

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2021

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2021

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
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AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2021

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Oliwa & Company

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Borough Council
Borough of Eatontown
County of Monmouth
Eatontown, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and the general fixed assets account group of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough") as of December 31, 2021 and 2020, the related statements of operations and change in fund balance - regulatory basis for the years then ended, the related statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Current Fund, General Capital Fund and the Payroll Fund of the Borough as of December 31, 2021 and 2020, the statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis for the year ended December 31, 2021 and the statement of expenditures - regulatory basis for the year ended December 31, 2021 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

Qualified Opinions on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the General Fixed Assets Account Group of the Borough as of December 31, 2021 and 2020 in accordance with the financial reporting provisions of the Division as described in Note 1.

In our opinion, except for the effects of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the Trust Fund of the Borough as of December 31, 2021 and 2020 in accordance with the financial reporting provisions of the Division as described in Note 1.

Opinions (continued)

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, 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 as of December 31, 2021 and 2020, or the results its operations and the changes in fund balance for the years then ended.

Basis for Unmodified, Qualified and Adverse Opinions

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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified, qualified and adverse audit opinions.

Matter Giving Rise to Qualified Opinions on Regulatory Basis of Accounting

The Borough does not comply with the general fixed assets capitalization policies as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Borough has not valued all fixed assets acquired after December 31, 1985 at actual cost. It was not practicable to determine the effects of capitalizing all fixed assets acquired after December 31, 1985 at actual cost.

The financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 12.23% and 11.90% of the assets, and the liabilities and reserves of the Borough's Trust Fund as of December 31, 2021 and 2020, respectively.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, 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 Division of Local Government Services, Department of Community Affairs, State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

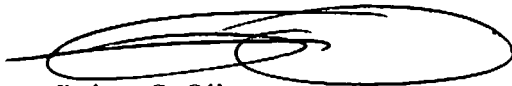
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements - regulatory basis that collectively comprise the Borough's basic financial statements. The supplementary schedules 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the LOSAP Fund and General Fixed Assets Account Group supplementary schedules, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 29, 2022, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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's internal control over financial reporting and compliance.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
August 29, 2022

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

To the Honorable Mayor and
Members of the Borough Council
Borough of Eatontown
County of Monmouth
Eatontown, New Jersey

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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough") as of and for the year ended December 31, 2021, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated August 29, 2022, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division. We expressed unmodified opinions on the regulatory basis financial statements of the Current Fund, General Capital Fund and the Payroll Fund as to conformity with the financial reporting provisions of the Division, and a qualified opinion on the regulatory basis financial statements of the General Fixed Assets Account Group as to conformity with the financial reporting provisions of the Division, and a qualified opinion on the regulatory basis financial basis financial statements of the Trust Fund because the Length of Service Award Program Fund was not audited.

Report on Internal Control over Financial Reporting

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

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

Report on Internal Control over Financial Reporting (continued)

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
August 29, 2022

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash and Cash Equivalents:			
Cash - Treasurer	A-4	\$14,222,957	\$12,360,430
Change Funds		300	300
		<u>14,223,257</u>	<u>12,360,730</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	346,969	419,912
Tax Title Liens Receivable	A-7	163,440	167,534
Property Acquired for Taxes - Assessed Valuation		201,300	201,300
Revenue Accounts Receivable	A-8	11,036	7,667
Due from Animal Control Fund		14,122	5,054
	A	<u>736,867</u>	<u>801,467</u>
		<u>14,960,124</u>	<u>13,162,197</u>
Federal and State Grant Fund:			
Grants Receivable	A-13	575,982	557,901
Due from Current Fund		692,469	135,116
		<u>1,268,451</u>	<u>693,017</u>
		<u>\$16,228,575</u>	<u>\$13,855,214</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Appropriation Reserves	A-3:A-9	\$2,887,130	\$3,291,138
Reserve for Encumbrances	A-12	750,961	568,758
Reserve for Tax Appeals		294,098	255,567
Reserve for Outside Liens		2,819	13,833
Reserve for FEMA		4,555	4,555
Accounts Payable			6,177
Regional High School Tax Payable	A-11	1	1
Prepaid Taxes		319,854	304,024
Tax Overpayments		44,525	64,974
Due to Other Trust Fund		3,244	
Due to Federal and State Grant Fund		692,469	135,116
Due County for Added and Omitted Taxes		34,975	26,590
Due to State of New Jersey (PL 1971, Ch.20)		38,667	40,667
		<u>5,073,298</u>	<u>4,711,400</u>
Reserves for Receivables and Other Assets	A	736,867	801,467
Fund Balance	A-1	9,149,959	7,649,330
		<u>14,960,124</u>	<u>13,162,197</u>
 Federal and State Grant Fund:			
Appropriated Reserves	A-14	851,573	691,253
Encumbrances Payable	A-14		1,764
Unappropriated Reserves	A-15	416,878	
		<u>1,268,451</u>	<u>693,017</u>
		<u>\$16,228,575</u>	<u>\$13,855,214</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	A-2	\$4,500,000	\$4,000,000
Miscellaneous Revenue Anticipated	A-2	5,095,338	4,678,652
Receipts from Delinquent Taxes	A-2	375,180	350,905
Receipts from Current Taxes	A-2	54,331,205	52,239,361
Non-Budget Revenues	A-2	380,140	216,825
Unexpended Balance of Appropriation Reserves	A-9	3,190,049	2,740,554
Other Credits to Income:			
Statutory Excess in Animal Control Fund	A-4		333
Account Payable Cancelled		4,310	
Total Revenue		<u>67,876,222</u>	<u>64,226,630</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	11,596,168	10,870,818
Other Expenses	A-3	9,978,598	9,674,375
Capital Improvements	A-3	445,323	97,000
Municipal Debt Service	A-3	2,566,310	2,594,263
Deferred Charges and Statutory Expenditures	A-3	2,580,000	2,374,810
Judgments	A-3		15,000
County Taxes		7,191,638	6,785,345
Local District School Tax	A-10	17,544,308	17,199,510
Regional High School Tax	A-11	9,973,248	9,637,029
Total Expenditures		<u>61,875,593</u>	<u>59,248,150</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended Decembers 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Excess in Revenue		\$6,000,629	\$4,978,480
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year		-	-
Statutory Excess to Fund Balance		6,000,629	4,978,480
Fund Balance January 1	A	7,649,330	6,670,850
		13,649,959	11,649,330
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	4,500,000	4,000,000
Fund Balance December 31	A	<u>\$9,149,959</u>	<u>\$7,649,330</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

		<u>Anticipated</u>			
	<u>Ref.</u>	<u>Budget</u>	<u>Special</u>	<u>Realized</u>	<u>Excess or</u>
			<u>N.J.S. 40A:4-87</u>		<u>(Deficit)</u>
Fund Balance Anticipated	A-1	\$4,500,000		\$4,500,000	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-8	38,000		40,438	\$2,438
Other Licenses	A-8	22,500		22,850	350
Fees and Permits	A-8	147,500		186,606	39,106
Municipal Court Fines and Costs	A-8	300,500		136,246	(164,254)
Interest and Costs on Taxes	A-8	100,000		76,660	(23,340)
Interest on Investments	A-8	96,500		11,897	(84,603)
Energy Receipts Tax	A-8	1,464,615		1,464,615	
Uniform Construction Code Fees	A-8	607,000		1,341,626	734,626
Mechanical Garage - Eatontown Board of Education	A-8	4,000		6,775	2,775
Body Worn Camera	A-13		\$101,900	101,900	
Drunk Driving Enforcement Fund	A-13	2,737		2,737	
Clean Communities Program	A-13		27,329	27,329	
Municipal Alliance on Alcoholism and Drug Abuse	A-13	8,413	9,650	18,063	
Safe and Secure Communities Program	A-13	32,400		32,400	
Body Armor Fund	A-13	2,894		2,894	
DCA/REC Individuals with Disabilities	A-13	15,000		15,000	
Recycling Tonnage	A-13	36,127		36,127	
American Rescue Plan - Wampum Flood Study	A-13		109,350	109,350	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Miscellaneous Revenues (continued):					
Senior Citizens Housing (In Lieu of Taxes)	A-8	\$203,000		\$202,000	(\$1,000)
Borough Community Center Programs	A-8	139,120		186,065	46,945
Uniform Fire Safety Act	A-8	76,595		78,347	1,752
General Capital Fund Surplus	A-8	49,000		49,000	
Hotel Tax	A-8	245,460		348,970	103,510
Cell Tower Agreements	A-8	413,000		397,715	(15,285)
CATV Franchise Fees	A-8	92,253		89,728	(2,525)
Coronavirus Local Fiscal Recovery Fund	A-8	110,000		110,000	
	A-1	<u>4,206,614</u>	<u>\$248,229</u>	<u>5,095,338</u>	<u>640,495</u>
Receipts from Delinquent Taxes	A-1:A-2	<u>369,500</u>		<u>375,180</u>	<u>5,680</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-6	<u>19,586,246</u>		<u>20,956,386</u>	<u>1,370,140</u>
Budget Totals		<u>28,662,360</u>	<u>248,229</u>	<u>30,926,904</u>	<u>\$2,016,315</u>
Non-Budget Revenues	A-2			<u>380,140</u>	
		<u>\$28,662,360</u>	<u>\$248,229</u>	<u>\$31,307,044</u>	
	<u>Ref.</u>	<u>A-3</u>	<u>A-3</u>		

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-6	\$54,331,205
Allocated to School and County Taxes		<u>34,974,818</u>
Balance for Support of Municipal Budget Appropriations		19,356,387
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,600,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$20,956,387</u></u>
<u>Receipts from Delinquent Taxes</u>		
Delinquent Tax Collections	A-6	\$365,148
Tax Title Lien Collections		<u>10,032</u>
	A-2	<u><u>\$375,180</u></u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

