.00	\$ 68,997.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(92,752.00)</u>	<u>(77,543.00)</u>	<u>(68,997.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 354,233.00	\$ 340,051.00	\$ 304,234.00
Borough's Contributions as a Percentage of Covered Payroll	26.18%	22.80%	22.68%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Borough's Contractually Required Contribution	\$ 56,445.00	\$ 77,058.00	
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(56,445.00)</u>	<u>(77,058.00)</u>	
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Borough's Covered Payroll (Calendar Year)	\$ 274,436.00	\$ 232,116.00	
Borough's Contributions as a Percentage of Covered Payroll	20.57%	33.20%	

**Note 9: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

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

Changes in Benefit Terms - In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions - For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%, and the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description** - The Borough provides postretirement health care benefits through a health plan for retirees, which includes a medical and prescription plan. The Borough's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree populations: (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. Currently, no retirees meet either of these eligibility requirements. 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.

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

**Funding Policy** - The contribution requirements of plan members and the Borough are established and may be amended by the Borough's governing body. The governing body may amend its policy, subject to contract inclusion, as deemed necessary. The required contribution is based on projected pay-as-you-go financing requirements.

**Retirees** - The Borough presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. Currently, no retirees are enrolled in the plan as of December 31, 2017.

**Future Retirees** - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Borough is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$96,445.00 at an unfunded discount rate of 4.5%. As stated above, the Borough had no retirees as of December 31, 2017, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

**Annual OPEB Cost** - For year ended December 31, 2017, the Borough's annual OPEB cost (expense) of \$96,445.00 for the plan was equal to the ARC. The Borough's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for year 2017 is as follows:

	<u>2017</u>
Annual Required Contribution (ARC)	\$ 96,445.00
Interest on the Net OPEB Obligation	-
Adjustment to the ARC	-
	<hr/>
Annual OPEB Cost	96,445.00
Pay-as-You Go Cost (Existing Retirees)	-
	<hr/>
Increase (Decrease) in the Net OPEB Obligation	96,445.00
Net OPEB Obligation, January 1	-
	<hr/>
Net OPEB Obligation, December 31	<u>\$ 96,445.00</u>
Percentage of Annual OPEB Cost Contributed	0.0%

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

**Funded Status and Funding Progress** - The funded status of the plan as of the actuarial valuation date is as follows:

	<u>2017</u>
Actuarial Accrued Liability (AAL)	\$ 714,972.00
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 714,972.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%
Covered Payroll (Active Plan Members)	\$ 306,164.00
UAAL as a Percentage of Covered Payroll	233.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as shown above, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions** - The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2017 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* RP 2000 Combined Healthy Male Mortality Rates set forward three years.
- *Turnover.* NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility.
- *Assumed Retirement Age.* at first eligibility after completing 25 years of service.
- *Full Attribution Period.* service to assumed retirement age.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 4.5% compounded annually for GASB 45 purposes.
- *Medical Trend.* 6% in 2017, reducing by .1% per annum, leveling at 5% per annum in 2026.
- *Medical Cost Aging Factor.* NJSHBP Medical Morbidity Rates
- *Retiree Contributions.* The same percentage of current contributions to total premiums as reported by the Fund

**Note 11: COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Employees eligible to retire can receive 50% of their sick time at 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 does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2017, accrued benefits for compensated absences are valued at \$15,998.30.

**Note 12: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 13: LEASE OBLIGATIONS**

At December 31, 2017, the Borough had lease agreements in effect for the following:

Capital:

One (1) Ford Police Interceptor Sedan

**Capital Leases** - The following is an analysis of the Borough's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2017</u>	<u>2016</u>
Vehicles	\$ 23,402.00	-

The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 11,360.19	\$ 1,404.12	\$ 12,764.31
2019	<u>12,041.81</u>	<u>722.51</u>	<u>12,764.32</u>
Total	<u>\$ 23,402.00</u>	<u>\$ 2,126.63</u>	<u>\$ 25,528.63</u>

**Note 14: CAPITAL DEBT****General Improvement Bonds**

General Improvement Bonds, Series 2008 - On December 4, 2008, the Borough issued \$183,000.00 of general improvement bonds, with interest rates ranging from 3.0% to 5.25%. The bonds were issued for the purpose of funding an open space project in the Borough. The final maturity of the bonds is December 1, 2018.

General Improvement Bonds, Series 2008 - On December 4, 2008, the Borough issued \$141,000.00 of general improvement bonds, with interest rates ranging from 3.0% to 5.25%. The bonds were issued for the purpose of funding various capital projects in the Borough. The final maturity of the bonds is December 1, 2028.

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, 203.

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 an interest rates ranging from 4.0% to 5.25%. The final maturity of the bonds is December 1, 2028.

**Note 14: CAPITAL DEBT (CONT'D)****Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding****General**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 169,000.00	\$ 51,322.50	\$ 220,322.50
2019	155,000.00	44,000.00	199,000.00
2020	160,000.00	37,550.00	197,550.00
2021	170,000.00	30,850.00	200,850.00
2022	35,000.00	23,700.00	58,700.00
2023-2027	195,000.00	91,750.00	286,750.00
2028-2032	200,000.00	43,450.00	243,450.00
2033-2035	120,000.00	8,400.00	128,400.00
	<u>\$ 1,204,000.00</u>	<u>\$ 331,022.50</u>	<u>\$ 1,535,022.50</u>

**Water Utility**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 124,000.00	\$ 46,147.50	\$ 170,147.50
2019	90,000.00	40,925.00	130,925.00
2020	90,000.00	37,175.00	127,175.00
2021	95,000.00	33,325.00	128,325.00
2022	95,000.00	29,275.00	124,275.00
2023-2027	375,000.00	74,875.00	449,875.00
2028-2032	125,000.00	17,950.00	142,950.00
2033	25,000.00	875.00	25,875.00
	<u>\$ 1,019,000.00</u>	<u>\$ 280,547.50</u>	<u>\$ 1,299,547.50</u>

**Sewer Utility**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 60,000.00	\$ 38,100.00	\$ 98,100.00
2019	60,000.00	34,950.00	94,950.00
2020	65,000.00	32,550.00	97,550.00
2021	65,000.00	29,300.00	94,300.00
2022	70,000.00	26,050.00	96,050.00
2023-2027	400,000.00	74,250.00	474,250.00
2028	85,000.00	3,400.00	88,400.00
	<u>\$ 805,000.00</u>	<u>\$ 238,600.00</u>	<u>\$ 1,043,600.00</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>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 1,278,000.00	\$ 1,477,000.00	\$ 1,698,333.00
Water Utility:			
Bonds and Notes	1,019,000.00	1,142,000.00	1,263,000.00
Sewer Utility:			
Bonds and Notes	805,000.00	863,000.00	964,000.00
Total Issued	<u>3,102,000.00</u>	<u>3,482,000.00</u>	<u>3,925,333.00</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	1,922,183.00	968,253.88	1,027,441.77
Water Utility:			
Bonds and Notes	2,956,000.00	28,000.00	45,050.00
Sewer Utility:			
Bonds and Notes	3,508,487.50	4,606,500.00	1,576,500.00
Total Authorized but not Issued	<u>8,386,670.50</u>	<u>5,602,753.88</u>	<u>2,648,991.77</u>
Total Issued and Authorized but not Issued	<u>11,488,670.50</u>	<u>9,084,753.88</u>	<u>6,574,324.77</u>
<b><u>Deductions</u></b>			
General:			
Funds Temporarily Held To Pay Bonds & Notes	30,014.74	51,014.74	71,014.74
Water Utility:			
Self-Liquidating	3,975,000.00	1,170,000.00	1,308,050.00
Sewer Utility:			
Self-Liquidating	4,313,487.50	5,469,500.00	2,540,500.00
Total Deductions	<u>8,318,502.24</u>	<u>6,690,514.74</u>	<u>3,919,564.74</u>
<b>Net Debt</b>	<u>\$ 3,170,168.26</u>	<u>\$ 2,394,239.14</u>	<u>\$ 2,654,760.03</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 1.542%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Purposes	\$ 6,558,079.26	\$ 6,558,079.26	
Water Utility	3,975,000.00	3,975,000.00	
Sewer Utility	4,313,487.50	4,313,487.50	
General	3,200,183.00	30,014.74	\$ 3,170,168.26
	<u>\$ 18,046,749.76</u>	<u>\$ 14,876,581.50</u>	<u>\$ 3,170,168.26</u>

Net Debt \$3,170,168.26 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$205,610,786.67 equals 1.542%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 7,196,377.53
Less: Net Debt	<u>3,170,168.26</u>
Remaining Borrowing Power	<u>\$ 4,026,209.27</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	\$ 737,557.00
Deductions:	
Operating and Maintenance Costs	\$ 448,007.00
Debt Service per Water Fund	<u>173,663.11</u>
Total Deductions	<u>621,670.11</u>
Excess in Revenue	<u>\$ 115,886.89</u>

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

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	917,416.07
Deductions:		
Operating and Maintenance Costs	\$	638,657.00
Debt Service per Sewer Fund		<u>98,229.32</u>
Total Deductions		<u>736,886.32</u>
Excess in Revenue	\$	<u><u>180,529.75</u></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:

	<b>Balance December 31,</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
Balance of Tax	\$ 1,816,139.47	\$ 1,796,329.95
Deferred	<u>1,616,292.95</u>	<u>1,616,292.95</u>
	<u>\$ 199,846.52</u>	<u>\$ 180,037.00</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 Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<b><u>Year</u></b>	<b><u>Amount Reimbursed</u></b>	<b><u>Ending Balance</u></b>
2017	\$ 848.68	\$ 10,562.69
2016	1,647.34	11,411.37
2015	3,578.74	13,058.71

**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, 2017, which can be obtained from:

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

**Note 17: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

<u>Description</u>	<u>Balance</u> <u>December 31, 2017</u>	<u>2018</u> <u>Budget</u> <u>Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 46,500.00	\$ 10,300.00

The appropriations in the 2018 Budget as adopted are not less than that required by the statutes.

**Note 18: 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 19: 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 20: 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 21: SUBSEQUENT EVENTS**

**Tax Appeals** - As of December 31, 2017, several tax appeals were on file against the Borough. Based upon information provided by the tax assessor and attorney, if such appeals are not settled in favor of the Borough, the estimated impact of the tax refunds could be material.

