

**BOROUGH OF PITMAN
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2020**

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PART I

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Pitman
110 South Broadway
Pitman, New Jersey 08071

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Pitman, as of December 31, 2020, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough of Pitman's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Pitman as of December 31, 2020 and 2019, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2020 and 2019, the regulatory basis statements of operations for the years then ended, and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020, in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

The supplemental information listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021, on our consideration of the Borough of Pitman's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Pitman's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252

June 17, 2021

CURRENT FUND

EXHIBIT A

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

		Balance	Balance
	Ref.	Dec. 31, 2020	Dec. 31, 2019
ASSETS			
Regular Fund			
Cash - CFO	A-4	\$ 5,715,964.67	\$ 5,607,954.00
Cash - Payroll	A-4	21,420.85	12,843.49
Change Funds	A-5	210.00	210.00
		<u>5,737,595.52</u>	<u>5,621,007.49</u>
Deferred Charges			
Emergency Authorization	A-3	1,517.95	
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes Receivable	A-6	356,987.26	377,383.83
Tax Title Liens Receivable	A-7	137,179.45	104,822.73
Property Acquired for Taxes -			
Assessed Valuation	A-8	80,300.00	80,300.00
Other Liens Receivables		11,014.97	10,648.77
Other Receivables		4,271.80	1,741.84
Due from Animal Control Trust Fund	B	15.60	3,804.88
Due Library Donations Trust Fund			76.81
Due from Tax Title Lien Premium Trust Fund			87.85
Due from Tax Title Lien Redemption Trust Fund			15.22
Due from Town Clock Maintenance Trust Fund			0.02
Due Outside Employment of Off-Duty Police			271.13
Due from Federal and State Grant Fund	A	1,806.76	
Due from 4th of July Donations			23.19
Due from Community Service Trust			0.37
Due from Theatre Revitalization Trust			12.20
Due from Uniform Fire Safety Trust Fund			65.99
Due from Developers Escrow Trust Fund			45.98
Due from Recreation Commission Trust Fund			43.15
Due from Recreation Trust - Miss Pitman			208.87
Due from Storm Recovery Trust			18.23
Due from K-9 Donations Trust Fund			21.35
Due from General Capital Fund			1,707.48
Due from Water and Sewer Utility Operating Fund			105.69
		<u>591,575.84</u>	<u>581,405.58</u>
		<u>6,330,689.31</u>	<u>6,202,413.07</u>
Federal and State Grant Fund			
Due from Current Fund			234,487.81
Grants Receivable	A-15	731,510.43	580,935.68
		<u>731,510.43</u>	<u>815,423.49</u>
		<u>\$ 7,062,199.74</u>	<u>\$ 7,017,836.56</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

LIABILITIES, RESERVES, AND FUND BALANCE	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
Regular Fund			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 1,111,438.56	\$ 800,947.90
Encumbrances Payable	A-11	128,902.97	166,722.69
Accounts Payable	A-11	31,714.31	
Prepaid Taxes	A-4	124,452.29	133,739.02
Tax Overpayments		7,832.02	4,824.77
Due County for Added & Omitted Taxes	A-14	11,201.54	11,920.55
Due to Library State Aid			4,733.00
Due to Federal and State Grant Fund			234,487.81
Due from Community Appreciation Trust Fund			55.02
Due General Capital Fund	C	103,536.89	
Reserve for Local Grants Appropriated			
Payroll Taxes Payable		21,726.31	13,061.77
Due State of New Jersey:			
Construction - DCA Fees		4,521.00	2,589.00
Senior Citizen and Veterans Deductions	A-12	24,261.79	25,737.82
Marriage License Fees & Burial Permits		250.00	250.00
		<u>1,569,837.68</u>	<u>1,399,069.35</u>
Reserve for Receivables		591,575.84	581,405.58
Fund Balance	A-1	<u>4,169,275.79</u>	<u>4,221,938.14</u>
		<u>6,330,689.31</u>	<u>6,202,413.07</u>
Federal and State Grant Fund			
Reserve for Grants - Appropriated	A-16	677,051.81	753,610.67
Reserve for Grants - Unappropriated	A-17	49,912.82	49,912.82
Encumbrances Payable	A-11	2,739.04	11,900.00
Due Current Fund	A	1,806.76	
		<u>731,510.43</u>	<u>815,423.49</u>
		<u>\$ 7,062,199.74</u>	<u>\$ 7,017,836.56</u>

The accompanying notes to the financial statements are an integral part of this statement.

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - CURRENT FUND - REGULATORY BASIS**