Analysis of Non-Budget Revenues

Police Outside Employment Administrative Fees	\$60,073
Sale of Municipal Assets	57,890
Monmouth County CARES Reimbursements	55,922
Recreation Fees	51,515
Recycling	37,620
Trailer Tax	22,786
Payroll Tax Refund	19,806
Other Police Fees	16,126
Shrewsbury Fire Prevention Fees	15,000
Board of Education Fuel Reimbursement	10,924
Other Refunds and Reimbursements	10,125
Canceled Checks	6,588
Return of Non-Vested LOSAP Funds	3,025
Police Found Money	2,881
Community Garden	2,238
DMV Inspection Fees	1,650
Police Outside Employment Uniform Fees	1,318
Senior Citizens and Veterans Administrative Fee	1,318
Senior Citizen Trips	1,290
Oceanport Fire Prevention Fees	1,048
Homestead Rebate Administrative Fee	386
Late Fees	305
Returned Check Fees	300
Copies and OPRA Fees	6
	<u>\$380,140</u>

Ref. A-1:A-2:A-4

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
General Government:					
Administrative and Executive:					
Salaries and Wages	\$230,000	\$230,000	\$198,503	\$31,497	
Other Expenses	114,750	92,250	22,693	39,557	\$30,000
Labor Attorney:	25,000	25,000		25,000	
Mayor and Council:					
Salaries and Wages	69,800	69,800	68,397	1,403	
Other Expenses	8,500	8,500	1,480	7,020	
Advertising:					
Other Expenses	23,000	23,000	8,317	6,683	8,000
Beautify Eatontown	3,570	3,570	1,845	1,725	
Complete Streets	1,000	1,000	115	885	
Elections:					
Salaries and Wages	1,000	1,000		1,000	
Other Expenses	6,250	6,250	4,400	1,850	
Municipal Clerk:					
Salaries and Wages	197,720	197,720	188,176	9,544	
Other Expenses	24,250	24,250	16,294	5,956	2,000
Information Technology:					
Other Expenses	132,500	132,500	109,935	22,565	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Purchasing Department:					
Salaries and Wages	\$45,500	\$45,500	\$45,137	\$363	
Other Expenses	31,620	31,620	19,236	12,384	
Historical Association:					
Other Expenses	3,000	3,000	2,978	22	
Financial Administration:					
Salaries and Wages	210,630	210,630	202,000	8,630	
Other Expenses	49,000	42,000	14,583	27,417	
Bond Registration Fees	4,500	4,500	2,000	2,500	
Audit Services	48,000	48,000		48,000	
Assessment of Taxes:					
Salaries and Wages	97,537	100,537	97,865	2,672	
Other Expenses	80,771	80,771	11,085	69,686	
Collection of Taxes:					
Salaries and Wages	94,938	94,938	77,605	17,333	
Other Expenses	12,200	12,200	7,366	4,834	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Legal Services and Costs:					
Other Expenses	\$270,000	\$270,000	\$172,179	\$97,821	
Municipal Prosecutor					
Salaries and Wages	40,000	40,000	36,000	4,000	
Engineering Service and Costs:					
Miscellaneous Other Expenses	80,000	80,000	74,833	5,167	
Public Buildings and Grounds:					
Salaries and Wages	201,900	201,900	136,472	65,428	
Other Expenses	155,100	155,100	135,387	19,713	
Planning Board:					
Other Expenses	32,200	32,200	31,733	467	
Board of Adjustment:					
Other Expenses	23,900	23,900	9,563	14,337	
Zoning Officer:					
Salaries and Wages	152,800	152,800	133,748	19,052	
Other Expenses	26,600	26,600	12,168	14,432	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Environmental Program:					
Other Expenses	\$3,285	\$3,285	\$620	\$2,665	
Green Team	2,500	2,500		2,500	
Community Garden	10,000	10,000	1,560	8,440	
Fire:					
Salaries and Wages	6,625	6,625	6,625		
Fire Hydrant Service	156,000	156,000	154,633	1,367	
Miscellaneous Other Expenses	92,350	92,350	76,361	15,989	
Insurance:					
Group Insurance	3,397,157	3,392,157	2,642,062	670,095	\$80,000
Health Benefit Waiver	40,000	40,000	22,664	17,336	
Other Insurance	443,540	443,540	310,119	123,421	10,000
Workman's Compensation	454,000	454,000	409,000	45,000	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	\$104,806	\$104,806	\$103,682	\$1,124	
Other Expenses	10,250	10,250	7,311	2,939	
Police:					
Salaries and Wages	6,565,748	6,565,748	6,228,724	337,024	
Other Expenses	329,450	329,450	221,185	108,265	
First Aid Organization Contribution:					
Salaries and Wages	6,625	6,625	6,625		
Other Expenses	34,400	34,400	34,198	202	
Emergency Management Services:					
Salaries and Wages	3,650	3,650	3,650		
Other Expenses	14,400	14,400	5,183	9,217	
Road Repair and Maintenance:					
Salaries and Wages	1,982,694	1,982,694	1,860,829	121,865	
Other Expenses	1,111,000	1,111,000	1,103,069	7,931	
Snow Removal					
Other Expenses	13,500	13,500	13,500		
Municipal Court:					
Salaries and Wages	49,000	49,000	49,000		
Other Expenses	35,374	35,374	19,693	15,681	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Public Defender:					
Salaries and Wages	\$35,000	\$48,000	\$34,160	\$13,840	
Street Lighting	140,000	140,000	108,390	31,610	
Monmouth County Reclamation Fees	350,000	350,000	347,165	2,835	
Recycling - Contractual:					
Sanitation - Apartment Collection	870,000	870,000	850,261	19,739	
Health and Welfare:					
Monmouth County Health Department					
Salaries and Wages	1,640	1,640		1,640	
Other Expenses	7,000	5,500		5,500	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Housing Inspection:					
Salaries and Wages	\$106,800	\$106,800	\$94,318	\$12,482	
Other Expenses	1,700	1,700	1,161	539	
Animal Control:					
Other Expenses	22,000	22,000	22,000		
Recreation:					
Salaries and Wages	185,130	188,130	156,555	31,575	
Other Expenses	74,025	74,025	45,953	28,072	
Celebration of Public Events:					
Other Expenses	35,500	35,500	20,811	14,689	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Borough Community Center:					
Salaries and Wages	\$261,865	\$258,865	\$192,310	\$66,555	
Other Expenses	35,306	35,306	28,702	6,604	
Miscellaneous Other Expenses:					
Youth Committee	2,250	2,250	957	1,293	
Salaries and Wages	60,180	60,180	30,404	29,776	
Other Expenses	19,600	19,600	7,304	12,296	
Inspection of Buildings:					
Salaries and Wages	428,900	428,900	340,039	88,861	
Other Expenses	33,900	33,900	27,730	6,170	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Unclassified:					
Salaries and Wages - Adjustment Program	\$70,000	\$70,000	\$38,416	\$31,584	
Tuition Reimbursement	50,500	35,500		\$25,500	\$10,000
Employee Sick Time Buy - Back	75,000	75,000		75,000	
Accumulated Absences	150,000	150,000	150,000		
Electricity	150,000	150,000	91,101	58,899	
Telephone	135,600	175,600	153,577	22,023	
Water	35,000	35,000	20,567	14,433	
Natural Gas	76,500	76,500	50,477	26,023	
Total Operations within "CAPS"	20,777,286	20,782,286	17,934,744	2,707,542	140,000
Contingent	4,000	4,000	675	3,325	
Total Operations Including Contingent within "CAPS"	20,781,286	20,786,286	17,935,419	2,710,867	140,000
Detail:					
Salaries and Wages	\$11,203,863	\$11,226,488	\$10,329,242	\$897,246	
Other Expenses (Including Contingent)	9,577,423	9,559,798	7,606,177	1,813,621	140,000

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
<u>Deferred Charges and Statutory</u> <u>Expenditures Within "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System of N.J.	\$515,000	\$515,000	\$515,000		
Social Security System (O.A.S.I.)	464,000	464,000	432,200	\$31,800	
Police and Firemen's Retirement System of N.J.	1,513,000	1,513,000	1,512,888	112	
Defined Contribution Retirement Program	24,000	24,000	18,954	5,046	
Early Retirement Incentive Program	39,000	39,000	38,996	4	
Unemployment Compensation Insurance	30,000	25,000		25,000	
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>2,585,000</u>	<u>2,580,000</u>	<u>2,518,038</u>	<u>61,962</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>23,366,286</u>	<u>23,366,286</u>	<u>20,453,457</u>	<u>2,772,829</u>	<u>\$140,000</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Aid to Privately Owned Library 40:54-35:					
Salaries and Wages	\$85,680	\$85,680	\$69,296	\$16,384	
Other Expenses	12,200	12,200	5,170	7,030	
9-1-1 System (40A:4-45.3cc)					
Other Expenses	26,000	26,000	26,000		
State Recycling Tax (C.311, P.L. 2007)	14,800	14,800		14,800	
Tax Appeal Reserve	50,000	50,000	50,000		
NJDEP/Storm Water Mgt. (40A:4-45.3cc)	10,000	10,000		10,000	
Length of Service Award Program - Fire	50,000	50,000	27,000	23,000	
Length of Service Award Program - First Aid	<u>20,000</u>	<u>20,000</u>	<u>13,500</u>	<u>6,500</u>	
Total Other Operations Excluded from "CAPS"	<u>268,680</u>	<u>268,680</u>	<u>190,966</u>	<u>77,714</u>	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Shared Service Agreements:					
Mechanical Garage - Eatontown					
Board of Education:					
Salaries and Wages	\$4,000	\$4,000		\$4,000	
Municipal Court - Tinton Falls					
Salaries and Wages	280,000	280,000	\$275,000	5,000	
Total Shared Service Agreements	<u>284,000</u>	<u>284,000</u>	<u>275,000</u>	<u>9,000</u>	
Public and Private Programs Offset by Revenues:					
Clean Communities Program (40A:4-87, \$27,329+)		27,329	27,329		
Drunk Driving Enforcement Fund	2,737	2,737	2,737		
Safe and Secure Communities	32,400	32,400	32,400		
Municipal Alliance on Alcoholism and Drug Abuse (40A:4-87, \$9,650+)	8,413	18,063	18,063		
DCA/REC Individuals with Disabilities	15,000	15,000	15,000		
Recycling Tonnage	36,127	36,127	36,127		
Body Worn Cameras (40A:4-87, \$101,900+)		101,900	101,900		
Body Armor Fund	2,894	2,894	2,894		