**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Current Cash -- Treasurer  
For the Year Ended December 31, 2017

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2016	\$ 1,510,509.47	\$ 4,841.10
Increased by Receipts:		
Collector	\$ 6,105,887.86	
Revenue Accounts Receivable	427,580.46	
Due State of New Jersey - (Ch. 73, P.L. 1976)	12,500.00	
Miscellaneous Revenue not Anticipated	96,994.23	
Interest on Investments and Deposits	7,196.46	
Payroll Deductions Payable	280,508.23	
Due from Animal Control Fund	2,297.25	
Federal and State Grant Fund:		
Receivable		<u>\$ 96,600.58</u>
	<u>6,932,964.49</u>	<u>96,600.58</u>
	8,443,473.96	101,441.68
Decreased by Disbursements:		
2017 Budget Appropriations	1,807,725.03	
2016 Appropriation Reserves	148,045.34	
County Taxes	602,494.17	
Due County for Added and Omitted Taxes	1,358.70	
Regional School Taxes	3,612,771.48	
Payroll Deductions Payable	280,504.74	
Reserve for Master Plan	19,644.80	
Due Trust -- Municipal Open Space Fund	86,797.01	
Federal and State Grant Fund:		
Due General Capital Fund		60,782.75
Appropriated Reserve		<u>19,332.26</u>
	<u>6,559,341.27</u>	<u>80,115.01</u>
Balance Dec. 31, 2017	<u>\$ 1,884,132.69</u>	<u>\$ 21,326.67</u>

**BOROUGH OF ALLENTOWN**  
CURRENT FUND  
Statement of Current Cash--Collector  
For the Year Ended December 31, 2017

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## Received:

Taxes Receivable	\$ 5,797,138.32	
2018 Prepaid Taxes	280,913.18	
Tax Overpayments	5,618.40	
Tax Title Liens	6,820.13	
Interest and Costs on Taxes	<u>15,397.83</u>	
		\$ 6,105,887.86

## Decreased by:

Payments to Treasurer		<u><u>\$ 6,105,887.86</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, 2017

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<u>Office</u>	<u>Dec. 31, 2017</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, 2017

Year	Balance Dec. 31, 2016	2017 Levy	Added Taxes	2016 Collected	2017	Overpayments Applied	Due from State of New Jersey	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2017
2016	\$ 76,713.24		\$ 250.00		\$ 74,885.03			\$ 2,078.21		
	76,713.24		250.00		74,885.03			2,078.21		
2017		\$ 5,861,933.89		\$ 47,777.67	5,722,253.29	\$ 1,909.94	\$ 13,250.00	9,616.44	\$ 10,094.98	\$ 57,031.57
	\$ 76,713.24	\$ 5,861,933.89	\$ 250.00	\$ 47,777.67	\$ 5,797,138.32	\$ 1,909.94	\$ 13,250.00	\$ 11,694.65	\$ 10,094.98	\$ 57,031.57

Analysis of 2017 Property Tax Levy

Tax Yield

General Purpose Tax	\$ 5,859,560.54
Added/Omitted Taxes (54:4-63.1 et seq.)	2,373.35
	\$ 5,861,933.89

Tax Levy

Regional School Tax	\$ 3,632,581.00
County Taxes:	
County Tax	\$ 524,372.64
County Library Tax	36,739.82
County Health Service Tax	10,578.92
County Open Space Fund Tax	30,802.79
Due County for Added/Omitted Taxes (54:4-63.1 et seq.)	243.75
Total County Taxes	602,737.92
Municipal Open Space Tax	86,646.76
Local Tax for Municipal Purposes	1,537,059.50
Add: Additional Tax Levied	2,908.71
Local Tax for Municipal Purposes Levied	1,539,968.21
	\$ 5,861,933.89

**BOROUGH OF ALLENTOWN**  
CURRENT FUND  
Statement of Tax Title Liens  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 98,142.65
Increased by:	
Transfers from Taxes Receivable	<u>11,694.65</u>
	109,837.30
Decreased by:	
Receipts	<u>6,820.13</u>
Balance Dec. 31, 2017	<u><u>\$ 103,017.17</u></u>

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Accrued in 2017	Collection		Balance Dec. 31, 2017
			Collector	Treasurer	
Clerk -- Registrar of Vital Statistics:					
Licenses:					
Alcoholic Beverage		\$ 4,087.80		\$ 4,087.80	
Fees and Permits--Other		2,568.15		2,568.15	
Searches for Municipal Improvements					
Certified Copies		5,920.00		5,920.00	
Police					
Fees and Permits					
Mercantile Licenses		970.00		970.00	
Housing Inspection:					
Fees and Permits		3,375.00		3,375.00	
Zoning Fees					
Lease Agreement- Cellular Antenna Site		138,723.47		138,723.47	
Consolidated Municipal Property Relief Aid		12,211.00		12,211.00	
Energy Receipts Tax		119,384.00		119,384.00	
Shared Services Agreement - Municipal Court Services		24,238.29		24,238.29	
Outside Employment of Police Officers - Administrative Fee from Trust Other Fund		10,000.00		10,000.00	
Municipal Court:					
Fines and Costs	\$ 7,477.82	106,197.56		106,071.20	\$ 7,604.18
Interest-Regular	18.77	11.68		30.45	
Interest-Bail	0.23	0.87		1.10	
	<u>\$ 7,496.82</u>	<u>\$ 427,687.82</u>	<u>---</u>	<u>\$ 427,580.46</u>	<u>\$ 7,604.18</u>

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Due To State of New Jersey Senior Citizens' and  
Veterans' Deductions Ch. 73, P.L. 1976  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 1,276.47
Increased by:		
Collections		12,500.00
		13,776.47
Decreased by:		
Accrued in 2017:		
Senior Citizens' Deductions per Billings	\$ 1,500.00	
Veterans' Deductions per Billings	12,000.00	
	13,500.00	
Deduct:		
Veterans' and Senior Citizens' Deductions Disallowed by Tax Collector	250.00	
Subtotal - 2017 Taxes	13,250.00	
Less: Deductions Disallowed by Tax Collector--Prior Year Taxes	250.00	
		13,000.00
Balance Dec. 31, 2017		\$ 776.47

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of 2016 Appropriation Reserves  
For the Year Ended December 31, 2017

	Balance		Balance After	Paid or	Balance
	December 31, 2016				
	<u>Encumbered</u>	<u>Reserved</u>			
<b>OPERATIONS--WITHIN "CAPS"</b>					
<u>General Government</u>					
Mayor and Council					
Salaries and Wages		\$ 81.48	\$ 81.48		\$ 81.48
Other Expenses	\$ 20.00	208.50	228.50	\$ 20.00	208.50
Municipal Clerk					
Salaries and Wages		4,365.48	4,365.48		4,365.48
Other Expenses	2,967.03	4,154.39	9,121.42	7,945.65	1,175.77
Financial Administration					
Salaries and Wages		4,146.40	4,146.40		4,146.40
Other Expenses	681.54	4,747.01	5,428.55	930.44	4,498.11
Assessment of Taxes					
Salaries and Wages		74.09	74.09		74.09
Other Expenses	18.48	4,057.80	4,076.28	18.48	4,057.80
Collection of Taxes					
Salaries and Wages		137.81	137.81		137.81
Other Expenses		904.52	904.52		904.52
Legal Services and Costs					
Other Expenses	13,305.50	12,574.50	25,880.00	13,413.10	12,466.90
Municipal Court					
Salaries and Wages		7,545.56	7,545.56		7,545.56
Other Expenses		3,667.63	3,667.63		3,667.63
Public Defender					
Other Expenses		500.00	500.00		500.00
Engineering Services and Costs					
Other Expenses	31,317.00	20,288.95	51,605.95	29,258.00	22,347.95
Historical Preservation					
Other Expenses		1,000.00	1,000.00	60.00	940.00
<u>Land Use Administration</u>					
Planning Board					
Salaries and Wages		910.82	910.82		910.82
Other Expenses		5.51	5.51		5.51
<u>Code Enforcement Administration</u>					
Code Enforcement Office					
Salaries and Wages		21.39	21.39		21.39
Other Expenses		10.00	10.00		10.00
Housing Inspector					
Salaries and Wages		1,979.38	1,979.38		1,979.38
Other Expenses		7.71	7.71		7.71
<u>Insurance</u>					
Liability Insurance		267.71	267.71		267.71
Workers Compensation Insurance		267.53	267.53		267.53
Employee Group Insurance		10,716.68	10,716.68		10,716.68
Employee Group Health Waivers		4,078.36	4,078.36	3,921.64	156.72
Disability Insurance	69.74	302.59	372.33	69.74	302.59
<u>Public Safety Functions</u>					
Police					
Salaries and Wages		28,232.62	28,232.62		28,232.62
Other Expenses	12,347.41	5,189.17	17,536.58	12,122.48	5,414.10
Prosecutor					
Other Expenses		2,476.00	2,476.00	1,188.00	1,288.00

(Continued)

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of 2016 Appropriation Reserves  
For the Year Ended December 31, 2017

	Balance		Balance After	Paid or	Balance
	December 31, 2016				
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
<b>OPERATIONS--WITHIN "CAPS" (CONT'D)</b>					
<u>Public Works Functions</u>					
Road Repairs and Maintenance					
Other Expenses	\$ 4,672.29	\$ 19,154.05	\$ 23,826.34	\$ 14,672.29	\$ 9,154.05
Shade Tree					
Other Expenses	1,455.00	40.00	1,565.00	1,565.00	
Garbage and Trash Removal					
Other Expenses	8,717.20	17,249.39	25,966.59	20,361.16	5,605.43
Recycling Program					
Salaries and Wages		327.30	327.30		327.30
Other Expenses		100.00	100.00		100.00
Public Buildings and Grounds					
Other Expenses	2,414.57	1,469.89	3,884.46	2,476.32	1,408.14
Vehicle Maintenance					
Other Expenses	1,236.70	1,786.99	3,023.69	1,464.41	1,559.28
<u>Health and Welfare</u>					
Environmental Commission					
Other Expenses	640.00		640.00	635.74	4.26
<u>Utility Expenses and Bulk Purchases</u>					
Electricity		5,839.56	5,839.56	1,069.51	4,770.05
Street Lighting		9,317.21	9,317.21	5,443.81	3,873.40
Telephone and Telegraph	494.92	5,458.48	5,953.40	881.49	5,071.91
Natural Gas		2,355.80	2,355.80	957.23	1,398.57
Gasoline	1,172.38	7,886.92	6,989.30	1,172.38	5,816.92
	<u>81,529.76</u>	<u>193,905.18</u>	<u>275,434.94</u>	<u>119,646.87</u>	<u>155,788.07</u>
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		5,582.67	5,582.67		5,582.67
		<u>5,582.67</u>	<u>5,582.67</u>		<u>5,582.67</u>
Total Deferred Charges and Statutory Expenditures					
Municipal--Within "CAPS"		5,582.67	5,582.67		5,582.67
		<u>5,582.67</u>	<u>5,582.67</u>		<u>5,582.67</u>
Total General Appropriations for Municipal Purposes Within "CAPS"					
	<u>81,529.76</u>	<u>199,487.85</u>	<u>281,017.61</u>	<u>119,646.87</u>	<u>161,370.74</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
<u>Shared Service Agreements</u>					
Municipal Court Services		7,553.44	7,553.44	300.00	7,253.44
Fire Services	28,098.47	25,426.10	53,524.57	28,098.47	25,426.10
Other Expenses - Shared Services Crossing Guards		51.41	51.41		51.41
		<u>51.41</u>	<u>51.41</u>		<u>51.41</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"					
	<u>28,098.47</u>	<u>33,030.95</u>	<u>61,129.42</u>	<u>28,398.47</u>	<u>32,730.95</u>
	<u>\$ 109,628.23</u>	<u>\$ 232,518.80</u>	<u>\$ 342,147.03</u>	<u>\$ 148,045.34</u>	<u>\$ 194,101.69</u>