Revenue and Other Income Realized	Ref.	Year 2020	Year 2019
Fund Balance Utilized	A-2	\$ 1,562,303.39	\$ 1,412,119.82
Miscellaneous Revenue Anticipated	A-2	1,583,187.51	1,825,112.26
Receipts from Delinquent Taxes	A-2	382,425.20	354,041.62
Receipts from Current Taxes	A-2	24,862,796.15	24,269,168.97
Non-Budget Revenue	A-2	702,501.67	540,872.22
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	559,406.95	355,163.05
Encumbrances Payable - Canceled	A-11	8,523.93	5,909.27
Reserve for Local Grants Canceled			1,720.87
Reserve for Grants Canceled	A-16	235,747.23	
Interfunds Returned		6,539.37	5,340.15
Total Income		29,903,431.40	28,769,448.23
Expenditures			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	3,430,741.00	3,204,975.00
Other Expenses	A-3	3,355,482.24	3,283,471.69
Deferred Charges and Statutory:			
Expenditures - Municipal	A-3	823,006.95	835,819.00
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	197,590.00	190,200.00
Other Expenses	A-3	298,732.17	392,665.72
Capital Improvements	A-3	390,000.00	425,000.00
Debt Service	A-3	599,220.00	628,524.79
Deferred Charges and Statutory:			
Expenditures - Municipal			40,353.25
County Taxes	A-14	4,094,960.06	3,916,507.23
County Open Space Taxes	A-14	246,831.33	241,298.29
Due County for Added Taxes	A-14	11,201.54	11,920.55
Local District School Tax	A-13	14,882,902.00	14,504,716.00
Prior Year Deductions Disallowed	A-12	2,250.00	7,021.23
Grants Receivable Canceled	A-15	29,234.41	
Tax Appeals		31,349.85	
Prior Year Revenue Refunded			3,700.00
Interfunds Advanced		1,806.76	3,644.31
Total Expenditures		28,395,308.31	27,689,817.06

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - CURRENT FUND - REGULATORY BASIS