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Public and Private Programs Offset by Revenues (Continued):					
American Rescue Plan - Wampum Flood Study (40A:4-87, \$109,350+)		\$109,350	\$109,350		
Matching Funds for Grants	<u>\$30,000</u>	<u>30,000</u>	<u>2,413</u>	<u>\$27,587</u>	
Total Public and Private Programs Offset by Revenues	<u>127,571</u>	<u>375,800</u>	<u>348,213</u>	<u>27,587</u>	
Total Operations Excluded from "CAPS"	<u>680,251</u>	<u>928,480</u>	<u>814,179</u>	<u>114,301</u>	
Detail:					
Salaries and Wages	369,680	369,680	344,296	25,384	
Other Expenses	<u>310,571</u>	<u>558,800</u>	<u>469,883</u>	<u>88,917</u>	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Capital Improvements Excluded from "CAPS"</u>					
Capital Improvement Fund	<u>\$445,323</u>	<u>\$445,323</u>	<u>\$445,323</u>	<u></u>	<u></u>
Total Capital Improvements Excluded from "CAPS"	<u>445,323</u>	<u>445,323</u>	<u>445,323</u>	<u></u>	<u></u>
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	1,870,000	1,870,000	1,870,000		
Interest on Bonds	640,000	640,000	638,385		\$1,615
Interest on Notes	15,000	15,000	12,925		2,075
Capital Lease Obligations - Principal	37,000	37,000	37,000		
Interest	<u>8,500</u>	<u>8,500</u>	<u>8,000</u>	<u></u>	<u>500</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>2,570,500</u>	<u>2,570,500</u>	<u>2,566,310</u>	<u></u>	<u>4,190</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>\$3,696,074</u>	<u>\$3,944,303</u>	<u>\$3,825,812</u>	<u>\$114,301</u>	<u>\$4,190</u>
Subtotal General Appropriations	27,062,360	27,310,589	24,279,269	2,887,130	144,190
Reserve for Uncollected Taxes	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>		
Total General Appropriations	<u><u>\$28,662,360</u></u>	<u><u>\$28,910,589</u></u>	<u><u>\$25,879,269</u></u>	<u><u>\$2,887,130</u></u>	<u><u>\$144,190</u></u>
Ref.	A-2		A-1	A:A-1	
Budget	A-3	\$28,662,360			
Appropriation by 40A:4-87	A-2	<u>248,229</u>			
		<u><u>\$28,910,589</u></u>			

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$1,600,000
Disbursed	A-4	23,130,095
Reserve for Encumbrances	A-12	750,961
Reserve for Grants Appropriated	A-14	348,213
Reserve for Tax Appeals		50,000
		<u>\$25,879,269</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	<u>\$27,461</u>	<u>\$17,883</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-1	5,188,362	4,881,946
Due from Current Fund		<u>3,244</u>	<u> </u>
		<u>5,191,606</u>	<u>4,881,946</u>
Length of Service Award Program Fund:			
(LOSAP) - Unaudited Investments	B-4	<u>727,634</u>	<u>661,657</u>
		<u>\$5,946,701</u>	<u>\$5,561,486</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities and Reserves</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$11,434	\$10,886
Due to Current Fund		14,122	5,054
Prepaid Licenses		1,851	1,933
Due to State of New Jersey		54	10
		<u>27,461</u>	<u>17,883</u>
Other Trust Fund:			
Reserve for Other Trust Fund Deposits	B-3	<u>5,191,606</u>	<u>4,881,946</u>
Length of Service Award			
Program Fund:			
(LOSAP) - Unaudited			
Reserve for Length of Service Award			
Program Fund	B-5	<u>727,634</u>	<u>661,657</u>
		<u>\$5,946,701</u>	<u>\$5,561,486</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$10,790,257	\$5,553,747
Deferred Charges to Future Taxation:			
Funded	C-9	11,025,000	12,895,000
Unfunded	C-10	10,037,277	1,576,153
Grants Receivable	C-11	1,230,877	890,877
Reimbursements Receivable			100,088
Leased Assets under Capital Lease		123,000	160,000
		<u>\$33,206,411</u>	<u>\$21,175,865</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-6	\$11,025,000	\$12,895,000
Bond Anticipation Notes	C-7	7,904,276	1,576,152
Improvement Authorizations:			
Funded	C-5	1,927,162	1,742,944
Unfunded	C-5	6,323,207	821,406
Lease Obligations Payable	C-8	123,000	160,000
Reserve for Encumbrances	C-5	5,815,282	3,887,964
Reserve for Asset Acquisitions		27,500	27,500
Capital Improvement Fund	C-4	15,900	15,899
Fund Balance	C-1	45,084	49,000
		<u>\$33,206,411</u>	<u>\$21,175,865</u>

On December 31, 2021 and 2020 there were bonds and notes authorized but not issued of \$2,133,001 and \$1, respectively. (Schedule C-12)

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	C	\$49,000	\$149,240
Increased by:			
Funded Reserve Balances Canceled			49,000
Premium on Sale of Notes	C-2	45,084	
		<u>45,084</u>	<u>49,000</u>
Decreased by:			
Payment to Current Fund as Anticipated			
Revenue	C-2	49,000	149,240
Balance, December 31	C	<u>\$45,084</u>	<u>\$49,000</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
General Fixed Assets:			
Land, Buildings and Improvements		\$11,506,140	\$11,443,791
Machinery and Equipment		<u>18,486,352</u>	<u>17,313,340</u>
Total General Fixed Assets		<u><u>\$29,992,492</u></u>	<u><u>\$28,757,131</u></u>
<u>Liabilities and Reserves</u>			
Investment in General Fixed Assets	D-1	<u><u>\$29,992,492</u></u>	<u><u>\$28,757,131</u></u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PAYROLL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash and Cash Equivalents	<u>\$35,127</u>	<u>\$41,765</u>
<u>Reserves</u>		
Reserve for Expenditures	<u>\$35,127</u>	<u>\$41,765</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the school boards, first aid squad, volunteer fire department or the Eatontown Sewerage Authority (a component unit of the Borough), which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements.

B. Description of Funds

The GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

Current Fund - used to record revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Fund - used to record animal license revenues and expenditures.

Payroll Fund - used to record payroll related transactions.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

B. Description of Funds (continued)

Other Trust Fund - used to record assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

Length of Service Award Program Fund - used to record Borough contributions, changes in market value and administrative charges for program-eligible volunteers.

General Capital Fund - used to record resources, including federal and state grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

General Fixed Assets Account Group - used to record fixed assets utilized in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

Property Taxes and Other Revenues - Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

Expenditures - Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriations reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

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

Deferred Charges - The regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

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

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

Sale of Municipal Assets - Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period when the terms of the sales contract become legally enforceable.

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

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Interfunds - Advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

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

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated. The Borough has not valued all fixed assets acquired after December 31, 1985 at actual cost.

D. Financial Statements

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

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act ("GUDPA") is a supplemental insurance program set forth by the New Jersey Legislature to protect deposits of municipalities and local government agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. GUDPA requires public depositories to pledge collateral for deposit of public funds that exceed insurance limits. GUDPA requires that the market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Although the Borough does not have a formal deposit policy for 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 GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2021 and 2020 the Borough's bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Uninsured and Uncollateralized	\$2,759,568	\$2,549,384
GUDPA Insured and Collateralized with Securities Held by Pledging Financial Institutions	<u>25,078,067</u>	<u>17,134,534</u>
	<u>\$27,837,635</u>	<u>\$19,683,918</u>

In addition, as of December 31, 2021 and 2020, the Borough had \$1,893,147 and \$1,892,373 respectively, on deposit in the New Jersey Cash Management Fund (the "Fund"). These deposits are subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities, which, if suitable for registry, may be registered, in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local Government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a GUDPA bank;
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments (continued)

c. Investments are further regulated and restricted in accordance with N. J. S. 40A:5-15.1.

Custodial Credit Risk - The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Borough does not have a formal investment policy for custodial credit risk for investments. Length of Service Award Program Fund investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Borough. The fair value and book value of the Borough's Length of Service Award Program Fund investments at December 31, 2021 and 2020 were \$727,634 and \$661,657, respectively.

Credit Risk - State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2021 and 2020 no such investments were held by the Borough.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy for interest rate risk.

3. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes (the "notes") are issued to temporarily finance capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

3. DEBT (continued)

Long-Term Debt

The Borough's long-term bonded debt is summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate(s)</u>	<u>Balance Dec. 31, 2021</u>
General Improvement	12/9/14	3,775,000	5.00%	\$975,000
General Improvement	3/2/16	2,325,000	5.00%	1,535,000
General Improvement	1/9/18	3,640,000	5.00%	2,890,000
General Improvement	12/23/19	6,425,000	5.00%	5,625,000
				<u>\$11,025,000</u>

Long-term bonded debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$1,425,000	\$544,500	\$1,969,500
2023	1,465,000	473,250	1,938,250
2024	1,135,000	398,875	1,533,875
2025	1,190,000	341,750	1,531,750
2026	1,250,000	281,875	1,531,875
2027-2030	4,560,000	509,000	5,069,000
	<u>\$11,025,000</u>	<u>\$2,549,250</u>	<u>\$13,574,250</u>

Long-term debt transactions for the years ended December 31, 2021 and 2020 are summarized as follows:

	<u>Balance Dec. 31, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2021</u>
General Capital Fund:				
General Serial Bonds	<u>\$12,895,000</u>	<u>-</u>	<u>\$1,870,000</u>	<u>\$11,025,000</u>
	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2020</u>
General Capital Fund:				
General Serial Bonds	<u>\$14,715,000</u>	<u>-</u>	<u>\$1,820,000</u>	<u>\$12,895,000</u>

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

3. DEBT (continued)

Short-Term Debt

As of December 31, 2021, outstanding bond anticipation notes were as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
Various 2020 General Capital Improvements	11/3/21	11/3/22	1.00%	\$1,576,152
Various Capital Improvements and the Acquisition of Various Capital Equipment	11/3/21	11/3/22	1.00%	6,328,124
				<u>\$7,904,276</u>

As of December 31, 2020, outstanding bond anticipation notes were as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>
Various 2020 General Capital Improvements	11/4/20	11/4/21	0.82%	<u>\$1,576,152</u>

Bond anticipation note transactions for the years ended December 31, 2021 and 2020 are summarized as follows:

	<u>Balance Dec. 31, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2021</u>
General Capital Fund: Bond Anticipation Notes	<u>\$1,576,152</u>	<u>\$6,328,124</u>	<u>-</u>	<u>\$7,904,276</u>
	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2020</u>
General Capital Fund: Bond Anticipation Notes	<u>-</u>	<u>\$1,576,152</u>	<u>-</u>	<u>\$1,576,152</u>

Bonds and Notes Authorized but not Issued

As of December 31, 2021 and 2020, there were bonds and notes authorized but not issued of \$2,133,001 and \$1, respectively.

Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.500% of the equalized valuation basis. As of December 31, 2021 and 2020, the Borough's net debt, expressed as a percentage of the equalized valuation basis, was 0.832% and 0.604%, respectively. As of December 31, 2021 and 2020, the Borough's net debt was \$21,062,277 and \$14,471,153, respectively, and the Borough's remaining borrowing power was \$67,567,060 and \$69,435,391, respectively.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

4. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2021 and 2020, which were appropriated and included as anticipated revenue in the current fund budget for the years ended December 31, 2022 and 2021 were as follows:

For the year ended December 31, 2022,

Current Fund	\$4,800,000
General Capital Fund	-

For the year ended December 31, 2021,

Current Fund	\$4,500,000
General Capital Fund	49,000

5. TAXES COLLECTED IN ADVANCE

Taxes collected in advance and set forth as cash liabilities in the financial statements were as follows:

	<u>Balance December 31,</u>	
	<u>2021</u>	<u>2020</u>
Prepaid Taxes	<u>\$319,854</u>	<u>\$304,024</u>

6. SCHOOL TAXES

Regulations provide for the deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough raises its share of local and regional school taxes on a school year basis and has elected to defer these taxes at December 31, 2021 and 2020 as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance of Tax	\$8,196,186	\$8,035,477	\$5,039,082	\$4,934,167
Deferred	8,196,186	8,035,477	5,039,081	4,934,166
Tax Payable	<u>\$0</u>	<u>\$0</u>	<u>\$1</u>	<u>\$1</u>

7. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2021 and 2020 were \$1,552,371 and \$1,325,418, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

8. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, School Districts and County, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 20, with a completed duplicate of the tax rolls to be delivered to the Borough tax collector on or before June 3. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

The Borough is responsible for remitting one hundred percent of school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Borough and not the school districts or county.

9. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2021 and 2020 was as follows:

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Land, Buildings and Improvements	\$11,443,791	\$62,349		\$11,506,140
Machinery and Equipment	17,313,340	1,179,682	\$6,670	18,486,352
	<u>\$28,757,131</u>	<u>\$1,242,031</u>	<u>\$6,670</u>	<u>\$29,992,492</u>
	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Adjustments/ Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Land, Buildings and Improvements	\$11,386,475	\$57,316	-	\$11,443,791
Machinery and Equipment	15,365,210	1,948,130	-	17,313,340
	<u>\$26,751,685</u>	<u>\$2,005,446</u>	<u>-</u>	<u>\$28,757,131</u>

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

10. LEASE OBLIGATIONS PAYABLE

The Borough participates in the Capital Equipment Lease Program of the Monmouth County Improvement Authority (the "Authority"). The Authority has issued revenue bonds in which the Borough pays the debt service as part of the lease agreements. The minimum lease payments are raised annually in the Borough's current fund budget. The Borough's lease obligations payable are summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
Capital Equipment	10/31/19	\$193,000	5.00%	<u>\$123,000</u>

Minimum future lease payments due to the Authority are as follows:

<u>Year</u>	<u>General Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$39,000	\$6,150	\$45,150
2023	41,000	4,200	45,200
2024	43,000	2,150	45,150
	<u>\$123,000</u>	<u>\$12,500</u>	<u>\$135,500</u>

11. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft and damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough is a member of the Monmouth Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of public entities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation, and is sustained through member premiums. In addition, the Fund participates in the Municipal Excess Liability Program Joint Insurance Fund, which has a contract for excess liability insurance for property. There were no settlements in excess of insurance coverage in the past three years.

12. UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserve for unemployment compensation insurance on December 31, 2021, 2020 and 2019 was \$43,213.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

13. PENSION PLANS

Description of Systems

The Borough contributes to the Public Employees' Retirement System ("PERS"), and the Police and Firemen's Retirement System ("PFRS"), cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions and Benefits in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

Funding Policy

PERS employee contributions were 7.50% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are five and one-half percent (5.50%) of base wages. Member contributions are matched by a three percent (3.00%) employer contribution.

Unfunded Pension Liability

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2020.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

13. PENSION PLANS (continued)

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$7,617,659 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Borough's proportion was 0.0467129397 percent, which was a decrease of 0.0063296342 percent from its proportion measured as of June 30, 2019. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$555,439.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018. These actuarial valuations used the following assumptions:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases		
Through 2026	2.00% - 6.00%	2.00% - 6.00%
Thereafter	3.00% - 7.00%	3.00% - 7.00%
Investment Rate of Return	7.00%	7.00%

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

13. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 and June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
High Yield	2.00%	5.95%	2.00%	5.37%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Assets	3.00%	9.73%	2.50%	9.31%
Real Estate	8.00%	9.56%	7.50%	8.33%
U.S. Equity	27.00%	7.71%	28.00%	8.26%
Non-U.S. Developed Market Equity	13.50%	8.57%	12.50%	9.00%
Emerging Market Equity	5.50%	10.23%	6.50%	11.37%
Private Equity	13.00%	11.42%	12.00%	10.85%
	<u>100.00%</u>		<u>100.00%</u>	

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

13. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2020 and 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$9,589,362	\$7,617,659	\$5,944,615
	June 30, 2019		
	1% Decrease <u>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
Borough's proportionate share of the pension liability	\$12,072,634	\$9,557,467	\$7,438,083

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

13. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2020 and 2019, the State reported deferred inflows of resources and deferred outflows of resources related to PERS from the following sources:

	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$26,939	\$138,705	\$42,221	\$171,544
Changes of assumptions	3,189,586	247,125	3,317,367	954,348
Net difference between projected and actual earnings on pension plan investments		260,378	150,868	
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	<u>1,666,188</u>	<u>268,983</u>	<u>849,739</u>	<u>422,234</u>
	<u>\$4,882,713</u>	<u>\$915,191</u>	<u>\$4,360,195</u>	<u>\$1,548,126</u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PERS, in the amount of \$3,967,522, will be amortized in pension expense over the next five years.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

13. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$17,498,226 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Borough's proportion was 0.1354213632 percent, which was an increase of 0.0066423953 percent from its proportion measured as of June 30, 2019.

The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$1,300,810.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018. This actuarial valuation used the following assumptions:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases		
Through all future years	3.25% - 15.25%	3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

13. PENSION PLANS (continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 and June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
High Yield	2.00%	5.95%	2.00%	5.37%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Assets	3.00%	9.73%	2.50%	9.31%
Real Estate	8.00%	9.56%	7.50%	8.33%
U.S. Equity	27.00%	7.71%	28.00%	8.26%
Non-U.S. Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Market Equity	5.50%	10.23%	6.50%	11.37%
Private Equity	13.00%	11.42%	12.00%	10.85%
	<u>100.00%</u>		<u>100.00%</u>	

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

13. PENSION PLANS (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2020 and 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$23,269,039	\$17,498,226	\$12,705,125
	June 30, 2019		
	1% Decrease <u>5.85%</u>	At Current Discount Rate <u>6.85%</u>	1% Increase <u>7.85%</u>
Borough's proportionate share of the pension liability	\$21,301,421	\$15,759,737	\$11,173,194

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

13. PENSION PLANS (continued)

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

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2020 and 2019, the State reported deferred inflows of resources and deferred outflows of resources related to PFRS from the following sources:

	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$62,799	\$176,412	\$99,778	\$133,032
Changes of assumptions	4,691,170	44,034	5,093,403	540,014
Net difference between projected and actual earnings on pension plan investments		1,026,003	213,539	
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	<u>744,707</u>	<u>996,983</u>	<u>1,034,745</u>	<u>450,493</u>
	<u><u>\$5,498,676</u></u>	<u><u>\$2,243,432</u></u>	<u><u>\$6,441,465</u></u>	<u><u>\$1,123,539</u></u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PFRS, in the amount of \$3,255,244 will be recognized in pension expense by the Borough over the next five years.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

13. PENSION PLANS (continued)

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

Special Funding Situation

In accordance with 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 by the State on behalf of the Borough 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 Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At June 30, 2020, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,715,645.

Borough's Proportionate Share of Net
Pension Liability

\$17,498,226

State of New Jersey Proportionate Share
of Net Pension Liability Associated with
the Borough

2,715,645

\$20,213,871

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

14. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. In accordance with New Jersey Statutes the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As of December 31, 2021 and 2020, there were no deferred charges reflected on the balance sheets of the various funds of the Borough.

16. INTERFUND BALANCES

The balances of interfund receivables and payables at December 31, 2021 and 2020 are presented below:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<u>Receivables</u>		
Current Fund	\$14,122	\$5,054
Federal and State Grant Fund	692,469	135,116
Other Trust Fund	3,244	-
	<u>\$709,835</u>	<u>\$140,170</u>
<u>Payables</u>		
Current Fund	\$695,713	\$135,116
Animal Control Fund	14,122	5,054
	<u>\$709,835</u>	<u>\$140,170</u>

Interfund balances resulted either from the time lag between the dates that reimbursable expenditures occurred, revenues/receipts were collected or when payments were made between funds.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

17. LENGTH OF SERVICE AWARD PROGRAM

The Borough has established a Length of Service Award Program to recruit and retain the Borough's volunteer fire department and first aid squad members. The Length of Service Award Program has been established under the laws of the State of New Jersey with the intent that it meets requirements under Section 457(c)(11)(B) of the Internal Revenue Code.

Annual Contribution - The annual contribution to be made by the Borough for each active volunteer member that meets certain eligibility criteria shall not exceed \$1,350 annually.