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2017

<hr/>		
Balance Dec. 31, 2016		
Current Fund	\$ 109,628.23	
Federal and State Grant Fund	<u>2,167.88</u>	
		\$ 111,796.11
Increased by - Transfers from:		
2017 Budget Appropriations		<u>114,636.59</u>
		226,432.70
Decreased by - Transfers to:		
2016 Appropriation Reserves	109,628.23	
Reserve for Federal and State Grants Appropriated	<u>2,167.88</u>	
		<u>111,796.11</u>
Balance Dec. 31, 2017		<u><u>\$ 114,636.59</u></u>
<u>Analysis of Balance Dec. 31, 2017</u>		
Current Fund		\$ 114,636.59
Federal and State Grant Fund		<u>-</u>
		<u><u>\$ 114,636.59</u></u>

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
**Statement of Prepaid Taxes**  
**For the Year Ended December 31, 2017**

<hr/>		
Balance Dec. 31, 2016 (2017 Taxes)		\$ 47,777.67
Increased by:		
Collections--2018 Taxes	\$ 280,913.18	
Transfer from Tax Overpayments	<u>4,389.33</u>	
		<u>285,302.51</u>
		333,080.18
Decreased by:		
Application to 2017 Taxes Receivable		<u>47,777.67</u>
Balance Dec. 31, 2017 (2018 Taxes)		<u><u>\$ 285,302.51</u></u>

**BOROUGH OF ALLENTOWN**  
CURRENT FUND  
Statement of Tax Overpayments  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 12,228.28
Increased by:		
Overpayments in 2017		<u>5,618.40</u>
		17,846.68
Decreased by:		
Applied to Prepaid Taxes	\$ 4,389.33	
Applied to Current Year Taxes	<u>1,909.94</u>	
		<u>6,299.27</u>
Balance Dec. 31, 2017		<u><u>\$ 11,547.41</u></u>

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statement of County Taxes Payable  
 For the Year Ended December 31, 2017

2017 Tax Levy:		
County Tax		\$ 524,372.64
County Library Tax		36,739.82
County Health Service Tax		10,578.92
County Open Space Fund Tax		<u>30,802.79</u>
		\$ 602,494.17
Decreased by:		
Payments		<u>\$ 602,494.17</u>

**Exhibit SA-13**

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statement of Due County for Added Taxes  
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 1,358.70
Increased by County Share of 2017 Levy: Added Taxes (R.S.54:4-63.1 et seq.)		<u>243.75</u>
		1,602.45
Decreased by:		
Payments		<u>1,358.70</u>
Balance Dec. 31, 2017		<u>\$ 243.75</u>

**Exhibit SA-14**

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
 Statement of Deferred Charges N.J.S. 40A:4-53 Special Emergency  
 For the Year Ended December 31, 2017

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Funded</u> <u>by Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
6/14/2016	Revision of the Master Plan	\$ 25,000.00	\$ 5,000.00	\$ 25,000.00		\$ 5,000.00	\$ 20,000.00
11/28/2017	Revising the Housing Plan Element of the Master Plan	26,500.00	5,300.00		\$ 26,500.00		26,500.00
				<u>\$ 25,000.00</u>	<u>\$ 26,500.00</u>	<u>\$ 5,000.00</u>	<u>\$ 46,500.00</u>

**BOROUGH OF ALLENTOWN**  
CURRENT FUND  
Statement of Payroll Deductions Payable  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 182.94
Increased by:	
Receipts	<u>280,508.23</u>
	280,691.17
Decreased by:	
Disbursements	<u>280,504.74</u>
Balance Dec. 31, 2017	<u><u>\$ 186.43</u></u>

**BOROUGH OF ALLENTOWN**  
CURRENT FUND

Statement of Reserve for Master Plan / Housing Element of Master Plan  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 6,591.60
Increased by:		
Special Emergency Authorization	\$ 26,500.00	
Transfer from Reserve for Encumbrances	<u>17,550.00</u>	
		<u>44,050.00</u>
		50,641.60
Decreased by:		
Encumbered	2,405.20	
Disbursed	<u>19,644.80</u>	
		<u>22,050.00</u>
Balance Dec. 31, 2017		<u><u>\$ 28,591.60</u></u>

## Exhibit SA-17

**BOROUGH OF ALLENTOWN**  
CURRENT FUND

Statement of Reserve for Encumbrances - Master Plan / Housing Element of Master Plan  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 17,550.00
Increased by:		
2017 Encumbrances		<u>2,405.20</u>
		19,955.20
Decreased by:		
Encumbrances Transferred to Reserve		<u>17,550.00</u>
Balance Dec. 31, 2017		<u><u>\$ 2,405.20</u></u>

**BOROUGH OF ALLENTOWN**  
**CURRENT FUND**  
Statement of Regional School Tax  
For the Year Ended December 31, 2017

<hr/>		
Balance Dec. 31, 2016:		
School Tax Payable	\$ 180,037.00	
School Tax Deferred	<u>1,616,292.95</u>	
		\$ 1,796,329.95
Increased by:		
Levy--School Year July 1, 2017 to June 30, 2018		<u>3,632,581.00</u>
		5,428,910.95
Decreased by:		
Payments		<u>3,612,771.48</u>
Balance Dec. 31, 2017:		
School Tax Payable	199,846.52	
School Tax Deferred	<u>1,616,292.95</u>	
		<u>\$ 1,816,139.47</u>
2017 Liability for Regional School Tax		
Tax Paid		\$ 3,612,771.48
Add: Tax Payable Dec. 31, 2017		<u>199,846.52</u>
		3,812,618.00
Less: Tax Payable Dec. 31, 2016		<u>180,037.00</u>
Amount Charged to 2017 Operations		<u>\$ 3,632,581.00</u>

**BOROUGH OF ALLENTOWN**  
FEDERAL AND STATE GRANT FUND  
Statement of Due Current Fund  
For the Year Ended December 31, 2017

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Increased by:	
Cancellation of Federal and State Grants Receivable	\$ 135,616.96
Decreased by:	
Cancellation of Federal and State Grants Appropriated	<u>\$ 135,616.96</u>

**BOROUGH OF ALLENTOWN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal, State and Other Grants Receivable  
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance Dec. 31, 2016</u>	<u>Accrued</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2017</u>
Federal Grants:					
N.J. Transportation Alternatives Program		\$ 854,000.00			\$ 854,000.00
N.J. Transportation Trust Fund	\$ 75,000.00		\$ 843.04	\$ 72,891.96	1,265.00
<b>Total Federal Grants Receivable</b>	<b>75,000.00</b>	<b>854,000.00</b>	<b>843.04</b>	<b>72,891.96</b>	<b>855,265.00</b>
State Grants:					
Clean Communities		4,000.00	4,000.00		
Body Armor Replacement Fund		982.07	982.07		
Drunk Driving Enforcement Grant	2,007.12	2,000.00	2,000.00		2,007.12
Recycling Tonnage Grant		3,383.02	3,383.02		
Distracted Driving Grant		5,500.00	5,350.00	150.00	
Bulletproof Vest	851.08	666.87	417.45		1,100.50
Drive Sober or Get Pulled Over	5,000.00	5,500.00	3,425.00	1,575.00	5,500.00
Drive Sober or Get Pulled Over - Holiday Crackdown		5,500.00	4,500.00	1,000.00	
Safety Incentive Program		1,500.00	1,500.00		
Monmouth County CDBG		138,000.00			138,000.00
N.J. Department of Transportation - Municipal Aid	60,000.00	235,000.00		60,000.00	235,000.00
N.J. Department of Transportation - Historic Streetscape	55,000.00		55,000.00		
Association of N.J. Environmental Commissions	200.00		200.00		
Streetscape Grant	15,000.00		15,000.00		
<b>Total State Grants Receivable</b>	<b>138,058.20</b>	<b>402,031.96</b>	<b>95,757.54</b>	<b>62,725.00</b>	<b>381,607.62</b>
<b>Total Federal, State and Other Grants Receivable</b>	<b>\$ 213,058.20</b>	<b>\$ 1,256,031.96</b>	<b>\$ 96,600.58</b>	<b>\$ 135,616.96</b>	<b>\$ 1,236,872.62</b>

**BOROUGH OF ALLENTOWN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal, State and Other Grants -- Unappropriated  
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance Dec. 31, 2016</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2017 Budget</u>	<u>Balance Dec. 31, 2017</u>
Federal Grants:				
N.J. Transportation Alternatives Program		\$ 854,000.00	\$ 854,000.00	
Total Federal Grants	-	854,000.00	854,000.00	-
State Grants:				
Drunk Driving Enforcement Grant		2,000.00	2,000.00	
Recycling Tonnage Grant		3,383.02	1,381.23	\$ 2,001.79
Distracted Driving Grant		5,500.00	5,500.00	
Clean Communities		4,000.00	4,000.00	
Body Armor Replacement Fund		982.07	982.07	
Drive Sober or Get Pulled Over		5,500.00	5,500.00	
Drive Sober or Get Pulled Over - Holiday Crackdown		5,500.00	5,500.00	
Monmouth County CDBG		138,000.00	138,000.00	
N.J. Department of Transportation - Municipal Aid		235,000.00	235,000.00	
Safety Incentive Program		1,500.00	1,500.00	
Bulletproof Vest		666.87	666.87	
Total State Grants	-	402,031.96	400,030.17	2,001.79
Total Reserve Federal, State and Other Grants	-	\$ 1,256,031.96	\$ 1,254,030.17	\$ 2,001.79