	Ref.	Year 2020	Year 2019
Excess in Revenue		<u>1,508,123.09</u>	<u>1,079,631.17</u>
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	<u>1,517.95</u>	<u></u>
Statutory Excess to Fund Balance		<u>1,509,641.04</u>	<u>1,079,631.17</u>
Fund Balance			
Balance January 1	A	<u>4,221,938.14</u>	<u>4,554,426.79</u>
		<u>5,731,579.18</u>	<u>5,634,057.96</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>1,562,303.39</u>	<u>1,412,119.82</u>
Balance December 31	A	<u><u>\$ 4,169,275.79</u></u>	<u><u>\$ 4,221,938.14</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJSA 40A:4-87		
Fund Balance Anticipated	A-1	\$ 1,562,303.39		\$ 1,562,303.39	
Miscellaneous Revenues:					
Fees and Permits	A-9	33,000.00		26,299.23	\$ (6,700.77)
Fines and Costs:					
Municipal Court	A-9	95,000.00		43,166.27	(51,833.73)
Interest and Costs on Taxes	A-9	85,000.00		85,171.44	171.44
Interest on Investments	A-9	135,000.00		44,964.63	(90,035.37)
Lease Payments - Cell Tower	A-9	125,000.00		144,680.67	19,680.67
Consolidated Municipal Property Tax Relief Act (NJSA 52:27D-118.34)	A-9	40,796.00		40,796.00	
Energy Receipts Tax	A-9	597,651.00		597,650.99	(0.01)
Uniform Construction Code	A-9	101,200.00		117,840.00	16,640.00
Pitman Board of Education	A-9	50,000.00		50,000.00	
Cable Television Franchise Tax	A-9	57,861.98		55,926.10	(1,935.88)
Internet Franchise Fee	A-9	61,194.10		59,591.22	(1,602.88)
JIF Safety Incentive	A-9	4,300.00		4,168.79	(131.21)
JIF Optional Safety	A-9	3,500.00		3,500.00	
JIF Cyber Risk Management	A-9	2,500.00		2,210.00	(290.00)
JIF Wellness	A-9	1,250.00		1,250.00	
NJ Transportation Trust Fund	A-15		\$ 250,000.00	250,000.00	
Clean Communities Program	A-15		17,933.17	17,933.17	
Safe & Secure	A-15	26,039.00		26,039.00	
Municipal Alliance Youth Service	A-15	12,000.00		12,000.00	
Total Miscellaneous Revenues		1,431,292.08	267,933.17	1,583,187.51	(116,037.74)
Receipts from Delinquent Taxes	A-2	350,000.00		382,425.20	32,425.20
Subtotal General Revenues		1,781,292.08	267,933.17	1,965,612.71	(83,612.54)
Amount to be Raised by Taxation	A-2	5,758,432.30		5,851,437.75	93,005.45
Minimum Library Tax	A-2	206,972.70		206,972.70	
Budget Totals		9,309,000.47	267,933.17	9,586,326.55	9,392.91
Non-Budget Revenue	A-2			702,501.67	
		\$ 9,309,000.47	\$ 267,933.17	\$ 10,288,828.22	
Ref.	A-3		A-3		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-6	\$ 24,862,796.15
Allocated to:		
School and County Taxes	A-6	19,235,894.93
Balance for Support of Municipal Budget Appropriation		<u>5,626,901.22</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	431,509.23
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 6,058,410.45</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6:A-2	<u>\$ 382,425.20</u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Vacant Property Fees	A-9	\$ 93,700.00
Liquor License	A-9	306,000.00
Tax Sale Costs	A-9	3,386.17
Scrap Iron Receipts	A-9	5,745.35
Prior Year Grant	A-9	21,704.23
Fire Safety Local	A-9	61,168.00
Fire Safety LEA	A-9	16,581.52
Parking Permits, OPRA Requests, 200 Ft. Lists	A-9	3,809.50
Refunds	A-9	7,893.00
Trash Can Sales	A-9	2,470.00
Street Opening Permits	A-9	73,929.00
Senior Citizen and Veteran Deduction Administration Fee	A-9	1,270.00
Miscellaneous	A-9	858.62
Sign Concession Fee	A-9	1,125.00
NSF Fee	A-9	60.00
Insurance Dividend	A-9	91,317.67
FEMA Reimbursement	A-9	11,483.61
	A-2	<u>\$ 702,501.67</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries & Wages	\$ 149,675.00	\$ 149,675.00	\$ 113,227.42		\$ 36,447.58	
Other Expenses	104,300.00	99,300.00	64,807.19	\$ 1,621.12	32,871.69	
Mayor and Council:						
Other Expenses	2,000.00	2,000.00	1,110.91		889.09	
Municipal Clerk:						
Other Expenses	11,000.00	11,000.00	7,059.73		3,940.27	
Financial Administration:						
Salaries & Wages	34,000.00	34,000.00	31,986.09		2,013.91	
Other Expenses	6,350.00	6,350.00	2,747.31		3,602.69	
Audit Services:						
Other Expenses	55,000.00	55,000.00	43,261.00	2,628.00	9,111.00	
Revenue Administration:						
Salaries & Wages	59,500.00	59,500.00	53,053.14		6,446.86	
Other Expenses	6,850.00	6,850.00	4,748.99		2,101.01	
Legal Services & Costs:						
Other Expenses	75,000.00	75,000.00	36,442.79		38,557.21	
Engineering Services & Costs:						
Other Expenses	40,000.00	40,000.00	25,233.00		14,767.00	
Economic Committee:						
Other Expenses	10,000.00	10,000.00	8,661.49	1,338.51	0.00	
Historic Preservation:						
Other Expenses	150.00	150.00			150.00	
Garden Club Committee:						
Other Expenses	1,000.00	1,000.00	490.58		509.42	
LAND USE ADMINISTRATION						
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board:						
Salaries & Wages	3,300.00	3,300.00	3,012.37		287.63	
Other Expenses	18,600.00	18,600.00	9,962.46	525.00	8,112.54	
Zoning Official:						
Salaries & Wages	10,000.00	10,000.00	10,000.00			
Other Expenses	1,200.00	1,200.00	821.00		379.00	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
CODE ENFORCEMENT & ADMINISTRATION						
Housing Safety:						
Salaries & Wages	20,000.00	20,000.00	14,244.72		5,755.28	
Other Expenses	8,300.00	8,300.00	832.41		7,467.59	
INSURANCE						
Liability Insurance	105,000.00	105,000.00	78,597.00		26,403.00	
Workmen's Compensation	245,000.00	237,000.00	196,162.00		40,838.00	
Group Insurance	1,065,500.00	1,065,500.00	839,930.86		225,569.14	
Miscellaneous Insurance	1,000.00	1,000.00			1,000.00	
PUBLIC SAFETY FUNCTIONS						
Police:						
Salaries & Wages	1,871,580.00	1,871,580.00	1,755,904.04		115,675.96	
Other Expenses	140,010.00	140,010.00	95,773.49	37,832.05	6,404.46	
Emergency Management Services:						
Other Expenses	6,200.00	6,200.00		741.47	5,458.53	
Aid to Volunteer Fire Company:						
Other Expenses	17,000.00	17,000.00	7,909.52	9,090.48		
Fire:						
Other Expenses	64,965.00	64,965.00	31,642.57	26,291.74	7,030.69	
Uniform Fire Safety Act (PL 1983, C383):						
Fire Official:						
Salaries & Wages	64,000.00	64,000.00	47,554.26		16,445.74	
Other Expenses	30,732.24	30,732.24	13,661.95	4,011.00	13,059.29	
PUBLIC WORKS FUNCTIONS						
Streets and Roads:						
Salaries & Wages	841,886.00	841,886.00	801,043.38	10,054.75	30,787.87	
Other Expenses	117,020.00	117,020.00	100,638.48	10,617.83	5,763.69	
Snow Removal:						
Salaries & Wages	20,000.00	20,000.00	3,621.56		16,378.44	
Other Expenses	25,000.00	25,000.00	655.32	812.28	23,532.40	
Public Buildings & Grounds:						
Other Expenses	62,000.00	62,000.00	34,552.15	2,662.14	24,785.71	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
HEALTH & HUMAN SERVICES						
Board of Health:						
Salaries & Wages	36,000.00	36,000.00	32,451.56		3,548.44	
Other Expenses	900.00	900.00	310.00		590.00	
Green Team						
Other Expenses	500.00	500.00			500.00	
Senior Outreach						
Other Expenses	1,000.00	1,000.00			1,000.00	
Environmental Committee:						
Salaries & Wages	850.00	850.00	725.06		124.94	
Other Expenses	8,075.00	8,075.00	2,202.29	100.00	5,772.71	
Animal Control:						
Salaries & Wages	200.00	200.00			200.00	
Administration of Public Assistance:						
Salaries & Wages	5,000.00	5,000.00	1,959.53		3,040.47	
PARK & RECREATION FUNCTIONS						
Parks and Playgrounds:						
Salaries & Wages	107,000.00	107,000.00	88,845.20		18,154.80	
Other Expenses	28,980.00	28,980.00	16,044.73	3,264.38	9,670.89	
Maintenance of Alcyon Park:						
Salaries & Wages	94,000.00	94,000.00	76,229.85		17,770.15	
Other Expenses	36,800.00	36,800.00	31,146.80	56.65	5,596.55	
Senior Citizen Transportation:						
Salaries & Wages	20,000.00	20,000.00	18,407.33		1,592.67	
Other Expenses	3,500.00	3,500.00	519.81		2,980.19	
OTHER COMMON OPERATING FUNCTIONS						
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses	13,600.00	13,600.00	4,162.17		9,437.83	
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	80,000.00	80,000.00	54,033.54		25,966.46	
Street Lighting	132,000.00	132,000.00	119,508.32		12,491.68	
Telephone	57,000.00	57,000.00	42,323.66	399.72	14,276.62	
Natural Gas	19,500.00	19,500.00	9,843.82		9,656.18	
Fuel Oil	4,000.00	4,000.00	1,451.34		2,548.66	
Gasoline/Diesel Fuel	172,000.00	172,000.00	97,576.49		74,423.51	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Solid Waste Disposal:					
Other Expenses	571,000.00	584,000.00	510,300.12	4,971.31	68,728.57
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4.17)					
State Uniform Construction Code:					
Construction Officials:					
Salaries & Wages	93,750.00	93,750.00	84,981.68		8,768.32
Other Expenses	7,450.00	7,450.00	4,185.32	300.00	2,964.68
Total Operations within "CAPS"	6,786,223.24	6,786,223.24	5,636,557.80	117,318.43	1,032,347.01
Detail:					
Salaries and Wages	3,430,741.00	3,430,741.00	3,137,247.19	10,054.75	283,439.06
Other Expenses	3,355,482.24	3,355,482.24	2,499,310.61	107,263.68	748,907.95
DEFERRED CHARGES & STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
STATUTORY EXPENDITURES					
Contribution to:					
Social Security System (OASI)	245,000.00	245,000.00	231,373.29		13,626.71
Public Employees' Retirement System	202,761.00	204,278.95	204,278.95		
Consolidated Police & Firemen's Pension Fund	1,000.00	1,000.00			1,000.00
Police & Firemen's Retirement of NJ	352,728.00	352,728.00	352,728.00		
Unemployment Insurance	20,000.00	20,000.00	2,490.75		17,509.25
Total Deferred Charges & Statutory Expenditures within "CAPS"	821,489.00	823,006.95	790,870.99		32,135.96
Total General Appropriations for Municipal Purposes within "CAPS"	7,607,712.24	7,609,230.19	6,427,428.79	117,318.43	1,064,482.97