Appropriations - Appropriations for the purpose of funding the Borough's Length of Service Award Program are included as a separate line item in the Borough's budget.

18. DEFERRED COMPENSATION

The Borough has adopted a Deferred Compensation Plan (the "Plan") in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey.

The Plan enables the Borough's employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

19. POSTEMPLOYMENT BENEFITS

As of the date of issuance of these financial statements, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other postemployment benefit obligations for the year ended June 30, 2021. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The following disclosures include the most current information made publicly available, which had a reporting date of June 30, 2020.

Plan Description

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

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

19. POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided

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

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.13i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Contributions

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

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

19. POSTEMPLOYMENT BENEFITS (continued)

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighters retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. As actuarially determined, the State's proportionate share of the net OPEB liability attributable to the Borough as of June 30, 2020 was \$8,319,142. The State's proportionate share of the OPEB benefit attributable to the Borough for the year ended June 30, 2020 was \$414,129. For additional information, please refer to the State of New Jersey, Division of Pensions and Benefits' Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

19. POSTEMPLOYMENT BENEFITS (continued)

Net OPEB Liability and Total OPEB Expense

As of June 30, 2020, the Plan reported a net OPEB liability of \$23,079,165 as the Borough's proportionate share of the collective total of the net OPEB liability of participating employers in the Plan. As of June 30, 2020, the Borough's proportionate share of the total net OPEB liability was .128599%. The Borough's net OPEB liability as of June 30, 2020, was determined by an actuarial valuation of the total OPEB liability amount as of July 1, 2019, as rolled forward to June 30, 2020, less the amount of the Borough's proportionate share of the Plan's Fiduciary Net Position. As reported by the Plan, the Borough's total OPEB benefit for the year ended June 30, 2020 was \$296,474.

Employer Contributions to the Plan

The Plan's annual required employer contribution amount is based on a pay-as-you-go basis, rather than an annual contribution amount that is actuarially determined. The Borough's contributions to the Plan for the years ended December 31, 2020, 2019 and 2018 were \$939,505, \$899,393, and \$1,408,975, respectively, which equaled the Borough's required contribution amount for each year.

Actuarial Assumptions

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

	<u>June 30, 2020</u>
Inflation Rate	2.50%
Salary Increases*:	
PERS	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
PFRS	
Rate for all future years	3.25% - 15.25%

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

Mortality rates were based on the Pub-2010 General and Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and the PERS experience studies were prepared for the periods July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

19. POSTEMPLOYMENT BENEFITS (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 and 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather than the discount rate is set at the municipal bond rate.

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

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

	June 30, 2020		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	1.21%	2.21%	3.21%
Net OPEB Liability	\$27,284,449	\$23,079,165	\$19,750,300

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

19. POSTEMPLOYMENT BENEFITS (continued)

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

The following presents the net OPEB liability of the Borough, as well as what the Borough's net OPEB liability would be if they were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	<u>June 30, 2020</u>		
	<u>1%</u>	<u>Healthcare</u>	<u>1%</u>
	<u>Decrease</u>	<u>Cost Trend Rate</u>	<u>Increase</u>
Net OPEB Liability	\$19,098,033	\$23,079,165	\$28,292,512

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2020, the State reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	<u>June 30, 2020</u>	
	<u>Deferred</u>	<u>Deferred</u>
	<u>Inflows of</u>	<u>Outflows of</u>
	<u>Resources</u>	<u>Resources</u>
Difference between expected and actual experience	\$4,297,771	\$607,887
Changes of assumptions	5,132,450	3,451,917
Net difference between projected and actual earnings on OPEB plan investments	-	14,657
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	3,299,191	1,632,880
	<u>\$12,729,412</u>	<u>\$5,707,341</u>

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

19. POSTEMPLOYMENT BENEFITS (continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to OPEB, in the amount of \$7,022,071, will be amortized in OPEB expense.

20. COMMITMENTS AND CONTINGENCIES

Grant Financial Assistance

The Borough receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. The Borough's administration anticipates that no material liabilities will result from such audits.

Tax Appeals

There are tax appeal cases pending against the Borough before the New Jersey Tax Court. The Borough intends to vigorously defend its assessments in each case. Under accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize liability, if any, until a case has been adjudicated.

Legal Proceedings

The Borough is party to certain legal proceedings, the resolution and impact of which, individually or in the aggregate, in the opinion of the Borough's administration, are not likely to have a material adverse impact on the Borough's financial position or adversely affect the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

21. SUBSEQUENT EVENTS

On July 27, 2022, the Borough adopted an ordinance to authorize the issuance of bonds or notes of \$1,963,650 to finance a portion of the costs providing for various 2022 general capital improvements.

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2021

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2021

Balance, December 31, 2020	<u>Ref.</u> A		\$12,360,430
Increased by Receipts:			
Collector	A-5	\$54,710,536	
Revenue Accounts Receivable	A-8	4,672,879	
State of New Jersey (PL 1971, Ch.20)		65,890	
Miscellaneous Revenue not Anticipated	A-2	380,140	
Grants Receivable	A-13	327,719	
Unappropriated Reserves	A-14	416,878	
Due from Other Trust Fund		3,244	
Marriage License Fees		2,111	
Training Fees		88,505	
Outside Liens		<u>44,047</u>	
			<u>60,711,949</u>
			<u>73,072,379</u>
Decreased by Disbursements:			
Budget Appropriations	A-3	23,130,095	
Appropriation Reserves	A-9	669,847	
Local District School Tax	A-10	17,544,308	
Regional High School Tax	A-11	9,973,248	
Appropriated Reserves	A-14	189,657	
County Taxes		7,183,253	
Tax Appeals		11,470	
Accounts Payable		1,867	
Training Fees		88,505	
Marriage Licenses		2,111	
Outside Liens		<u>55,061</u>	
			<u>58,849,422</u>
Balance, December 31, 2021	A		<u><u>\$14,222,957</u></u>

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR
Year Ended December 31, 2021

	<u>Ref.</u>		
Increased by Receipts:			
Taxes Receivable	A-6	\$54,259,465	
Tax Title Liens	A-7	10,032	
Prepaid Taxes		319,854	
Revenue Accounts Receivable -			
Interest and Costs on Taxes	A-8	76,660	
Tax Overpayments		<u>44,525</u>	
			<u><u>\$54,710,536</u></u>
Decreased by Disbursements:			
Payment to Treasurer - Current Fund	A-4		<u><u>\$54,710,536</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2021

Year	Balance Dec. 31, 2020	2021 Levy	Added Taxes	Collection by Cash		Senior Citizens and Veterans Deductions	Canceled and Adjustments	Over- Payments Applied	Transferred to Tax Title Liens	Balance Dec. 31, 2021
				2020	2021					
Prior	\$42,939									\$42,939
2016	2,525									2,525
2017	2,553									2,553
2018	2,641									2,641
2019	2,603									2,603
2020	366,651		\$1,104		\$365,148					2,607
	419,912		1,104		365,148					55,868
2021		\$54,803,352		\$304,024	53,894,317	\$67,890	\$169,534	\$64,974	\$11,512	291,101
	<u>\$419,912</u>	<u>\$54,803,352</u>	<u>\$1,104</u>	<u>\$304,024</u>	<u>\$54,259,465</u>	<u>\$67,890</u>	<u>\$169,534</u>	<u>\$64,974</u>	<u>\$11,512</u>	<u>\$346,969</u>
<u>Ref.</u>	A				A-5				A-7	A

Analysis of 2021 Property Tax Levy

Tax Yield:

General Purpose Tax	\$54,536,927
Added Taxes (54:4-63.1 Et Seq.)	266,425
Omitted Taxes (54:4-63.12 Et Seq.)	-
	<u>\$54,803,352</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2021

Analysis of 2021 Property Tax Levy (continued)

	<u>Ref.</u>	
Tax Levy:		
Local District School Tax	A-10	\$17,705,017
Regional High School Tax	A-11	10,078,163
County Taxes:		
County Tax		5,886,397
County Library Tax		441,844
County Open Space Tax		707,866
County Health Tax		120,556
Due to County for Added and Omitted Taxes		34,975
Total County Taxes		<u>7,191,638</u>
Local Tax for Municipal Purposes	A-2	19,586,246
Add: Additional Tax Levied		242,288
Local Tax for Municipal Purposes Levied		<u>19,828,534</u>
		<u>\$54,803,352</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$167,534
Increased by:			
Transfers from Taxes Receivable	A-6	\$11,512	
Added Tax Title Liens		-	
		<u>11,512</u>	
			<u>179,046</u>
Decreased by:			
Cash Receipts	A-5	10,032	
Cancelled		<u>5,574</u>	
			<u>15,606</u>
Balance, December 31, 2021	A		<u><u>\$163,440</u></u>

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Balance Dec. 31, 2020</u>	<u>Accrued in 2021</u>	<u>Realized / Collected</u>	<u>Balance Dec. 31, 2021</u>
Alcoholic Beverage Licenses	A-2		\$40,438	\$40,438	
Other Licenses	A-2		22,850	22,850	
Fees and Permits	A-2		186,606	186,606	
Municipal Court Fines and Costs	A-2	\$7,667	139,615	136,246	\$11,036
Interest and Costs on Taxes	A-2		76,660	76,660	
Interest on Investments	A-2		11,897	11,897	
Energy Receipts Tax	A-2		1,464,615	1,464,615	
Uniform Construction Code Fees	A-2		1,341,626	1,341,626	
Mechanical Garage - Eatontown Board of Education	A-2		6,775	6,775	
Senior Citizen Housing (In Lieu of Taxes)	A-2		202,000	202,000	
Borough Community Center Programs	A-2		186,065	186,065	
Uniform Fire Safety Act	A-2		78,347	78,347	
General Capital Fund Surplus	A-2		49,000	49,000	
Hotel Tax	A-2		348,971	348,971	
Cell Tower Agreements	A-2		397,715	397,715	
CATV Franchise Fees	A-2		89,728	89,728	
Coronavirus Local Fiscal Recovery Fund	A-2		110,000	110,000	
		<u>\$7,667</u>	<u>\$4,752,908</u>	<u>\$4,749,539</u>	<u>\$11,036</u>
	<u>Ref.</u>	<u>A</u>			<u>A</u>
Collected by:					
Treasurer	A-4			\$4,672,879	
Tax Collector:					
Interest and Costs on Taxes	A-5			76,660	
				<u>\$4,749,539</u>	