**BOROUGH OF ALLENTOWN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal, State and Other Grants -- Appropriated  
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2016</u>		<u>Transfer from</u> <u>2017 Budget</u> <u>Appropriation</u>	<u>Disbursed</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
	<u>Encumbered</u>	<u>Reserved</u>				
Federal Grants:						
N.J. Transportation Alternatives Program			\$ 854,000.00			\$ 854,000.00
N.J. Transportation Trust Fund		\$ 72,891.96			\$ 72,891.96	
Total Reserve for Federal Grants	-	72,891.96	854,000.00	-	72,891.96	854,000.00
State Grants:						
Clean Communities	\$ 1,567.88		4,000.00	\$ 4,676.88		891.00
Body Armor Replacement Fund		2,617.99	982.07			3,600.06
Bulletproof Vest Program		800.00	666.87			1,466.87
Recycling Tonnage Grant			1,381.23	498.13		883.10
Distracted Driving Grant			5,500.00	5,350.00	150.00	
Drive Sober or Get Pulled Over		2,275.00	5,500.00	2,237.50	1,575.00	3,962.50
Drive Sober or Get Pulled Over - Holiday Crackdown			5,500.00	4,500.00	1,000.00	
Special Legislative Grant - Generator		2,297.40				2,297.40
Special Legislative Grant - Electronic Equipment		2.86				2.86
Safety Incentive Program			1,500.00	1,469.75		30.25
Drunk Driving Enforcement Program		7,759.99	2,000.00			9,759.99
Monmouth County CDBG			138,000.00			138,000.00
N.J. Department of Transportation - Municipal Aid		60,000.00	235,000.00		60,000.00	235,000.00
Association of N.J. Environmental Commissions	600.00			600.00		
Total Reserve for State Grants	2,167.88	75,753.24	400,030.17	19,332.26	62,725.00	395,894.03
Other Grants:						
Heritage Park Trust		6,303.47				6,303.47
Total Reserve for Federal, State and Other Grants	\$ 2,167.88	\$ 154,948.67	\$ 1,254,030.17	\$ 19,332.26	\$ 135,616.96	\$ 1,256,197.50

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**BOROUGH OF ALLENTOWN**  
**TRUST-OTHER FUNDS**  
 Statement of Trust Cash--Treasurer  
 For the Year Ended December 31, 2017

	<u>Animal Control</u>	<u>Open Space</u>	<u>Other</u>
Balance Dec. 31, 2016	\$ 9,640.65	\$ 180,537.48	\$ 179,193.14
Increased by Receipts:			
Dog License Fees	\$ 2,707.00		
Cat License Fees	577.00		
Interest Earned	7.29		
State Registration Fees	374.40		
Due Current Fund		\$ 86,797.01	
Reserve for Municipal Open Space		785.61	
Reserve for Farm Rental Income		1,365.00	
Deposits for Redemption of Tax Sale Certificates			\$ 30,222.84
Reserve for Developers' Escrow Fund			11,743.70
Reserve for Recreation Commission N.J.S.40:12-8			1.57
Reserve for Outside Employment of Off-Duty Municipal Police Officers			58,013.75
Reserve for Public Defender Fees			539.50
Reserve for Parking Offenses Adjudication Act			8.00
Premiums on Tax Sale			4,200.00
Reserve for Storm Recovery Trust			10,000.00
	<u>3,665.69</u>	<u>88,947.62</u>	<u>114,729.36</u>
	13,306.34	269,485.10	293,922.50
Decreased by Disbursements:			
Expenditures Under R.S.4:19-15.11	2,479.94		
State Registration Fees	375.60		
Due Current Fund	2,297.25		
Reserve for Municipal Open Space		76,574.89	
Reserve for New Jersey Unemployment Compensation Insurance Trust Fund			848.68
Deposits for Redemption of Tax Sale Certificates			30,222.84
Reserve for Developers' Escrow Fund			12,215.77
Reserve for Outside Employment of Off-Duty Municipal Police Officers			51,622.33
Reserve for Public Defender Fees			1,717.75
Premiums on Tax Sale			10,900.00
	<u>5,152.79</u>	<u>76,574.89</u>	<u>107,527.37</u>
Balance Dec. 31, 2017	<u>\$ 8,153.55</u>	<u>\$ 192,910.21</u>	<u>\$ 186,395.13</u>

**BOROUGH OF ALLENTOWN**  
**ANIMAL CONTROL FUND**  
 Statement of Reserve for Animal Control Expenditures  
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 7,338.00
Increased by:		
Animal Control License Fees Collected:		
Dog License Fees	\$ 2,707.00	
Cat License Fees	577.00	
Interest Earned	7.29	
		3,291.29
		10,629.29
Decreased by:		
Statutory Excess Due Current Fund	1,074.15	
Expenditures Under R.S.4:19-15.1--Cash	2,479.94	
		3,554.09
Balance Dec. 31, 2017		\$ 7,075.20

License Fees Collected

<u>Year</u>	<u>Amount</u>
2015	\$ 3,577.00
2016	3,498.20
	\$ 7,075.20

**BOROUGH OF ALLENTOWN**  
**ANIMAL CONTROL FUND**  
 Statement of Due to State of New Jersey  
 Dog Registration Fees  
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 5.40
Increased by:		
Receipts		374.40
		379.80
Decreased by:		
Disbursements		375.60
Balance Dec. 31, 2017		\$ 4.20

**BOROUGH OF ALLENTOWN**  
**ANIMAL CONTROL FUND**  
 Statement of Due Current Fund  
 For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$ 2,297.25
Increased by:	
Statutory Excess	<u>1,074.15</u>
	3,371.40
Decreased by:	
Disbursements	<u>2,297.25</u>
Balance Dec. 31, 2017	<u><u>\$ 1,074.15</u></u>

**BOROUGH OF ALLENTOWN**  
**TRUST--OTHER FUNDS**  
 Statement of Reserve for Storm Recovery Trust Fund  
 For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$ 36,864.34
Increased by:	
Receipts	<u>10,000.00</u>
Balance Dec. 31, 2017	<u><u>\$ 46,864.34</u></u>

**BOROUGH OF ALLENTOWN**  
**TRUST--OTHER FUNDS**  
Statement of Reserve for Developers' Escrow Fund  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016		\$	42,629.41
Increased by:			
Deposits			11,743.70
			54,373.11
Decreased by:			
Encumbered	\$	1,691.25	
Professional Fees and Refunds of Deposits		12,215.77	
			13,907.02
Balance Dec. 31, 2017		\$	40,466.09

Exhibit SB-7

**BOROUGH OF ALLENTOWN**  
**TRUST--OTHER FUNDS**  
Statement of Reserve for New Jersey Unemployment  
Compensation Insurance Trust Fund  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$	11,411.37
Decreased by:			
Claims Paid			848.68
Balance Dec. 31, 2017		\$	10,562.69

Exhibit SB-8

**BOROUGH OF ALLENTOWN**  
**TRUST--OTHER FUNDS**  
Statement of Reserve for Recreation Commission N.J.S.40:12-8  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$	2,709.74
Increased by:			
Interest Earned on Investments			1.57
Balance Dec. 31, 2017		\$	2,711.31

**BOROUGH OF ALLENTOWN**  
**TRUST--OTHER FUNDS**  
 Statement of Reserve for Outside Employment of Off-Duty  
 Municipal Police Officers  
 For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$ 35,532.69
Increased by:	
Receipts	58,013.75
	93,546.44
Decreased by:	
Disbursements	51,622.33
Balance Dec. 31, 2017	\$ 41,924.11

**Exhibit SB-10**

**BOROUGH OF ALLENTOWN**  
**TRUST--OTHER FUNDS**  
 Statement of Reserve for Public Defender Fees  
 For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 1,378.25
Increased by:	
Public Defender Fees Collected	539.50
	1,917.75
Decreased by:	
Public Defender Fees Paid	1,717.75
Balance Dec. 31, 2017	\$ 200.00

**BOROUGH OF ALLENTOWN**  
**TRUST--OTHER FUNDS**  
 Statement of Deposits for Redemption of Tax Sale Certificates  
 For the Year Ended December 31, 2017

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Increased by:		
Receipts	\$	30,222.84
Decreased by:		
Disbursements	\$	<u>30,222.84</u>

**Exhibit SB-12**

**BOROUGH OF ALLENTOWN**  
**TRUST--OTHER FUNDS**  
 Statement of Reserve for Parking Offenses Adjudication Act  
 For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$	100.75
Increased by:		
Receipts		<u>8.00</u>
Balance Dec. 31, 2017	\$	<u>108.75</u>

**Exhibit SB-13**

**BOROUGH OF ALLENTOWN**  
**TRUST--OTHER FUNDS**  
 Statement of Premiums on Tax Sale  
 For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$	33,600.00
Increased by:		
Premiums Collected		<u>4,200.00</u>
		37,800.00
Decreased by:		
Refunded		<u>10,900.00</u>
Balance Dec. 31, 2017	\$	<u>26,900.00</u>

**BOROUGH OF ALLENTOWN**  
 TRUST--MUNICIPAL OPEN SPACE FUND  
 Statement of Reserve for Farm Rental Income  
 For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$	8,190.00
Increased by:		
Receipts		1,365.00
Balance Dec. 31, 2017	\$	9,555.00

Exhibit SB-15

**BOROUGH OF ALLENTOWN**  
 TRUST--MUNICIPAL OPEN SPACE FUND  
 Schedule of Reserve for Insurance - Monitoring  
 As of December 31, 2017

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Balance Dec. 31, 2017	\$	16,893.79
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**BOROUGH OF ALLENTOWN**  
**TRUST--MUNICIPAL OPEN SPACE FUND**  
Statement of Reserve for Future Use  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 153,607.02
Increased by:		
Collected by Current Fund		
Tax Levy	\$ 86,611.73	
Cash Receipts:		
Interest Earnings	785.61	
Added/Omitted Tax Levy	35.03	
Prior Year Encumbrances	2,031.95	
	89,464.32	89,464.32
		243,071.34
Decreased by:		
Encumbered	9,758.32	
Disbursements	76,574.89	
	86,333.21	86,333.21
Balance Dec. 31, 2017		\$ 156,738.13

Exhibit SB-17

**BOROUGH OF ALLENTOWN**  
**TRUST--MUNICIPAL OPEN SPACE FUND**  
Statement of Due Current Fund  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016		\$ 185.28
Increased by:		
Received by Current Fund:		
Tax Levy	\$ 86,611.73	
2017 Added & Omitted - Open Space	35.03	
	86,646.76	86,646.76
		86,832.04
Decreased by:		
Receipts		86,797.01
Balance Dec. 31, 2017		\$ 35.03