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
OPERATIONS EXCLUDED FROM "CAPS"					
EDUCATION FUNCTIONS					
Maintenance of Free Public Library:					
Salaries & Wages	194,600.00	197,590.00	197,587.96	2.04	
Other Expenses	61,200.00	58,210.00	29,383.24	3,826.76	\$ 25,000.00
SOLID WASTE DISPOSAL COSTS					
Recycling Tax:					
Other Expenses	10,000.00	10,000.00	6,478.35	3,521.65	
SHARED SERVICE AGREEMENTS					
Township of Mantua - Municipal Court	135,000.00	135,000.00	132,000.00	3,000.00	
Pitman Board of Education	50,000.00	50,000.00	50,000.00		
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
JIF - Safety Incentive	4,300.00	4,300.00	2,404.59	1,895.41	
JIF - Optional Safety	3,500.00	3,500.00	3,500.00		
JIF - Cyber Risk Management	2,500.00	2,500.00	2,500.00		
JIF - Wellness Incentive Program	1,250.00	1,250.00	1,250.00		
Municipal Alliance for Drug & Alcohol Abuse	15,000.00	15,000.00	15,000.00		
Clean Communities		17,933.17	17,933.17		
Safe and Secure Communities	26,039.00	26,039.00	26,039.00		
Total Operations Excluded from "CAPS"	503,389.00	521,322.17	484,076.31	12,245.86	25,000.00
Detail:					
Salaries & Wages	194,600.00	197,590.00	197,587.96	2.04	
Other Expenses	308,789.00	323,732.17	286,488.35	12,243.82	25,000.00

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	20,000.00	20,000.00	20,000.00		
NJ Transportation Trust		250,000.00	250,000.00		
Preliminary Costs - Redevelopment Area	20,000.00	20,000.00	1,058.50	18,941.50	
Road Improvements	100,000.00	100,000.00	84,231.77	15,768.23	
Capital Improvements Excluded from "CAPS"	140,000.00	390,000.00	355,290.27	34,709.73	
DEBT SERVICE					
Payment of Bond Principal	445,000.00	445,000.00	445,000.00		
Interest on Bonds	155,400.00	155,400.00	128,320.00		27,080.00
Interest on Notes	25,990.00	25,990.00	25,900.00		90.00
Total Municipal Debt Service Excluded from "CAPS"	626,390.00	626,390.00	599,220.00		27,170.00
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,269,779.00	1,537,712.17	1,438,586.58	46,955.59	52,170.00
Subtotal General Appropriations	8,877,491.24	9,146,942.36	7,866,015.37	117,318.43	52,170.00
Reserve for Uncollected Taxes	431,509.23	431,509.23	431,509.23		
Total General Appropriations	\$ 9,309,000.47	\$ 9,578,451.59	\$ 8,297,524.60	\$ 117,318.43	\$ 52,170.00
Ref.	A-2		A-11	A	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
Budget	Ref.				
Budget Amendments per NJSA 40A:4-87	A-3	\$ 9,309,000.47			
Budget Emergency	A-2	267,933.17			
	A	1,517.95			
		<u>\$ 9,578,451.59</u>			
Reserve for Uncollected Taxes	Ref.				
Reserve for Federal & State Grants - Appropriated	A-2		\$ 431,509.23		
Disbursed	A-16		308,972.17		
	A-4		7,557,043.20		
			<u>\$ 8,297,524.60</u>		

The accompanying notes to the financial statements are an integral part of this statement.