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	Balance Dec. 31, 2020	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages:					
Administrative and Executive	\$3,754		\$3,754		\$3,754
Elections	1,000		1,000		1,000
Municipal Clerk	1,197		1,197		1,197
Financial Administration	8,629		8,629		8,629
Assessment of Taxes	1,002		1,002		1,002
Collection of Taxes	18,144		18,144		18,144
Municipal Prosecutor	7,000		7,000		7,000
Public Buildings and Grounds	48,659		48,659	\$5,340	43,319
Zoning Officer	7,768		7,768		7,768
Uniform Fire Safe	12,554		12,554		12,554
Police	138,575		138,575	15,468	123,107
Road Repair and Maintenance	231,270		231,270		231,270
Municipal Court	359		359		359
Public Defender	3,468	\$4,805	8,273	6,925	1,348
Health and Welfare	155		155		155
Housing Inspection	11,943		11,943		11,943
Recreation	67,908		67,908		67,908
Borough Community Center	105,848		105,848		105,848
Senior Citizen Programs	25,314	800	26,114	250	25,864
Inspection of Buildings	11,079		11,079		11,079
Aid to Privately Owned Library	17,844		17,844		17,844
Mechanical Garage - Eatontown					
Board of Education	4,000		4,000		4,000
Municipal Court - Tinton Falls	5,000		5,000		5,000
Fire Prevention - Oceanport	6,781		6,781		6,781
Other Expenses:					
Administrative and Executive	33,894	929	33,823	5,489	28,334
Labor Attorney	23,424		23,424		23,424
Mayor and Council	9,085	150	9,235		9,235
Advertising	13,750	893	14,643	8,657	5,986
Beautify Eatontown	1,101	370	1,471	370	1,101
Complete Streets	596		596		596
Elections	2,812		2,812		2,812
Municipal Clerk	6,293	207	6,500	207	6,293
Information Technology	16,167	2,432	18,599	666	17,933
Purchasing	11,044	42	11,086	42	11,044
Historical Association	1,449	833	2,282	811	1,471
Financial Administration	20,942	3,232	24,174	10,288	13,886

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	Balance Dec. 31, 2020	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses (continued):					
Bond Registration Fees	\$2,050		\$2,050		\$2,050
Audit Services	23,400	\$24,600	48,000	\$29,000	19,000
Assessment of Taxes	9,910	15,750	25,660	15,750	9,910
Collection of Taxes	3,126	1,016	4,142	1,016	3,126
Legal Services and Costs	45,262		45,262	12,138	33,124
Engineering Services and Costs:					
Miscellaneous	6,018	8,018	14,036	8,065	5,971
Public Buildings and Grounds	45,209	19,714	64,923	14,382	50,541
Planning Board	65,152	3,950	69,102	9,470	59,632
Board of Adjustment	12		12		12
Zoning Officer	20,398	1,675	22,073	715	21,358
Environmental Program	1,250		1,250		1,250
Green Team	2,000		2,000		2,000
Community Garden	9,336	444	9,780		9,780
Fire Hydrant Service	25,146		25,146	15,976	9,170
Fire - Miscellaneous	10,809	21,550	32,359	20,346	12,013
Group Insurance	862,331	5,457	867,788		867,788
Health Benefit Waiver	15,649		15,649		15,649
Other Insurance	140,472		140,472	5,000	135,472
Workers Compensation	28,128		28,128		28,128
Uniform Fire Safety Act	1,525	1,800	3,325	1,602	1,723
Police	14,718	60,262	74,980	56,115	18,865
First Aid Contribution	591	12,540	13,131	11,738	1,393
Emergency Management Services	8,629	1,220	9,849	1,220	8,629
Road Repair and Maintenance	410,471	318,634	729,105	312,686	416,419
Municipal Court	15,848		15,848		15,848
Street Lighting	44,135		44,135	14,505	29,630
Monmouth County Reclamation	5,657	28,426	34,083	28,426	5,657
Sanitation - Apartment Collection	20,937	21,160	42,097	21,160	20,937
Sanitation - Residential Collection	67,813		67,813		67,813
Health and Welfare	6,800		6,800		6,800
Housing Inspection	447		447		447
Animal Control	2,901	1,575	4,476	3,108	1,368
Recreation	56,576	917	57,493	867	56,626
Celebration of Public Events	29,286	150	29,436	150	29,286
Community Center	20,479	3,259	23,738	2,882	20,856
Youth Committee	2,168		2,168		2,168
Senior Citizen's Programs	16,329	824	17,153		17,153
Inspection of Buildings	9,869	540	10,409	890	9,519

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

Other Expenses (continued):	2020	Reimbursements	Transfers	Charged	Expensed
Tuition Reimbursement	\$34,500		\$34,500		\$34,500
Electricity	51,777		51,777	\$1,018	50,759
Telephone	6,388	\$90	7,478	7,212	266
Water	18,990		18,990	575	18,415
Natural Gas	24,616		24,616	5,035	19,581
Contingent	3,445		3,445		3,445
Public Employees' Retirement					
System of New Jersey	519		519		519
Social Security System (O.A.S.I.)	47,918		47,918	1,369	46,549
Defined Contribution Retirement	8,014		8,014		8,014
Early Retirement Incentive Progra	42		42		42
Unemployment Compensation	29,636	285	29,921	12,918	17,003
Aid to Privately Owned Library	5,348	209	5,557		5,557
State Recycling Tax	14,800		14,800		14,800
9-1-1 System	4,500		4,500		4,500
NJDEP/Storm Water Mgt.	10,000		10,000		10,000
Length of Service Award					
Program - Fire	50,000		50,000		50,000
Length of Service Award					
Program - First Aid	20,000		20,000		20,000
Matching Funds for Grants	30,000		30,000		30,000
	<u>\$3,291,138</u>	<u>\$568,758</u>	<u>\$3,859,896</u>	<u>\$669,847</u>	<u>\$3,190,049</u>

<u>Ref.</u>	A	A-12	A-1
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Disbursed	<u>Ref.</u>	
Accounts Payable	A-4	\$669,847
		-
		<u>\$669,847</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020:		
School Tax Deferred		\$8,035,477
Increased by:		
Levy - School Year July 1, 2021 to June 30, 2022	A-6	<u>17,705,017</u> 25,740,494
Decreased by:		
Payments	A-4	<u>17,544,308</u>
Balance, December 31, 2021:		
School Tax Deferred		<u><u>\$8,196,186</u></u>
 <u>2021 Liability for Local District School Tax:</u>		
Tax Paid and Charged to 2021 Operations	A-10:A-1	<u><u>\$17,544,308</u></u>

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020:			
School Tax Payable	A	\$1	
School Tax Deferred		<u>4,934,166</u>	
			\$4,934,167
Increased by:			
Levy - School Year July 1, 2021 to June 30, 2022	A-6	<u>10,078,163</u>	
			<u>15,012,330</u>
Decreased by:			
Payments	A-4	<u>9,973,248</u>	
Balance, December 31, 2021:			
School Tax Payable	A	1	
School Tax Deferred		<u>5,039,081</u>	
			<u><u>\$5,039,082</u></u>
<u>2021 Liability for Regional High School Tax:</u>			
Tax Paid and Charged to 2021 Operations	A-11:A-1	<u><u>\$9,973,248</u></u>	

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$568,758
Increased by:		
Transferred from 2021 Appropriations	A-3	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">750,961</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		1,319,719
Decreased by:		
Transfer to Appropriation Reserves	A-9	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">568,758</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance, December 31, 2021	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$750,961</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2021

Grant	Ref.	Balance Dec. 31, 2020	2021 Anticipated Revenue	Cash Receipts	Unappropriated Reserves Realized	Balance Dec. 31, 2021
Municipal Alliance on Alcoholism and Drug Abuse	A-2	\$26,356	\$18,063	\$6,716		\$37,703
DCA/REC Individuals with Disabilities	A-2	20,060	15,000	19,941		15,119
New Jersey Transportation Trust Fund		156,053				156,053
Safe and Secure Communities Program	A-2	30,000	32,400	46,200		16,200
Drunk Driving Enforcement Fund	A-2		2,737	2,737		
Clean Communities Program	A-2		27,329	27,329		
Click It or Ticket		2,640				2,640
Bulletproof Vest		7,351				7,351
Recycling Tonnage	A-2		36,127	36,127		
Fort Monmouth Economic Revitalization Authority		40,441				40,441
NJ DOT - Downtown Eatontown Greenway Project		275,000				275,000
American Rescue Plan Act - Wampum Flood Study	A-2		109,350	109,350		
Body Armor Fund	A-2		2,894	2,894		
Body Worn Camera	A-2		101,900	76,425		25,475
		<u>\$557,901</u>	<u>\$345,800</u>	<u>\$327,719</u>	<u>-</u>	<u>\$575,982</u>
<u>Ref.</u>		A		A-4	A-15	A

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2021

Grant	Balance Dec. 31, 2020	Transfer from 2021 Budget Appropriations	Transferred from Reserve for Encumbrances	Expended	Canceled	Balance Dec. 31, 2021
Municipal Alcohol Education/Rehabilitation Program	\$4,613					\$4,613
Drunk Driving Enforcement Fund	5,233	\$2,737	\$894	\$2,617		6,247
Comcast Technology	3,478					3,478
Municipal Alliance on Alcoholism and Drug Abuse	30,076	20,476		16,491		34,061
New Jersey Transportation Trust Fund	26,249					26,249
Sustainable Jersey Small Program	566					566
DCA/REC Individuals with Disabilities	21,175	15,000	232	31,005		5,402
Clean Communities Program	104,610	27,329	638	13,784		118,793
Safe and Secure Communities Program	15,001	32,400		39,300		8,101
Bulletproof Vest	7,731					7,731
New Jersey Prevention Network	229					229
State and Community Highway Safety	5,323					5,323
Drive Sober or Get Pulled Over	9,508					9,508
Click It or Ticket	5,840					5,840
Recycling Tonnage	170,281	36,127		11,238		195,170
Fort Monmouth Economic Revitalization Authority	6,340					6,340
Body Armor Fund		2,894				2,894
NJ DOT - Downtown Eatontown Greenway Project	275,000					275,000
Body Worn Camera		101,900		75,222		26,678
American Rescue Plan Act - Wampum Flood Study		109,350				109,350
	<u>\$691,253</u>	<u>\$348,213</u>	<u>\$1,764</u>	<u>\$189,657</u>	<u>-</u>	<u>\$851,573</u>
<u>Ref.</u>	A	A-3	A			A
			<u>Ref.</u>			
			A-4	\$189,657		
			A	-		
				<u>\$189,657</u>		