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash -- Treasurer  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016		\$ 45,282.90
Increased by Receipts:		
Due Federal and State Grant Fund	\$ 60,782.75	
2017 Budget Appropriations:		
Improvement Costs	46,070.88	
Capital Improvement Fund	<u>25,000.00</u>	
		<u>131,853.63</u>
		177,136.53
Decreased by Disbursements:		
Improvement Authorizations		<u>22,111.69</u>
Balance Dec. 31, 2017		<u><u>\$ 155,024.84</u></u>

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2017

	Balance (Deficit) Dec. 31, 2016	Receipts		Disbursements			Balance (Deficit) Dec. 31, 2017
		Budget Appropriations	Miscellaneous	Improvement Authorizations	In	Transfer Out	
Fund Balance	\$ 22,967.89						\$ 22,967.89
Capital Improvement Fund	69,761.92	\$ 25,000.00					94,761.92
Federal and State Grant Fund	(60,782.75)		\$ 60,782.75				
Reserve to Pay Debt Service	8,014.74						8,014.74
Reserve for Encumbrances	950.00				\$ 30,763.65	\$ 950.00	30,763.65
Improvement Authorizations:							
<u>Ordinance Number</u>		<u>Improvement Description</u>					
General Improvements:							
8-1994		Demolish Buildings located on Hamilton Street	68.13				68.13
10-1998		Acquisition of Fire Equipment	9,266.09		\$ 4,567.75		4,698.34
5-2001		Various Capital Improvements	(13,470.88)	13,470.88			
2-2003		Acquisition of Various Items of Equipment	24.76		24.76		
3-2003		Road Improvements	(18,751.07)	7,600.00	181.03		(11,332.10)
3-2005		Various Capital Improvements and the Acquisition of Various Equipment	28,228.09		11,316.90	884.90	16,026.29
16-2006		Various Storm Sewer System and Road Improvements	(500.00)				(500.00)
5-2008		Purchase of a Fire Truck and Various Capital Equipment	2,308.96				2,308.96
8-2011		Acquisition and Installation of Computers and Computer Related Equipment	2,040.00				2,040.00
8-2013		Acquisition and Construction of the Main Street Parking Lot with Handicap Access	55,506.35				55,506.35
2-2014		Historic Streetscape Improvement Project, Phase I	136,720.67		5,071.25	28,928.75	102,720.67
3-2014		Financing the Payment of a Settlement	2,930.00		950.00	950.00	1,980.00
11-2016		Acquisition of Real Property for Open Space	(200,000.00)	25,000.00			(175,000.00)
	\$ 45,282.90	\$ 71,070.88	\$ 60,782.75	\$ 22,111.69	\$ 31,713.65	\$ 31,713.65	\$ 155,024.84

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Funded  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$ 1,366,000.00
Decreased by:	
2017 Budget Appropriation to Pay:	
Current Fund Budget:	
Serial Bonds	\$ 141,000.00
Trust - Municipal Open Space Fund Budget:	
Serial Bonds	<u>21,000.00</u>
	<u>162,000.00</u>
Balance Dec. 31, 2017	<u><u>\$ 1,204,000.00</u></u>

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation -- Unfunded  
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Notes Paid by Budget Appropriation	Funded by Budget Appropriation	Balance Dec. 31, 2017	Analysis of Balance Dec. 31, 2017		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
General Improvements:									
5-2001	Various Capital Improvements	\$ 13,470.88			\$ 13,470.88				
3-2003	Road Improvements	30,400.00			7,600.00	\$ 22,800.00		\$ 11,332.10	\$ 11,467.90
16-2006	Various Storm Sewer System and Road Improvements	500.00				500.00		500.00	
8-2013	Acquisition and Construction of the Main Street Parking Lot with Handicap Access	180,000.00				180,000.00			180,000.00
2-2014	Historic Streetscape Improvement Project, Phase I	543,883.00				543,883.00			543,883.00
3-2014	Financing the Payment of a Settlement	111,000.00		\$ 37,000.00		74,000.00	\$ 74,000.00		
11-2016	Acquisition of Real Property for Open Space	200,000.00			25,000.00	175,000.00		175,000.00	
16-2017	Historic Streetscape Improvement Project, Phase II		\$ 1,000,000.00			1,000,000.00			1,000,000.00
		<u>\$ 1,079,253.88</u>	<u>\$ 1,000,000.00</u>	<u>\$ 37,000.00</u>	<u>\$ 46,070.88</u>	<u>\$ 1,996,183.00</u>	<u>\$ 74,000.00</u>	<u>\$ 186,832.10</u>	<u>\$ 1,735,350.90</u>
Current Fund Budget					\$ 21,070.88				
Open Space Trust Budget					<u>25,000.00</u>				
					<u>\$ 46,070.88</u>				
Improvement Authorizations - Unfunded									\$ 1,737,330.90
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:									
Ordinance 3-2014									<u>1,980.00</u>
									<u>\$ 1,735,350.90</u>

**BOROUGH OF ALLENTOWN**  
GENERAL CAPITAL FUND  
Statement of Reserve for Payment of Debt Service  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$ 8,014.74
Increased by:	
Receipts	<u>-</u>
Balance Dec. 31, 2017	<u><u>\$ 8,014.74</u></u>

**BOROUGH OF ALLENTOWN**  
 GENERAL CAPITAL FUND  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2017

Improvement Description	Ordinance		Amount	Balance Dec. 31, 2016		2017 Authorizations		Transfer from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2017	
	Number	Date		Funded	Unfunded	Charges to Future Taxation Unfunded	Other Funding Sources			Funded	Unfunded
Demolish Buildings Located on Hamilton Street	8-1994	6/14/1994	\$ 22,500.00	\$ 68.13						\$ 68.13	
Acquisition of Fire Equipment	10-1998	9/8/1998	75,000.00	9,266.09				\$ 4,567.75		4,698.34	
Acquisition of Various Items of Equipment	2-2003	4/8/2003	75,000.00	24.76					24.76		
Road Improvements	3-2003	4/8/2003	600,000.00		\$ 11,648.93				181.03		\$ 11,467.90
Various Capital Improvements and the Acquisition of Various Equipment	3-2005	5/26/2005	250,000.00	28,228.09					12,201.80		16,026.29
Purchase of a Fire Truck and Various Capital Equipment	5-2008	9/9/2008	75,000.00	2,308.96							2,308.96
Acquisition and Installation of Computers and Computer Related Equipment	8-2011	11/29/2011	30,000.00	2,040.00							2,040.00
Acquisition and Construction of the Main Street Parking Lot with Handicap Access	8-2013	9/10/2013	400,000.00	55,506.35	180,000.00					55,506.35	180,000.00
Historic Streetscape Improvement Project, Phase I	2-2014	8/13/2014	1,000,000.00	136,720.67	543,883.00				34,000.00	102,720.67	543,883.00
Financing the Payment of a Settlement	3-2014	9/9/2014	185,000.00		2,930.00			\$ 950.00	1,900.00		1,980.00
Historic Streetscape Improvement Project, Phase II	16-2017	12/26/2017	1,900,000.00			\$ 1,000,000.00	\$ 900,000.00			900,000.00	1,000,000.00
				\$ 234,163.05	\$ 738,461.93	\$ 1,000,000.00	\$ 900,000.00	\$ 950.00	\$ 52,875.34	\$ 1,083,368.74	\$ 1,737,330.90
							Due from State of NJ				\$ 900,000.00
								Disbursed	\$ 22,111.69		
								Encumbered	30,763.65		
									\$ 52,875.34		

**BOROUGH OF ALLENTOWN**  
GENERAL CAPITAL FUND  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$ 69,761.92
Increased by:	
2017 Budget Appropriation	<u>25,000.00</u>
Balance Dec. 31, 2017	<u><u>\$ 94,761.92</u></u>

**BOROUGH OF ALLENTOWN**  
GENERAL CAPITAL FUND  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$ 950.00
Increased by:	
Charges to Improvement Authorizations	<u>30,763.65</u>
	31,713.65
Decreased by:	
Transferred to Improvement Authorizations	<u>950.00</u>
Balance Dec. 31, 2017	<u><u>\$ 30,763.65</u></u>

**BOROUGH OF ALLENTOWN**  
GENERAL CAPITAL FUND  
Statement of Due from Federal and State Grant Fund  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 60,782.75
Decreased by:	
Receipts	<u>\$ 60,782.75</u>

Exhibit SC-10

**BOROUGH OF ALLENTOWN**  
GENERAL CAPITAL FUND  
Statement of Due from State of New Jersey  
For the Year Ended December 31, 2017

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Increased by:	
Awards	<u>\$ 900,000.00</u>
Balance Dec. 31, 2017	<u>\$ 900,000.00</u>

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Bond Anticipation Notes  
For the Year Ended December 31, 2017

<u>Improvement Description</u>	<u>Ord. Number</u>	<u>Date of Original Issue</u>	<u>Note No.</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
Financing the Payment of a Settlement	3-2014	12/10/2014	2016A	12/7/2016	12/7/2017	1.49%	\$ 111,000.00		\$ 111,000.00	
			2017A	12/6/2017	12/6/2018	1.80%		\$ 74,000.00		\$ 74,000.00
							<u>\$ 111,000.00</u>	<u>\$ 74,000.00</u>	<u>\$ 111,000.00</u>	<u>\$ 74,000.00</u>
									\$ 37,000.00	
								\$ 74,000.00	74,000.00	
								<u>\$ 74,000.00</u>	<u>\$ 111,000.00</u>	

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Serial Bonds  
For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
			Date	Amount				
General Bonds	12/4/2008	\$ 141,000.00	12/01/18	\$ 7,000.00	5.250%	\$ 13,000.00	\$ 6,000.00	\$ 7,000.00
Open Space Bonds	12/4/2008	183,000.00	12/01/18	22,000.00	5.250%	43,000.00	21,000.00	22,000.00
General Obligation Refunding Bonds of 2012	5/22/2012	735,000.00	12/01/18	120,000.00	4.000%	625,000.00	115,000.00	510,000.00
			12/01/19	125,000.00	4.000%			
			12/01/20	130,000.00	4.000%			
			12/01/21	135,000.00	4.000%			
General Bonds	12/8/2015	620,000.00	12/01/18	20,000.00	5.000%	600,000.00	20,000.00	580,000.00
			12/1/19-23	25,000.00	5.000%			
			12/1/24-26	30,000.00	5.000%			
			12/1/27-29	35,000.00	5.000%			
			12/1/30-35	40,000.00	3.500%			
Refunding Bonds of 2016	3/24/2016	85,000.00	12/01/19	5,000.00	4.000%	85,000.00		85,000.00
			12/01/20	5,000.00	5.000%			
			12/1/21-22	10,000.00	5.000%			
			12/01/23	5,000.00	5.000%			
			12/1/24-26	10,000.00	5.000%			
			12/1/27-28	10,000.00	4.000%			
						\$ 1,366,000.00	\$ 162,000.00	\$ 1,204,000.00
Paid by Budget Appropriation - Current Fund							\$ 141,000.00	
Paid by Budget Appropriation - Open Space Fund							21,000.00	
							\$ 162,000.00	