TRUST FUND

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
ASSETS			
Animal Control Trust			
Cash	B-1	\$ 10,005.20	\$ 14,245.68
Recreation Trust - Miss Pitman			
Cash	B-1	10,831.21	11,162.98
Tax Title Lien Premium Trust			
Cash - Collector	B-1	89,900.00	53,887.85
Tax Title Lien Redemption Trust			
Cash - Collector			15.22
Unemployment Insurance Trust			
Cash	B-1	96,016.53	88,895.32
Law Enforcement Forfeiture Trust			
Cash	B-1	20,241.47	16,351.90
Town Clock Maintenance Donations Trust			
Cash			19.95
Parade Donations Trust			
Cash	B-1	21,874.52	21,847.71
Library Donations Trust			
Cash	B-1	63,509.74	67,054.79
Outside Employment of Off-Duty Police Trust			
Cash	B-1	286,192.93	252,478.88
Trust Other			
Cash	B-1	19,019.93	19,018.23
Community Appreciation Donations Trust			
Cash	B-1	15,351.08	12,236.06
Due from Current			55.02
		15,351.08	12,291.08
Theater Avenue Revitalization Project Donations Trust			
Cash	B-1	2,673.32	10,068.02
Uniform Fire Safety Act Trust			
Cash	B-1	39,852.56	62,097.63

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
ASSETS (CONTINUED)			
Developer's Escrow Trust			
Cash	B-1	53,426.48	41,227.42
Recreation Donations Trust			
Cash	B-1	15,781.13	30,094.38
Community Service Trust			
Cash	B-1	412.22	332.84
K-9 Donations Trust			
Cash	B-1	19,585.04	19,431.35
		<u>\$ 764,673.36</u>	<u>\$ 720,521.23</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Trust			
Due to Current Fund	A	\$ 15.60	\$ 3,804.88
Due to State of New Jersey			4.20
Reserve for Animal Control	B-2	9,989.60	10,436.60
		<u>10,005.20</u>	<u>14,245.68</u>
Recreation Trust - Miss Pitman			
Due to Current Fund			208.87
Reserve for Recreation Trust - Miss Pitman		10,831.21	10,954.11
		<u>10,831.21</u>	<u>11,162.98</u>
Tax Title Lien Premium Trust			
Due to Current Fund			87.85
Reserve for Tax Title Lien Premiums		89,900.00	53,800.00
		<u>89,900.00</u>	<u>53,887.85</u>
Tax Title Lien Redemption Trust			
Due to Current Fund			15.22
Unemployment Insurance Trust			
Reserve for Unemployment Insurance		96,016.53	88,895.32
Law Enforcement Forfeited Trust Fund			
Reserve for Law Enforcement Forfeited Funds		20,241.47	16,351.90
Town Clock Maintenance Donations Trust			
Due to Current Fund			0.02
Reserve for Town Clock Maintenance			19.93
			<u>19.95</u>
Parade Donations Trust			
Due to Current Fund			23.19
Reserve for Parades		21,874.52	21,824.52
		<u>21,874.52</u>	<u>21,847.71</u>
Library Donations Trust			
Due to Current Fund			76.81
Reserve for Library Donations		63,509.74	66,977.98
		<u>63,509.74</u>	<u>67,054.79</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
LIABILITIES, RESERVES, AND FUND BALANCE (CONTINUED)			
Outside Employment of Off-Duty Police Trust			
Due to Current Fund			271.13
Reserve for Police Off-Duty		286,192.93	252,207.75
		<u>286,192.93</u>	<u>252,478.88</u>
Trust Other			
Due to Current Fund			18.23
Reserve for Storm Recovery Trust		19,000.00	19,000.00
Reserve for Town Clock Maintenance		19.93	
		<u>19,019.93</u>	<u>19,018.23</u>
Community Appreciation Trust			
Reserve for Community Appreciation		15,351.08	12,291.08
Theater Avenue Revitalization Donation Trust			
Due to Current Fund			12.20
Reserve for Theater Avenue Revitalization		2,673.32	10,055.82
		<u>2,673.32</u>	<u>10,068.02</u>
Fire Safety Trust			
Due to Current Fund			65.99
Reserve for Fire Safety		39,852.56	62,031.64
		<u>39,852.56</u>	<u>62,097.63</u>
Developer's Escrow Trust			
Due to Current Fund			45.98
Reserve for Developers Escrow		53,426.48	41,181.44
		<u>53,426.48</u>	<u>41,227.42</u>
Recreation Fund Donations Trust			
Due to Current Fund			43.15
Reserve for Recreation Commission		15,781.13	30,051.23
		<u>15,781.13</u>	<u>30,094.38</u>
Community Service Trust Fund			
Due to Current Fund			0.37
Reserve for Community Service		412.22	332.47
		<u>412.22</u>	<u>332.84</u>
K-9 Donations Trust			
Due to Current Fund			21.35
Reserve for K-9 Donations		19,585.04	19,410.00
		<u>19,585.04</u>	<u>19,431.35</u>
		<u><u>\$ 764,673.36</u></u>	<u><u>\$ 720,521.23</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL CAPITAL FUND