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2021

<u>Grant</u>	<u>Balance Dec. 31, 2020</u>	<u>Cash Receipts</u>	<u>Transferred to 2021 Budget Appropriations</u>	<u>Balance Dec. 31, 2021</u>
American Rescue Plan Act		\$416,878		\$416,878
	-	\$416,878	-	\$416,878
<u>Ref.</u>	A	A-4	A-13	A

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other</u>
Balance, December 31, 2020	B	<u>\$17,883</u>	<u>\$4,881,946</u>
Increased by Receipts:			
2021 Budget Appropriation	B-2	4,765	
Dog License Fees	B-2	3,409	
Other Fees	B-2	154	
State Dog License Fees		576	
Prepaid Licenses		1,712	
Various Deposits	B-3		1,173,544
		<u>10,616</u>	<u>1,173,544</u>
Decreased by Disbursements:			
State Dog License Fees		532	
Due from Current Fund			3,244
Expenditures Under			
R.S. 4:19-15.11	B-2	506	
Various Deposits	B-3		863,884
		<u>1,038</u>	<u>867,128</u>
Balance, December 31, 2021	B	<u>\$27,461</u>	<u>\$5,188,362</u>

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	B		\$10,886
Increased by:			
2021 Budget Appropriation	B-1	\$4,765	
Dog License Fees Collected in 2021	B-1	3,409	
Prepaid Revenue Realized		1,794	
Other Fees	B-1	154	
		<u>10,122</u>	
			21,008
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash	B-1	506	
Statutory Excess Due to Current Fund		<u>9,068</u>	
			<u>9,574</u>
Balance, December 31, 2021	B		<u><u>\$11,434</u></u>

License Fees Collected:	<u>Year</u>	<u>Amount</u>
	2020	\$5,970
	2019	<u>5,464</u>
		<u><u>\$11,434</u></u>

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR OTHER TRUST FUND DEPOSITS
Year Ended December 31, 2021

Purpose	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
Developer's Escrow	\$1,180,216	\$512,590	\$439,600	\$1,253,206
Security Deposits	96,032	842		96,874
Law Enforcement	7,334	3,266	2,987	7,613
Unemployment	43,213			43,213
Municipal Alliance	4,886	15,003	13,330	6,559
Public Defender	1,308	2,285	500	3,093
Police Outside Employment	244,971	137,090	152,051	230,010
Recreation Contributions	21,296	26,224	2,001	45,519
Uniform Fire Safety Penalties	47,101	3,244	4,100	46,245
Premium on Tax Sale	368,000	52,400	69,600	350,800
POAA	9,195	352		9,547
Fire Contributions	4,935			4,935
Affordable Housing	2,411,462	245,867	34,653	2,622,676
Other Contributions	24,542	8,204	5,011	27,735
Accumulated Absences	285,916	150,000	91,716	344,200
Historical Museum Donations	26,322	2,695	14,175	14,842
Recycling	8,938		7,659	1,279
Storm Recovery	96,279	13,482	26,501	83,260
	<u>\$4,881,946</u>	<u>\$1,173,544</u>	<u>\$863,884</u>	<u>\$5,191,606</u>
<u>Ref.</u>	B	B-1	B-1	B

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF LENGTH OF SERVICE AWARD
PROGRAM FUND INVESTMENTS
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	B		\$661,657
Increased by:			
Borough Contributions	B-5	\$40,500	
Change in Market Value	B-5	<u>98,704</u>	
			<u>139,204</u>
			800,861
Decreased by:			
Distributions	B-5	68,510	
Return of Non-Vested Funds	B-5	3,025	
Administrative Charges	B-5	<u>1,692</u>	
			<u>73,227</u>
Balance, December 31, 2021	B		<u><u>\$727,634</u></u>

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD
PROGRAM FUND
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	B		\$661,657
Increased by:			
Borough Contributions	B-4	\$40,500	
Change in Market Value	B-4	<u>98,704</u>	
			<u>139,204</u>
			800,861
Decreased by:			
Distributions	B-4	68,510	
Return of Non-Vested Funds	B-4	3,025	
Administrative Charges	B-4	<u>1,692</u>	
			<u>73,227</u>
Balance, December 31, 2021	B		<u><u>\$727,634</u></u>

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$5,553,747
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-4	\$445,323	
Grants Receivable	C-11	-	
Bond Anticipation Notes	C-7	7,904,276	
Reimbursements Receivable		100,088	
Premium on Notes Issued	C-2	45,084	
		<u>8,494,771</u>	
			14,048,518
Decreased by Disbursements:			
Improvement Authorizations	C-5	1,633,109	
Bond Anticipation Notes	C-7	1,576,152	
Payment to Current Fund as			
Anticipated Revenue	C-1	<u>49,000</u>	
			<u>3,258,261</u>
Balance, December 31, 2021	C		<u><u>\$10,790,257</u></u>

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2021</u>
Fund Balance	\$45,084
Capital Improvement Fund	15,900
Reserve for Encumbrances	5,815,282
Grants Receivable	(1,230,877)
Reserve for Asset Acquisitions	27,500

Improvement Authorizations:

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	<u>Ref.</u>	
08-2016	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	14,035
04-2017	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	46,632
09-2017/ 02-2018	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	49,893
04-2018/ 02-2020	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	185,375
08-2018	Various Capital Improvements	C-5	605,633
15-2019	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	660,752
16-2019	Various Capital Improvements	C-5	48,473
18-2021	Various Capital Improvements	C-5	316,369
07-2020	General Capital Improvements	C-10	563,280
14-2021	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-10	3,626,926
			<u>\$10,790,257</u>
		<u>Ref.</u>	C

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$15,899
Increased by:		
2021 Budget Appropriation	C-2	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 100px; margin-right: 10px;"></div> 445,323 </div>
		461,222
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-5	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 100px; margin-right: 10px;"></div> 445,322 </div>
Balance, December 31, 2021	C	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 100px; margin-right: 10px;"></div> \$15,900 </div>

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
STATE OF NEW JERSEY
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2020			2021 Authoriz- ations	Paid or Charged	Authoriz- ations Canceled	Balance Dec. 31, 2021	
			Funded	Unfunded	Encumbered				Funded	Unfunded
07-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	\$1,357,600			\$4,289			\$4,289		
08-2016	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,866,544			97,757			83,722	\$14,035	
04-2017	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,445,773	\$5,805		545,561		\$407,577	97,157	46,632	
09-2017/ 02-2018	Various Capital Improvements and the Acquisition of Various Capital Equipment	8,165,000	204,796		367,031		366,742	155,192	49,893	
04-2018/ 02-2020	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,904,160	215,177		328,782		330,407	28,177	185,375	
08-2018	Various Capital Improvements	1,122,791	654,766		265,260		314,393		605,633	
15-2019	Various Capital Improvements and the Acquisition of Various Capital Equipment	3,615,053	604,562		1,143,584		1,086,644	750	660,752	
16-2019	Various Capital Improvements	278,558	57,838		155,975		165,340		48,473	
07-2020	Various 2020 General Capital Improvements	2,029,402		\$821,406	979,725		1,237,850			\$563,281
14-2021	Various Capital Improvements and the Acquisition of Various Capital Equipment	9,246,446				\$9,246,446	3,486,520			5,759,926
18-2021	Various Capital Improvements	369,287				369,287	52,918		316,369	
			<u>\$1,742,944</u>	<u>\$821,406</u>	<u>\$3,887,964</u>	<u>\$9,615,733</u>	<u>\$7,448,391</u>	<u>\$369,287</u>	<u>\$1,927,162</u>	<u>\$6,323,207</u>
	<u>Ref.</u>		C		C				C	C
	Reappropriation of Improvement Authorizations				<u>Ref.</u>		<u>Ref.</u>			
	Deferred Charges to Future Taxation - Unfunded				C-5	\$369,287	C-5	\$369,287		
	Grants Receivable				C-10	8,461,124	-	-		
	Capital Improvement Fund				C-11	340,000	-	-		
					C-4	445,322	-	-		
						<u>\$9,615,733</u>		<u>\$369,287</u>		
					<u>Ref.</u>					
	Cash Disbursements				C-2	\$1,633,109				
	Reserve for Encumbrances				C	5,815,282				
						<u>\$7,448,391</u>				

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount					
General Improvement	12/29/11	\$4,150,000				\$505,000		\$505,000	
General Improvement	12/9/14	3,775,000	12/1/22	\$475,000	5.00%	1,425,000		450,000	\$975,000
			12/1/23	500,000	5.00%				
General Improvement	3/2/16	2,325,000	12/1/22	280,000	5.00%	1,800,000		265,000	1,535,000
			12/1/23	295,000	5.00%				
			12/1/24	305,000	5.00%				
			12/1/25	320,000	5.00%				
			12/1/26	335,000	5.00%				
General Improvement	1/9/18	3,640,000	1/15/22	270,000	5.00%	3,140,000		250,000	2,890,000
			1/15/23	270,000	5.00%				
			1/15/24	315,000	5.00%				
			1/15/25	330,000	5.00%				
			1/15/26	345,000	5.00%				
			1/15/27	360,000	5.00%				
			1/15/28	500,000	5.00%				
			1/15/29	500,000	5.00%				

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount					
General Improvement	12/23/19	\$6,425,000	12/1/22	\$400,000	5.00%	\$6,025,000			\$5,625,000
			12/1/23	400,000	5.00%			\$400,000	
			12/1/24	515,000	5.00%				
			12/1/25	540,000	5.00%				
			12/1/26	570,000	5.00%				
			12/1/27	800,000	5.00%				
			12/1/28	800,000	5.00%				
			12/1/29	800,000	5.00%				
			12/1/30	800,000	5.00%				
						<u>\$12,895,000</u>	<u>-</u>	<u>\$1,870,000</u>	<u>\$11,025,000</u>
					<u>Ref.</u>	C			C
			Issued for Cash				-		
			Paid by Budget						
			Appropriation		C-9			\$1,870,000	
							<u>-</u>	<u>\$1,870,000</u>	