**BOROUGH OF ALLENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
General Improvements:					
5-2001	Various Capital Improvements	\$ 13,470.88		\$ 13,470.88	
3-2003	Road Improvements	30,400.00		7,600.00	\$ 22,800.00
16-2006	Various Storm Sewer System and Road Improvements	500.00			500.00
8-2013	Acquisition and Construction of the Main Street Parking Lot with Handicap Access	180,000.00			180,000.00
2-2014	Historic Streetscape Improvement Project, Phase I	543,883.00			543,883.00
11-2016	Acquisition of Real Property for Open Space	200,000.00		25,000.00	175,000.00
16-2017	Historic Streetscape Improvement Project, Phase II		\$ 1,000,000.00		1,000,000.00
		<u>\$ 968,253.88</u>	<u>\$ 1,000,000.00</u>	<u>\$ 46,070.88</u>	<u>\$ 1,922,183.00</u>
				Current Fund Budget \$ 21,070.88	
				Open Space Trust Budget <u>25,000.00</u>	
				<u>\$ 46,070.88</u>	

**SUPPLEMENTAL EXHIBITS**

**WATER UTILITY FUND**

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY FUND**  
Statement of Water Utility Cash -- Treasurer  
For the Year Ended December 31, 2017

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2016	\$ 333,860.14	\$ 224,208.44
Increased by Receipts:		
Tax Collector	\$ 662,557.00	
2017 Budget Appropriations:		
Capital Improvement Fund	\$ 10,000.00	
Cost of Improvements Authorized	7,000.00	
Capital Outlay - Reserve for Water Meters	5,000.00	
Capital Outlay - Reserve for Hydrants	5,000.00	
	<u>662,557.00</u>	<u>27,000.00</u>
	996,417.14	251,208.44
Decreased by Disbursements:		
2017 Appropriations	470,321.88	
2016 Appropriation Reserves	31,321.31	
Accrued Interest on Bonds	51,067.50	
Accounts Payable	2,596.75	
Improvement Authorizations		24,599.67
	<u>555,307.44</u>	<u>24,599.67</u>
Balance Dec. 31, 2017	<u>\$ 441,109.70</u>	<u>\$ 226,608.77</u>

**BOROUGH OF ALLENTOWN**  
WATER UTILITY FUND  
Statement of Water Utility Cash--Collector  
For the Year Ended December 31, 2017

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## Receipts:

Consumer Accounts Receivable	\$ 647,586.06
Miscellaneous	<u>14,970.94</u>

662,557.00

## Disbursements:

Payments to Treasurer	<u>\$ 662,557.00</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, 2017

	Balance (Deficit) Dec. 31, 2016	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2017
		Budget	Miscellaneous	Improvement	Miscellaneous	From	To	
		Appropriation		Authorizations				
Fund Balance	\$ 1,079.55							\$ 1,079.55
Capital Improvement Fund	47,350.00	\$ 10,000.00						57,350.00
Serial Bonds Payable	625.00							625.00
Reserve for Encumbrances	7,633.25					\$ 7,633.25		
Reserve for Preliminary Expenses	122.00							122.00
Reserve for Water Meters	20,000.00	5,000.00						25,000.00
Reserve for Hydrants	20,000.00	5,000.00			\$ 25,000.00			
Accrued Interest	1,169.15							1,169.15
<u>Ordinance Number</u>								
General Improvements:								
5-1996 Installation of Water Plant Filter Backwash Tank	(28,000.00)	7,000.00						(21,000.00)
7-2003 Various Water Utility Improvements	5,027.33							5,027.33
3-2008 Various Water Utility Improvements	35,338.71							35,338.71
9-2010 Various Water Utility Improvements	113,443.45			\$ 24,179.67			\$ 7,633.25	96,897.03
9-2011 Acquisition of Computer Equipment	420.00			420.00				
15-2017 Various Water Utility Improvements			\$ 25,000.00					25,000.00
	<u>\$ 224,208.44</u>	<u>\$ 27,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 24,599.67</u>	<u>\$ 25,000.00</u>	<u>\$ 7,633.25</u>	<u>\$ 7,633.25</u>	<u>\$ 226,608.77</u>

**BOROUGH OF ALLENTOWN**  
WATER UTILITY CAPITAL FUND  
Statement of Reserve for Water Meters  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 20,000.00
Increased by:	
Receipts:	
2017 Budget Appropriation - Capital Outlay	<u>5,000.00</u>
	25,000.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>\$ 25,000.00</u>

**BOROUGH OF ALLENTOWN**  
WATER UTILITY OPERATING FUND  
Statement of Consumer Accounts Receivable  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$ 173,404.06
Increased by:	
Water Rents Levied	<u>621,499.17</u>
	794,903.23
Decreased by:	
Collections	<u>647,586.06</u>
Balance Dec. 31, 2017	<u><u>\$ 147,317.17</u></u>

**BOROUGH OF ALLENTOWN**  
WATER UTILITY CAPITAL FUND  
Statement of Reserve for Hydrants  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 20,000.00
Increased by:	
Receipts:	
2017 Budget Appropriation - Capital Outlay	<u>5,000.00</u>
Balance Dec. 31, 2017	<u><u>\$ 25,000.00</u></u>

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of Fixed Capital  
For the Year Ended December 31, 2017

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u>		<u>Balance</u> <u>Dec. 31, 2017</u>
		<u>By Budget</u>	<u>Capital Outlay</u>	
Pumping Station Land	\$ 500.00			\$ 500.00
Storage Reservoir Land	500.00			500.00
Impounding Reservoir	5,446.87			5,446.87
Springs and Wells	20,356.55			20,356.55
Intake and Supply Mains	2,825.13			2,825.13
Settling Basins	1,000.00			1,000.00
Coagulating Basins	3,590.00			3,590.00
Filters	15,679.20			15,679.20
Aeration Plant	21,845.00			21,845.00
Chemical Treatment Plant	1,601.49			1,601.49
Clear Water Basins	1,100.00			1,100.00
Pumping Station Structures	10,146.50			10,146.50
Electrical Power Equipment	3,005.00			3,005.00
Miscellaneous Pumping Equipment	5,956.45			5,956.45
Storage Reservoir Stand Pipes	9,333.80			9,333.80
Distribution Mains and Accessories	21,447.29			21,447.29
Meters, Meter Boxes and Vaults	66,978.72	\$ 9,447.74		76,426.46
Fire Hydrant and Fire Cisterns	38,036.90			38,036.90
Engineering and Superintendence	5,416.45			5,416.45
Tow Expenditures During Construction	1,814.30			1,814.30
Miscellaneous Construction Expenses	2,756.71			2,756.71
Miscellaneous Other Equipment	53,905.58			53,905.58
Pumping Station Area--Blacktop Paving	180.00			180.00
Fluoridation Equipment	1,130.31			1,130.31
Chlorination Equipment	817.60			817.60
Pick-Up Truck	655.00			655.00
Land Site for New Water Well	50.00			50.00
Water Treatment Plant--New Roof	26,300.00			26,300.00
Water Treatment Plant--Security Fencing	2,280.20			2,280.20
Water Treatment Plant--Improvements	195,796.59			195,796.59
Improvement of Water Supply and Distribution System	2,206,710.79			2,206,710.79
Installation of Water Plant Filter Backwash Recovery Tank	300,000.00			300,000.00
Doors and Windows	598.38			598.38
Safety Rails and Platforms	2,731.00			2,731.00
Lagoon Building	5,950.00			5,950.00
Repairs to Water Plant	58,540.35			58,540.35
Well Rehabilitation	27,603.25			27,603.25
Pavement Restoration	7,882.41			7,882.41
	<u>\$ 3,130,467.82</u>	<u>\$ 9,447.74</u>		<u>\$ 3,139,915.56</u>

## Capital Outlay:

2017 Budget Appropriation

\$ 9,447.74

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2016	2017 Authorizations		Balance Dec. 31, 2017
					Deferred Reserve for Amortization	Deferred Charges to Future Revenue	
7-2003	Various Water Utility Improvements	4/8/2003	\$ 500,000.00	\$ 500,000.00			\$ 500,000.00
3-2008	Various Water Utility Improvements	9/9/2008	120,000.00	120,000.00			120,000.00
9-2010	Various Water Utility Improvements	9/14/2010	250,000.00	250,000.00			250,000.00
9-2011	Acquisition of Computer Equipement	11/29/2011	7,650.00	7,650.00			7,650.00
15-2017	Various Water Utility Improvements	12/12/2017	2,960,000.00		\$ 25,000.00	\$ 2,935,000.00	2,960,000.00
				\$ 877,650.00	\$ 25,000.00	\$ 2,935,000.00	\$ 3,837,650.00

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY OPERATING FUND**  
**Statement of 2016 Appropriation Reserves**  
**For the Year Ended December 31, 2017**

	Balance December 31, 2016		Balances After Modifications	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salaries and Wages		\$ 3,581.57	\$ 3,581.57		\$ 3,581.57
Other Expenses	\$ 13,628.76	111,499.22	125,127.98	\$ 31,321.31	93,806.67
Total Operating	13,628.76	115,080.79	128,709.55	31,321.31	97,388.24
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		422.20	422.20		422.20
Total Statutory Expenditures		422.20	422.20		422.20
	\$ 13,628.76	\$ 115,502.99	\$ 129,131.75	\$ 31,321.31	\$ 97,810.44
			Disbursed	<u>\$ 31,321.31</u>	

**BOROUGH OF ALLENTOWN**  
WATER UTILITY OPERATING FUND  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 13,628.76
Increased by:	
Encumbrances--2017 Appropriations	<u>19,159.34</u>
	32,788.10
Decreased by:	
Transferred-- 2016 Appropriation Reserves	<u>13,628.76</u>
Balance Dec. 31, 2017	<u><u>\$ 19,159.34</u></u>

**BOROUGH OF ALLENTOWN**  
WATER UTILITY OPERATING FUND  
Statement of Accounts Payable  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 2,596.75
Decreased by:	
Disbursed	<u><u>\$ 2,596.75</u></u>