EXHIBIT C

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
ASSETS			
Cash	C-2	\$ 3,180,476.52	\$ 2,320,664.55
Deferred Charges to Future Taxation:			
Funded	C-4	4,065,000.00	4,720,000.00
Unfunded	C-5	3,927,461.75	2,291,972.05
Due from Current Fund	A	103,536.89	
Amount to be Provided by Lease Payments			11,818.04
		<u>\$ 11,276,475.16</u>	<u>\$ 9,344,454.64</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Bond Anticipation Notes Payable	C-9	\$ 3,275,000.00	\$ 1,730,000.00
Serial Bonds Payable	C-8	4,065,000.00	4,720,000.00
Due Current Fund			1,707.48
Encumbrances Payable	C-11	318,278.30	677,920.70
Capital Improvement Fund	C-6	40,478.20	75,478.20
Reserved for:			
Preliminary Costs - Redevelopment		24,121.49	
Road Improvements		79,415.40	
Improvement Authorizations:			
Funded	C-7	1,236,954.64	1,379,361.14
Unfunded	C-7	2,052,696.60	726,652.70
Obligations Under Capital Leases			11,818.04
Fund Balance	C-1	184,530.53	21,516.38
		<u>\$ 11,276,475.16</u>	<u>\$ 9,344,454.64</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT C-1

STATEMENT OF FUND BALANCE - GENERAL CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2019	Ref. C		\$ 21,516.38
Increased by:			
Funded Ordinances Canceled		\$ 137,096.50	
Premium on Bond Anticipation Notes	C-2	<u>25,917.65</u>	
			<u>163,014.15</u>
Balance December 31, 2020	C		<u>\$ 184,530.53</u>

The accompanying notes to the financial statements are an integral part of this statement.

WATER AND SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
ASSETS			
Operating Fund			
Cash	D-5	\$ 2,057,272.28	\$ 3,376,772.67
Cash - Change Fund		150.00	150.00
		<u>2,057,422.28</u>	<u>3,376,922.67</u>
Investment in Bond Anticipation Note	D-5	<u>1,545,000.00</u>	
Due from Water and Sewer Utility Capital Fund			463.17
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	87,275.68	27,342.22
Water and Sewer Liens Receivable	D-8	4,125.39	3,281.39
Deferred Charges:			
Emergency Authorization	D-4	14,549.00	
Overexpenditure of Appropriation			755.55
Overexpenditure of Appropriation Reserves			16,780.67
Total Operating Fund		<u>3,708,372.35</u>	<u>3,425,545.67</u>
Capital Fund			
Cash	D-5	440,312.37	416,759.55
Fixed Capital	D-9	17,320,372.54	17,251,286.66
Fixed Capital Authorized and Uncompleted	D-10	3,346,142.80	3,090,792.80
Total Capital Fund		<u>21,106,827.71</u>	<u>20,758,839.01</u>
		<u>\$ 24,815,200.06</u>	<u>\$ 24,184,384.68</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
LIABILITIES, RESERVES, AND FUND BALANCE			
Operating Fund			
Liabilities:			
Appropriation Reserves	D-4; D-11	\$ 354,909.49	\$ 312,371.65
Encumbrances Payable	D-12	81,569.56	73,877.66
Accrued Interest on Bonds & Notes	D-13	46,178.65	49,026.81
Utility Rent Overpayments		9,018.92	7,208.59
Due to Current Fund			105.69
		<hr/>	<hr/>
		491,676.62	442,590.40
Reserve for Receivables		91,401.07	30,623.61
Fund Balance	D-1	3,125,294.66	2,952,331.66
		<hr/>	<hr/>
Total Operating Fund		3,708,372.35	3,425,545.67
		<hr/>	<hr/>
Capital Fund			
Serial Bonds Payable	D-18	3,505,000.00	4,135,000.00
Bond Anticipation Notes	D-19	1,511,000.00	1,511,000.00
Water and Sewer Loans Payable	D-21	2,129,801.70	2,164,571.36
Improvement Authorizations:			
Funded	D-14	147,824.89	187,324.89
Unfunded	D-14	413,680.07	118,550.82
Capital Improvement Fund	D-15	100,000.00	25,000.00
Encumbrances Payable			73,900.00
Due to Water and Sewer Utility Operating Fund			463.17
Reserve for Amortization	D-16	13,214,390.64	12,480,535.10
Reserve for Deferred Amortization	D-17	50,000.00	50,000.00
Fund Balance	D-2	35,130.41	12,493.67
		<hr/>	<hr/>
Total Capital Fund		21,106,827.71	20,758,839.01
		<hr/>	<hr/>
		\$ 24,815,200.06	\$ 24,184,384.68
		<hr/>	<hr/>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Ref.	Year 2020	Year 2019
Revenue and Other Income Realized			
Operating Surplus Anticipated	D-3	\$ 154,319.22	\$ 100,000.00
Rents	D-3	2,829,378.77	2,776,227.43
Miscellaneous	D-3	25,194.00	84,107.71
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	209,857.81	74,553.73
Encumbrances Cancelled	D-12	196.44	261.33
Total Income		<u>3,218,946.24</u>	<u>3,035,150.20</u>
Expenditures			
Operating	D-4	2,010,783.00	1,979,450.00
Capital Improvements	D-4	189,549.00	100,000.00
Debt Service	D-4	592,344.80	641,371.72
Deferred Charges and Statutory Expenditures	D-4	113,536.22	92,000.00
Total Expenditures		<u>2,906,213.02</u>	<u>2,812,821.72</u>
Excess (Deficit) in Revenue		312,733.22	222,328.48
Adjustments Before Fund Balance:			
Emergency Authorization	D-4	14,549.00	
Overexpenditure of Appropriation			755.55
Statutory Excess to Surplus		327,282.22	223,084.03
Fund Balance			
Balance January 1	D	2,952,331.66	2,829,247.63
Less: Utilization as Anticipated Revenue		154,319.22	100,000.00
Balance December 31	D	<u>\$ 3,125,294.66</u>	<u>\$ 2,952,331.66</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF FUND BALANCE - WATER AND SEWER CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2019	Ref. D	\$ 12,493.67
Increased by:		
Premium on Bond Anticipation Note	D-5	22,636.74
Balance December 31, 2020	D	<u>\$ 35,130.41</u>