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
07-2020	Various 2020 General Capital Improvements	11/4/20	11/4/20	11/4/21	0.82%	\$1,576,152		\$1,576,152	
07-2020	Various 2020 General Capital Improvements	11/4/20	11/3/21	11/3/22	1.00%		\$1,576,152		\$1,576,152
14-2021	Various Capital Improvements and the Acquisition of Various Capital Equipment	11/3/21	11/3/21	11/3/22	1.00%		6,328,124		6,328,124
						<u>\$1,576,152</u>	<u>\$7,904,276</u>	<u>\$1,576,152</u>	<u>\$7,904,276</u>
					<u>Ref.</u>	C			C
					Issued for Cash		\$7,904,276		
					Proceeds from Notes Renewed			\$1,576,152	
					Paid by Bond Funds			-	
							<u>\$7,904,276</u>	<u>\$1,576,152</u>	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF LEASE OBLIGATIONS PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$160,000
Increased by:		
Lease Obligations Authorized		-
		<u>160,000</u>
Decreased by:		
Paid by Budget Appropriation		<u>37,000</u>
Balance, December 31, 2021	C	<u><u>\$123,000</u></u>

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - FUNDED
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$12,895,000
Increased by:		
Improvement Costs Funded by:		
General Serial Bonds Issued		-
		<u>12,895,000</u>
Decreased by:		
Budget Appropriation to Pay Bonds:		
General Serial Bonds	C-6	<u>1,870,000</u>
Balance, December 31, 2021	C	<u><u>\$11,025,000</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31. 2020</u>	<u>2021 Authoriz- ations</u>	<u>Authoriz- ations Canceled</u>	<u>Funded by Premium on Serial Bonds Issued</u>	<u>Transferred to Deferred Taxation - Funded</u>	<u>Balance Dec. 31. 2021</u>	<u>Analysis of Balance December 31, 2021</u>	
								<u>Financed by Bond Anticipation Notes</u>	<u>Unexpended Improvement Authorizations</u>
07-2020	Various 2020 General Capital Improvement	\$1,576,153					\$1,576,153	\$1,576,152	\$1
14-2021	Various Capital Improvements and the Acquisition of Various Capital Equipment		\$8,461,124				8,461,124	6,328,124	\$2,133,000
		<u>\$1,576,153</u>	<u>\$8,461,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$10,037,277</u>	<u>\$7,904,276</u>	<u>\$2,133,001</u>
	<u>Ref.</u>	C	C-5				C	C-7	
								<u>Ref.</u>	
						Improvement Authorizations - Unfunded		C-5	\$6,323,207
						Less, Unexpended Proceeds of Bond			
						Anticipation Notes Issued:			
						Ordinance Number 07-2020		C-3	(563,280)
						Ordinance Number 14-2021		C-3	(3,626,926)
									<u>\$2,133,001</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$890,877
Increased by:		
Ordinance Number 14-2021 for Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	340,000
		<u>1,230,877</u>
Decreased by:		
Cash Receipts	C-2	<u>-</u>
Balance, December 31, 2021	C	<u><u>\$1,230,877</u></u>

Detail:

<u>Ordinance Number</u>	<u>Description</u>	
08-2016	N.J.D.O.T. for Various Capital Improvements and the Acquisition of Various Capital Equipment	\$12,870
15-2019	N.J.D.O.T. for Various Capital Improvements and the Acquisition of Various Capital Equipment	447,713
04-2018/ 02-2020	Monmouth County Open Space for Various Capital Improvements and the Acquisition of Various Capital Equipment	60,000
07-2020	N.J.D.O.T. for Various 2020 General Capital Improvements	370,294
14-2021	N.J.D.O.T. for Various Capital Improvements and the Acquisition of Various Capital Equipment	340,000
		<u><u>\$1,230,877</u></u>

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authoriz- ations	Bond Anticipation Notes Issued	Bonds Issued	Balance Dec. 31, 2021
07-2020	Various 2020 General Capital Improvements	\$1				\$1
14-2021	Various Capital Improvements and the Acquisition of Various Capital Equipment		\$8,461,124	\$6,328,124		2,133,000
		<u>\$1</u>	<u>\$8,461,124</u>	<u>\$6,328,124</u>	<u>-</u>	<u>\$2,133,001</u>
	Ref. (Footnote C)		C-5	C-7		(Footnote C)

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS
Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
General Fixed Assets:				
Land, Buildings and Improvements	\$11,443,791	\$62,349		\$11,506,140
Machinery and Equipment	17,313,340	1,179,682	\$6,670	18,486,352
	<u>\$28,757,131</u>	<u>\$1,242,031</u>	<u>\$6,670</u>	<u>\$29,992,492</u>
<u>Ref.</u>	D			D

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2021

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

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. In addition, the minutes indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Since the system of records did not provide for an accumulation of payments for categories of materials and supplies or related work or labor, the results of such an accumulation could not be reasonably ascertained.

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor." In the auditing of the Borough's expenditures, we performed tests of the Borough's compliance with N.J.S. 40A:11-6.1 and noted no exceptions.

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2021

Examination of Claims

In auditing the Borough's expenditures, we did not and were not required to determine or establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being subject to the Borough's system of internal control over the approval and payment of claims in accordance with N.J.S. 40A:5-16. However, we tested the Borough's compliance with its established internal control system over the approval and payment of claims in accordance with N.J.S. 40A:5-16 and noted no exceptions.

Payroll Withholdings

We did not and were not required to determine the propriety of withholdings from individual employee salaries for pensions, income taxes, social security and medicare taxes, and for other purposes.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S. 54:4-67 provides the method for authorizing interest and the maximum rates to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution on January 1, 2021 authorizing interest and the maximum rates to be charged for the nonpayment of taxes on or before the date when they would become delinquent.

"Be it resolved that the interest to be charged on delinquent taxes during the year 2021 be and the same is hereby fixed at eight (8) per centum per annum on the first \$1,500.00 of delinquency and eighteen (18) per centum on any amount in excess of \$1,500.00, to be calculated from the date the tax was payable until the date of actual payment, provided, however, no interest shall be charged if the payment of the taxes due is made within the tenth (10) calendar day following the date upon which the same became payable."

Based upon our audit of the tax collector's records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

Tax Title Liens

The 2021 tax sale was held on October 20, 2021 and was complete.

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

2021	13
2020	13
2019	20

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2021

SUMMARY OF MUNICIPAL DEBT

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Issued</u>			
General bonds and notes	\$18,929,276	\$14,471,152	\$14,715,000
Less:			
Funds on hand to pay bonds and notes	<u>-</u>	<u>-</u>	<u>-</u>
Net debt issued	18,929,276	14,471,152	14,715,000
<u>Authorized but not Issued</u>			
General bonds and notes	<u>2,133,001</u>	<u>1</u>	<u>-</u>
Net bonds and notes issued and authorized but not issued	<u>\$21,062,277</u>	<u>\$14,471,153</u>	<u>\$14,715,000</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.832%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School	\$18,770,000	\$18,770,000	-
Regional School	9,301,816	9,301,816	-
General Debt	<u>23,070,466</u>	<u>2,008,189</u>	<u>\$21,062,277</u>
	<u>\$51,142,282</u>	<u>\$30,080,005</u>	<u>\$21,062,277</u>

Net Debt \$21,062,277 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$2,532,266,763 equals 0.832%.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3½% of Equalized Valuation Basis	\$88,629,337
Net Debt	<u>21,062,277</u>
Remaining Borrowing Power	<u>\$67,567,060</u>

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2021

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Municipal	.826	\$.803	\$.803
Local School	.747	.754	.755
Regional School	.425	.429	.424
County	.302	.294	.295
Total tax rate	<u>\$2.300</u>	<u>\$2.280</u>	<u>\$2.277</u>

ASSESSED VALUATIONS

2021	\$2,371,170,730
2020	2,302,211,131
2019	2,256,827,250

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>CURRENTLY</u>	
		<u>Cash</u>	<u>Percentage of</u>
		<u>Collections</u>	<u>Collections</u>
2021	\$54,803,352	\$54,331,205	99.14%
2020	52,696,601	52,239,361	99.13%
2019	51,470,586	50,995,467	99.08%

DELINQUENT TAXES AND TAX LIENS

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax title liens	\$163,440	\$167,534	\$151,426
Delinquent taxes	<u>346,969</u>	<u>419,912</u>	<u>404,166</u>
Total delinquent	<u>\$510,409</u>	<u>\$587,446</u>	<u>\$555,592</u>
% of tax levy	0.93%	1.11%	1.08%

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2021

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2021	\$201,300
2020	201,300
2019	201,300

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Succeeding Budget</u>
2021	\$9,149,959	\$4,800,000
2020	7,649,330	4,500,000
2019	6,670,850	4,000,000

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2021

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as of December 31, 2021:

<u>Name</u>	<u>Title</u>
Anthony Talerico, Jr.	Mayor
Kevin L. Gonzalez	Council President
Jasmine Story	Councilmember
Maria Grazia Escalante	Councilmember
Joseph M. Olsavsky	Councilmember
Mark Regan, Jr.	Councilmember
Danielle M. Jones	Councilmember
William P. Lucia, III	Interim Administrator
John Gillooly	Tax Assessor
Julie Martin	Clerk and Assessment Searcher
Leigh Schenck	Tax Collector and Tax Searcher
Dena Amodca	Chief Financial Officer and Treasurer
Eugene Melody	Magistrate
Corinne DiCorcia	Deputy Clerk

Borough employees are covered by a public employee dishonesty bond in the amount of \$50,000 by the Monmouth Municipal Joint Insurance Fund. In addition, Borough employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000 by the Municipal Excess Liability Insurance Fund.

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
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PART IV

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

Other Internal Control and Compliance Matters

There are no current year recommendations.

Status of Prior Year Recommendations

There were no prior year recommendations.