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY OPERATING FUND**  
 Statement of Accrued Interest on Serial Bonds and Analysis of Balance  
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 4,197.36
Increased by:	
Budget Appropriation for:	
Interest on Bonds	50,663.11
	54,860.47
Decreased by:	
Interest Paid by	
Operating Fund	51,067.50
Balance Dec. 31, 2017	\$ 3,792.97
 <u>Analysis of Balance Dec. 31, 2017</u>	
Operating Fund	\$ 2,623.82
Capital Fund	1,169.15
	\$ 3,792.97

Analysis of Accrued Interest Dec. 31, 2017

Serial Bonds	Principal Outstanding Dec. 31, 2017	Interest Rate	From	To	Period (Days)	Amount
	\$ 9,000.00	5.250%	12/1/2017	12/31/2017	30	\$ 38.84
	100,000.00	4.000%	12/1/2017	12/31/2017	30	328.77
	65,000.00	4.000%	12/1/2017	12/31/2017	30	213.70
	65,000.00	4.000%	12/1/2017	12/31/2017	30	213.70
	70,000.00	4.000%	12/1/2017	12/31/2017	30	230.14
	70,000.00	5.000%	12/1/2017	12/31/2017	30	287.67
	75,000.00	5.000%	12/1/2017	12/31/2017	30	308.22
	80,000.00	5.000%	12/1/2017	12/31/2017	30	328.77
	80,000.00	5.000%	12/1/2017	12/31/2017	30	328.77
	15,000.00	5.000%	12/1/2017	12/31/2017	30	61.64
	15,000.00	5.000%	12/1/2017	12/31/2017	30	61.64
	15,000.00	5.000%	12/1/2017	12/31/2017	30	61.64
	15,000.00	5.000%	12/1/2017	12/31/2017	30	61.64
	15,000.00	5.000%	12/1/2017	12/31/2017	30	61.64
	15,000.00	5.000%	12/1/2017	12/31/2017	30	61.64
	15,000.00	5.000%	12/1/2017	12/31/2017	30	61.64
	20,000.00	5.000%	12/1/2017	12/31/2017	30	82.19
	20,000.00	5.000%	12/1/2017	12/31/2017	30	82.19
	20,000.00	5.000%	12/1/2017	12/31/2017	30	82.19
	20,000.00	5.000%	12/1/2017	12/31/2017	30	82.19
	20,000.00	3.500%	12/1/2017	12/31/2017	30	57.53
	25,000.00	3.500%	12/1/2017	12/31/2017	30	71.92
	25,000.00	3.500%	12/1/2017	12/31/2017	30	71.92
	25,000.00	3.500%	12/1/2017	12/31/2017	30	71.92
	10,000.00	4.000%	12/1/2017	12/31/2017	30	32.88
	10,000.00	5.000%	12/1/2017	12/31/2017	30	41.10
	10,000.00	5.000%	12/1/2017	12/31/2017	30	41.10
	10,000.00	5.000%	12/1/2017	12/31/2017	30	41.10
	10,000.00	5.000%	12/1/2017	12/31/2017	30	41.10
	10,000.00	5.000%	12/1/2017	12/31/2017	30	41.10
	10,000.00	5.000%	12/1/2017	12/31/2017	30	41.10
	10,000.00	5.000%	12/1/2017	12/31/2017	30	41.10
	15,000.00	4.000%	12/1/2017	12/31/2017	30	49.32
	15,000.00	4.000%	12/1/2017	12/31/2017	30	49.32
						\$ 3,792.97

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 47,350.00
Increased by:	
2017 Budget Appropriation	10,000.00
Balance Dec. 31, 2017	\$ 57,350.00

Exhibit SD-14

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of Reserve for Preliminary Expenses  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 122.00
Decreased by:	
Disbursements	-
Balance Dec. 31, 2017	\$ 122.00

Exhibit SD-15

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016	\$ 7,633.25
Decreased by:	
Transferred -- 2016 Appropriation Reserves	\$ 7,633.25

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2016		Other Financing Sources	Deferred Charges to Future Revenue	Transfer from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2017	
				Funded	Unfunded					Funded	Unfunded
General Improvements:											
7-2003	Various Water Utility Improvements	4/8/2003	\$ 500,000.00	\$	5,027.33					\$	5,027.33
3-2008	Various Water Utility Improvements	9/9/2008	120,000.00		35,338.71						35,338.71
9-2010	Various Water Utility Improvements	9/14/2010	250,000.00		113,443.45			\$ 7,633.25	\$ 24,179.67		96,897.03
9-2011	Acquisition of Computer Equipment	11/29/2011	7,650.00		420.00				420.00		
15-2017	Various Water Utility Improvements	12/12/2017	2,960,000.00			\$ 25,000.00	\$ 2,935,000.00			25,000.00	\$ 2,935,000.00
			<u>\$ 154,229.49</u>		<u>-</u>	<u>\$ 25,000.00</u>	<u>\$ 2,935,000.00</u>	<u>\$ 7,633.25</u>	<u>\$ 24,599.67</u>	<u>\$ 162,263.07</u>	<u>\$ 2,935,000.00</u>
						<u>\$ 25,000.00</u>					
							Disbursed		<u>\$ 24,599.67</u>		

**BOROUGH OF ALLENTOWN**  
WATER UTILITY CAPITAL FUND  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 2,797,592.82
Increased by:		
Budget Appropriation --		
Costs of Improvements Authorized	\$ 7,000.00	
Capital Outlay Paid by Operating Budget	9,447.74	
Serial Bonds Paid by Operating Budget	<u>123,000.00</u>	
		<u>139,447.74</u>
Balance Dec. 31, 2017		<u><u>\$ 2,937,040.56</u></u>

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of Deferred Reserve For Amortization  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2016</u>	<u>Fixed Capital Authorized</u>	<u>Balance Dec. 31, 2017</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
9-2011	Acquisition of Computer Equipment	11/29/2011	7,650.00		7,650.00
15-2017	Various Water Utility Improvements	12/12/2017		\$ 25,000.00	25,000.00
			<u>\$ 41,150.00</u>	<u>\$ 25,000.00</u>	<u>\$ 66,150.00</u>

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
**Statement of Water Serial Bonds**  
**For the Year Ended December 31, 2017**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
			Outstanding Dec. 31, 2017	Amount				
Improvements to Water Supply	12/4/2008	\$ 188,000.00	12/01/18	\$ 9,000.00	5.250%	\$ 17,000.00	\$ 8,000.00	\$ 9,000.00
Refunding Bonds of 2012	5/22/2012	910,000.00	12/01/18	100,000.00	4.000%	705,000.00	100,000.00	605,000.00
			12/01/19	65,000.00	4.000%			
			12/01/20	65,000.00	4.000%			
			12/01/21	70,000.00	4.000%			
			12/01/22	70,000.00	5.000%			
			12/01/23	75,000.00	5.000%			
			12/01/24	80,000.00	5.000%			
			12/01/25	80,000.00	5.000%			
Various Water Utility Improvements	12/8/2015	325,000.00	12/01/18	15,000.00	5.000%	310,000.00	15,000.00	295,000.00
			12/01/19	15,000.00	5.000%			
			12/01/20	15,000.00	5.000%			
			12/01/21	15,000.00	5.000%			
			12/01/22	15,000.00	5.000%			
			12/01/23	15,000.00	5.000%			
			12/01/24	15,000.00	5.000%			
			12/01/25	15,000.00	5.000%			
			12/01/26	20,000.00	5.000%			
			12/01/27	20,000.00	5.000%			
			12/01/28	20,000.00	5.000%			
			12/01/29	20,000.00	5.000%			
			12/01/30	20,000.00	3.500%			
			12/01/31	25,000.00	3.500%			
			12/01/32	25,000.00	3.500%			
12/01/33	25,000.00	3.500%						
Refunding Bonds of 2016	3/24/2016	110,000.00	12/01/19	10,000.00	4.000%	110,000.00		110,000.00
			12/01/20	10,000.00	5.000%			
			12/01/21	10,000.00	5.000%			
			12/01/22	10,000.00	5.000%			
			12/01/23	10,000.00	5.000%			
			12/01/24	10,000.00	5.000%			
			12/01/25	10,000.00	5.000%			
			12/01/26	10,000.00	5.000%			
			12/01/27	15,000.00	4.000%			
			12/01/28	15,000.00	4.000%			
						<u>\$ 1,142,000.00</u>	<u>\$ 123,000.00</u>	<u>\$ 1,019,000.00</u>
Paid by Budget Appropriation							<u>\$ 123,000.00</u>	

**BOROUGH OF ALLENTOWN**  
**WATER UTILITY CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
5-1996	Installation of Water Plant Filter Backwash Recovery Tank	\$ 28,000.00		\$ 7,000.00	\$ 21,000.00
15-2017	Various Water Utility Improvements		\$ 2,935,000.00		2,935,000.00
		<u>\$ 28,000.00</u>	<u>\$ 2,935,000.00</u>	<u>\$ 7,000.00</u>	<u>\$ 2,956,000.00</u>

**SUPPLEMENTAL EXHIBITS**

**SEWER UTILITY FUND**



**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY FUND**  
Statement of Sewer Utility Cash--Collector  
For the Year Ended December 31, 2017

---

Consumer Accounts Receivable	\$	870,112.49
Miscellaneous Revenue Anticipated:		
Miscellaneous		14,303.58
		884,416.07
Disbursements:		
Payments to Treasurer	\$	884,416.07

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, 2017

	Balance (Deficit) <u>Dec. 31, 2016</u>	Receipts		Disbursements		Balance (Deficit) <u>Dec. 31, 2017</u>
		Budget Appropriation	Improvement Authorizations	Transfers		
				From	To	
Fund Balance	\$ 29.69					\$ 29.69
Capital Improvement Fund	102,350.00					102,350.00
Reserve for Encumbrances	86,548.00			\$ 86,548.00	\$ 63,572.79	63,572.79
<u>Ordinance Number</u>						
General Improvements:						
6-2003 Various Sewer Utility Improvements	(109,181.01)	\$ 19,181.01				(90,000.00)
3-2007 Various Sewer Utility Improvements	465,972.21		\$ 12,031.25	19,042.50	31,073.75	465,972.21
4-2008 Various Sewer Utility Improvements	(126,929.82)	20,942.32	2,260.00		2,260.00	(105,987.50)
9-2011 Acquisition of Computer Equipment	395.00		395.00			
4-2015 Acquisition of a New Generator	(47,010.00)		23,824.00	30,210.25	53,214.25	(47,830.00)
16-2016 Various Sewer Utility Improvements			186,738.35	14,320.04		(201,058.39)
	<u>\$ 372,174.07</u>	<u>\$ 40,123.33</u>	<u>\$ 225,248.60</u>	<u>\$ 150,120.79</u>	<u>\$ 150,120.79</u>	<u>\$ 187,048.80</u>