STATEMENT OF REVENUES - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Anticipated Budget	Realized	Excess or (Deficit)
Operating Surplus Anticipated	\$ 154,319.22	\$ 154,319.22	
Rents	2,775,000.00	2,829,378.77	\$ 54,378.77
Budget Totals	<u>\$ 2,929,319.22</u>	<u>\$ 2,983,697.99</u>	<u>\$ 54,378.77</u>
	Ref. D-4	D-3	

Analysis of Realized Revenue

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	\$ 2,822,170.18
Overpayments Applied	D-7	7,208.59
	D-3	<u>\$ 2,829,378.77</u>
Miscellaneous:		
Interest on Investments	D-5	\$ 17,551.78
Interest on Delinquent Accounts	D-5	4,229.14
Fees & Permits	D-5	2,713.00
Miscellaneous	D-5	700.08
Total Miscellaneous	D-1	<u>\$ 25,194.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 526,633.00	\$ 531,633.00	\$ 523,367.72		\$ 8,265.28	
Other Expenses	769,150.00	764,150.00	640,088.81	\$ 30,979.68	93,081.51	
Sewerage Fees - County Sewerage Authority	715,000.00	715,000.00	500,546.25	50,589.88	163,863.87	
Capital Improvements:						
Capital Improvement Fund	75,000.00	75,000.00	75,000.00			
Capital Outlay	100,000.00	114,549.00	37,285.88		77,263.12	
Debt Service:						
Payment of Bond Principal	355,000.00	355,000.00	355,000.00			
Interest on Bonds	142,115.00	142,115.00	109,465.15			\$ 32,649.85
Interest on Notes	28,045.00	28,045.00	23,041.65			5,003.35
Principal Payment USDA Loan	34,770.00	34,770.00	34,769.66			0.34
Interest Payment USDA Loan	70,070.00	70,070.00	70,068.34			1.66
Deferred Charges:						
Overexpenditure of Appropriation	755.55	755.55	755.55			
Overexpenditure of Appropriation Reserve	16,780.67	16,780.67	16,780.67			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	45,000.00	45,000.00	45,000.00			
Social Security System (OASI)	41,000.00	41,000.00	37,944.45		3,055.55	
Unemployment Compensation Insurance	10,000.00	10,000.00	619.84		9,380.16	
	<u>\$ 2,929,319.22</u>	<u>\$ 2,943,868.22</u>	<u>\$ 2,469,733.97</u>	<u>\$ 81,569.56</u>	<u>\$ 354,909.49</u>	<u>\$ 37,655.20</u>
Ref.	D-3	D-4		D-12	D	
Budget	Ref.					
Emergency Authorization	D-4	\$ 2,929,319.22				
	D	14,549.00				
		<u>\$ 2,943,868.22</u>				
Interest on Bonds and Notes		Ref.				
Deferred Charges:		D-13	\$ 202,575.14			
Overexpenditure of Appropriation			755.55			
Overexpenditure of Appropriation Reserve			16,780.67			
Disbursed		D-5	2,249,622.61			
			<u>\$ 2,469,733.97</u>			

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - GENERAL FIXED ASSETS - REGULATORY BASIS

	Balance Dec. 31, 2020	Balance Dec. 31, 2019
General Fixed Assets:		
Land	\$ 517,000.00	\$ 517,000.00
Buildings	6,401,236.00	6,401,236.00
Machinery and Equipment	4,765,080.99	4,765,080.99
Vehicles	5,839,180.74	5,839,180.74
	<u>\$ 17,522,497.73</u>	<u>\$ 17,522,497.73</u>
Investment in General Fixed Assets	<u>\$ 17,522,497.73</u>	<u>\$ 17,522,497.73</u>

The accompanying notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS
(Regulatory Basis)

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Pitman was incorporated in 1905 and is located in Gloucester County, New Jersey.

The Borough has an elected Mayor and six elected council representatives who serve three-year terms of office on a staggered basis. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk.

Except as noted below, the financial statements of the Borough of Pitman included every board, body, officer, or commission supported and maintained wholly or in part by funds appropriated by the Borough of Pitman, as required by NJSA 40A:5-5.

Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Borough is obligated for debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of the taxes.

The financial statements of the component unit of the Borough of Pitman are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of GASB Statement No. 14 had been complied with, the financial statements of the following component unit would have been either blended or discreetly presented with the financial statements of the Borough, the primary government.

Pitman (McCowan) Free Public Library
15 Pitman Avenue
Pitman, NJ 08071

B. Description of Funds and Account Groups

The accounting policies of the Borough of Pitman conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of Pitman accounts for its transactions through the following separate funds and accounts as presented below. This presentation differs from the funds required by GAAP.

Current Fund - Resources and expenditures for governmental operations of a general nature, including Federal and State Grant Funds.

Trust Fund - Receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds and Account Groups (Continued)

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

Water and Sewer Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned Water and Sewer Utility.

General Fixed Assets - All fixed assets used in Governmental Fund type operations are accounted for in the General Fixed Asset Account Group, rather than in Governmental Funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities in the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey will follow.