**BOROUGH OF ALLENTOWN**  
SEWER UTILITY OPERATING FUND  
Statement of Consumer Accounts Receivable  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$ 30,188.79
Increased by:	
Sewer Rents Levied	<u>880,090.92</u>
	910,279.71
Decreased by:	
Collections	<u>870,112.49</u>
Balance Dec. 31, 2017	<u><u>\$ 40,167.22</u></u>

**BOROUGH OF ALLENTOWN**  
SEWER UTILITY OPERATING FUND  
Statement of Sewer Utility Liens  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$ 10,536.80
Decreased by:	
Receipts	<u>                  -</u>
Balance December 31, 2017	<u><u>\$ 10,536.80</u></u>

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
**Statement of Fixed Capital**  
**For the Year Ended December 31, 2017**

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u> <u>by Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2017</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		7,421.40
Sewer Lines		\$ 165,181.01	165,181.01
Sewer Plant Upgrade		176,929.82	176,929.82
Computer Equipment		7,650.00	7,650.00
	<u>\$ 3,338,200.94</u>	<u>\$ 349,760.83</u>	<u>\$ 3,687,961.77</u>

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2016</u>	<u>Costs To Fixed Capital</u>	<u>Authorizations Cancelled</u>	<u>Balance Dec. 31, 2017</u>
General Improvements:							
6-2003	Various Sewer Utility Improvements	4/8/2003	\$ 400,000.00	\$ 400,000.00	\$ 165,181.01	\$ 234,818.99	
3-2007	Various Sewer Utility Improvements	5/1/2007	1,400,000.00	1,400,000.00			\$ 1,400,000.00
4-2008	Various Sewer Utility Improvements	9/9/2008	1,000,000.00	1,000,000.00	176,929.82	823,070.18	
9-2011	Acquisition of Computer Equipment	11/29/2011	7,650.00	7,650.00	7,650.00		
4-2015	Acquisition of a New Generator	8/25/2015	300,000.00	300,000.00			300,000.00
16-2016	Various Sewer Utility Improvements	11/29/2016	3,030,000.00	3,030,000.00			3,030,000.00
				<u>\$ 6,137,650.00</u>	<u>\$ 349,760.83</u>	<u>\$ 1,057,889.17</u>	<u>\$ 4,730,000.00</u>

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY OPERATING FUND**  
**Statement of 2016 Appropriation Reserves**  
**For the Year Ended December 31, 2017**

	<u>Balance Dec. 31, 2016</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		\$ 3,581.81	\$ 3,581.81		\$ 3,581.81
Other Expenses	\$ 20,289.86	311,831.61	332,121.47	\$ 26,551.42	305,570.05
Total Operating	20,289.86	315,413.42	335,703.28	26,551.42	309,151.86
Capital Improvements:					
Capital Outlay		10,000.00	10,000.00		10,000.00
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		422.20	422.20		422.20
Total Statutory Expenditures	-	10,422.20	10,422.20	-	10,422.20
	\$ 20,289.86	\$ 325,835.62	\$ 346,125.48	\$ 26,551.42	\$ 319,574.06

**BOROUGH OF ALLENTOWN**  
SEWER UTILITY OPERATING FUND  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2017

---

Balance Dec. 31, 2016	\$ 20,289.86
Increased by:	
Encumbrances -- 2017 Appropriations	<u>35,941.27</u>
	56,231.13
Decreased by:	
Transferred -- 2016 Appropriation Reserves	<u>20,289.86</u>
Balance Dec. 31, 2017	<u><u>\$ 35,941.27</u></u>

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY OPERATING FUND**  
Statement of Accrued Interest on Serial Bonds and Analysis of Balance  
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 3,322.18				
Increased by:						
Budget Appropriation for:						
Interest on Bonds		40,229.32				
		43,551.50				
Decreased by:						
Interest Paid by						
Operating Fund		40,420.00				
Balance Dec. 31, 2017		\$ 3,131.50				
<u>Analysis of Balance Dec. 31, 2017</u>						
Operating Fund		\$ 3,131.50				
<u>Analysis of Accrued Interest Dec. 31, 2017</u>						
	Principal Outstanding <u>Dec. 31, 2017</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>
Serial Bonds:	\$ 60,000.00	5.250%	12/1/2017	12/31/2017	30	\$ 258.90
	60,000.00	4.000%	12/1/2017	12/31/2017	30	197.26
	65,000.00	5.000%	12/1/2017	12/31/2017	30	267.12
	65,000.00	5.000%	12/1/2017	12/31/2017	30	267.12
	70,000.00	5.000%	12/1/2017	12/31/2017	30	287.67
	75,000.00	5.000%	12/1/2017	12/31/2017	30	308.22
	75,000.00	5.000%	12/1/2017	12/31/2017	30	308.22
	80,000.00	5.000%	12/1/2017	12/31/2017	30	328.77
	85,000.00	5.000%	12/1/2017	12/31/2017	30	349.32
	85,000.00	4.000%	12/1/2017	12/31/2017	30	279.45
	85,000.00	4.000%	12/1/2017	12/31/2017	30	279.45
Total Bonds						\$ 3,131.50

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 3,841,200.94
Increased by:		
Transfer from Deferred Reserve for Amortization	\$ 77,650.00	
Costs of Improvements Authorized	40,123.33	
Serial Bonds Paid by Operating Budget	58,000.00	
		175,773.33
Balance Dec. 31, 2017		\$ 4,016,974.27

Exhibit SE-12

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2017

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Balance Dec. 31, 2016		\$ 102,350.00
Increased by:		
2017 Budget Appropriation		-
Balance Dec. 31, 2017		\$ 102,350.00

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Deferred Reserve For Amortization  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2016</u>	<u>To Reserve For Amortization Fixed Capital</u>	<u>Balance Dec. 31, 2017</u>
<u>General Improvements:</u>					
06-2003	Various Sewer Utility Improvements	4/8/2003	\$ 20,000.00	\$ 20,000.00	
03-2007	Various Sewer Utility Improvements	5/1/2007	70,000.00		\$ 70,000.00
04-2008	Various Sewer Utility Improvements	9/9/2008	50,000.00	50,000.00	
9-2011	Acquisition of Computer Equipment	11/29/2011	7,650.00	7,650.00	
4-2015	Acquisition of a New Generator	4/25/2015	17,500.00		17,500.00
			<u>\$ 165,150.00</u>	<u>\$ 77,650.00</u>	<u>\$ 87,500.00</u>

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2016		Canceled	Transfer from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2017	
				Funded	Unfunded				Funded	Unfunded
General Improvements:										
6-2003	Various Sewer Utility Improvements	4/8/2003	\$ 400,000.00		\$ 234,818.99	\$ 234,818.99				
3-2007	Various Sewer Utility Improvements	5/1/2007	1,400,000.00	\$ 465,972.21			\$ 31,073.75	\$ 31,073.75	\$ 465,972.21	
4-2008	Various Sewer Utility Improvements	9/9/2008	1,000,000.00		823,070.18	823,070.18	2,260.00	2,260.00		
9-2011	Acquisition of Computer Equipment	11/29/2011	7,650.00	395.00				395.00		
4-2015	Acquisition of a New Generator	8/25/2015	300,000.00		235,490.00		53,214.25	54,034.25		\$ 234,670.00
16-2016	Various Sewer Utility Improvements	11/29/2016	3,030,000.00		3,030,000.00			201,058.39		2,828,941.61
				<u>\$ 466,367.21</u>	<u>\$ 4,323,379.17</u>	<u>\$ 1,057,889.17</u>	<u>\$ 86,548.00</u>	<u>\$ 288,821.39</u>	<u>\$ 465,972.21</u>	<u>\$ 3,063,611.61</u>
								Disbursed	\$ 225,248.60	
								Encumbered	63,572.79	
									<u>\$ 288,821.39</u>	

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
**Statement of Sewer Serial Bonds**  
**For the Year Ended December 31, 2017**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Date</u>	<u>Amount</u>				
Various Sewer Utility Improvements	12/4/2008	\$ 1,312,000.00	12/01/18	\$ 60,000.00	5.250%	\$ 118,000.00	\$ 58,000.00	\$ 60,000.00
Refunding Bonds of 2016	3/24/2016	750,000.00	12/01/19	60,000.00	4.000%			
			12/01/20	65,000.00	5.000%			
			12/01/21	65,000.00	5.000%			
			12/01/22	70,000.00	5.000%			
			12/01/23	75,000.00	5.000%			
			12/01/24	75,000.00	5.000%			
			12/01/25	80,000.00	5.000%			
			12/01/26	85,000.00	5.000%			
			12/01/27	85,000.00	4.000%			
			12/01/28	85,000.00	4.000%	745,000.00		745,000.00
						<u>\$ 863,000.00</u>	<u>\$ 58,000.00</u>	<u>\$ 805,000.00</u>

**BOROUGH OF ALLENTOWN**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Budget Appropriation</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2017</u>
6-2003	Various Sewer Utility Improvements	\$ 344,000.00	\$ 19,181.01	\$ 234,818.99	\$ 90,000.00
4-2008	Various Sewer Utility Improvements	950,000.00	20,942.32	823,070.18	105,987.50
4-2015	Acquisition of a New Generator	282,500.00			282,500.00
16-2016	Various Sewer Utility Improvements	3,030,000.00			3,030,000.00
		<u>\$ 4,606,500.00</u>	<u>\$ 40,123.33</u>	<u>\$ 1,057,889.17</u>	<u>\$ 3,508,487.50</u>

**PART II**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**BOROUGH OF ALLENTOWN**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2017

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

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

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

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

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>
Gregory J. Westfall	Mayor	(B)
Wil Borkowski	President of Council	(B)
Angela Anthony	Councilmember	(B)
Thomas Fritts	Councilmember	(B)
Robert H. Schmitt, Jr.	Councilmember	(B)
Johnna Stinemire	Councilmember	(B)
Robert Strovinsky	Councilmember	(B)
Laurie Gavin	Municipal Clerk	(B)
Barbara Pater	Tax Collector	(A)
June Madden	Chief Financial Officer and Purchasing Agent	(B)
Maryann Szbanz	Deputy Tax Collector and Police Clerk	(A)
Douglas Hoffman	Judge of the Municipal Court	(A)
Jenny Acuna-Zea	Court Administrator (through 4/30/17)	(A)
Sandra Brodbeck	Court Administrator (from 5/1/2017)	(A)
Victoria Butchon	Assessor	(B)
Roberts Engineering	Engineer	
Gregory Cannon	Solicitor	

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

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

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**APPRECIATION**

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

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

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

Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