A modified accrual basis of accounting is followed with minor exceptions. The more significant accounting principles are as follows:

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from federal and state grants are realized as revenue when anticipated in the Borough budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned net of allowances for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted to the extent permitted or required by law. Appropriations for principal payments on outstanding general capital and utility capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis while interest on utility capital indebtedness is

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued) - on the accrual basis. This method differs from accounting principles generally accepted in the United States of America which requires that expenditures be recorded when services are rendered, or goods are received. Under accounting principles generally accepted in the United States of America, appropriation reserves do not exist, and encumbrances do not constitute expenditures.

Property Taxes - The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11th day of the 11th month in the year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from those taxes not paid. The minimum amount of the reserve is determined by the percentage of collections experienced in the preceding year and is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. Under accounting principles generally accepted in the United States of America, a "Reserve for Uncollected Taxes" would not be an appropriation.

Interest on Delinquent Taxes - It is the policy of the Borough to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after the due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Under accounting principles generally accepted in the United States of America, foreclosed property would be recorded at historical cost and no reserve would be provided.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. Under accounting principles generally accepted in the United States of America, interfunds are not reserved.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Insurance - Cost of insurance for all funds are recorded as expenditures at the time of payment. Under accounting principles generally accepted in the United States of America, insurance costs chargeable to future periods would be recorded as prepayments on the balance sheet.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. Under accounting principles generally accepted in the United States of America, inventory would be recorded as an asset on the balance sheet.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough has developed a fixed asset accounting and reporting system.

As required by New Jersey Statutes, foreclosed property is reported in the current Operating Fund of the municipality.

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

All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value on the date of acquisition. The Borough capitalizes fixed assets with an original cost in excess of \$5,000.00.

No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by the Water and Sewer Utility Fund are recorded in the respective capital account at cost and are adjusted for dispositions and abandonment. Contributions in aid of construction are not capitalized. The balances in Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment, and improvements. The utility does not record depreciation on fixed assets.

General Long-Term Debt - General Long-Term Debt is accounted for in the General Capital and Utility Capital Fund. Accounting principles generally accepted in the United States of America require General Long-Term Debt to be accounted for in the General Long-Term Debt Account Group.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Borough's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

E. Accounting Pronouncements Adopted

Statement No. 83, "Certain Asset Retirement Obligations." This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). This Statement, originally effective for period's beginning after June 15, 2018, was postponed until June 15, 2019. This Statement did not have any significant impact on the financial reporting.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This Statement, originally effective for periods beginning after June 15, 2018, was postponed until June 15, 2019. This Statement did not have any significant impact on the financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61." This Statement, originally effective for periods beginning after December 15, 2018, was postponed until December 15, 2019. This Statement did not have any significant impact on the financial reporting.

F. Recent Effective Accounting Pronouncements Postponed by Statement No. 95

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As a result of GASB 95, the effective dates of the following statements are postponed by one year:

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020." This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021. Management has not yet determined the impact of this Statement on the financial Statements.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Recent Effective Accounting Pronouncements Postponed by Statement No. 95 (Continued)

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rate." This Statement, except for paragraph 11b originally effective for periods beginning after June 15, 2020, is postponed until June 15, 2021. The requirement in paragraph 11b originally effective for periods beginning after December 31, 2021, is postponed until December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

G. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by Governments. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until June 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until December 15, 2020, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Recent Accounting Pronouncements Not Yet Effective (Continued)

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and supersession of GASB Statement No. 32." The primary objectives of this Statement are to increase consistency and comparability related to the reporting of fiduciary component. This Statement is effective for periods beginning after June 15, 2021. Management does not expect this Statement will have a significant impact on the financial statements.

NOTE 2: BUDGETARY INFORMATION

The Borough must adopt an annual budget in accordance with NJSA 40A:4 et seq. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2020 and 2019 statutory budgets included a reserve for uncollected taxes in the amount of \$431,509.23 and \$407,622.00, respectively. This protects the Borough from taxes not paid currently. Once approved, the Borough may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per NJSA 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year.

Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Borough can also make amendments for any special item of revenue made available by any public or private funding source as per NJSA 40A:4-87. The Borough amended the budget during the year by the insertion of Special Items of Revenue in the amount of \$267,933.17 for various grants as detailed in Exhibit A-2.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 3: CASH

Custodial Credit Risk – Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes NJSA 40A:5-15.1(a) that are treated as cash equivalents.

At December 31, 2020 and 2019, the carrying amounts of the Borough's deposits were \$12,180,480.05 and \$12,455,820.47, respectively. At December 31, 2020 and 2019, \$0 of the municipality's bank balance of \$12,074,691.52 and \$12,617,294.22, respectively, was exposed to Custodial Credit Risk.

NOTE 4: INVESTMENTS

At December 31, 2020, the Borough's Water and Sewer Utility Fund had an investment in a Bond Anticipation Note for the Borough's General Capital Fund in the amount of \$1,545,000.00.

Interest Rate Risk - The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk - NJSA 40A:5-15.1(a) limits municipal investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the Borough or Bonds or other obligations of the Borough school district, Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units, government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk - The Borough places no limit on the amount the Borough may invest in any one issuer.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31 were as follows:

	Year	Balance December 31	Budget of Succeeding Year
Current Fund	2020	\$ 4,169,275.79	\$ 1,903,870.44
	2019	4,221,938.14	1,562,303.39
	2018	4,554,426.79	1,412,119.82
	2017	3,630,334.55	660,104.77
	2016	1,853,038.94	266,400.90
Water & Sewer Operating Fund	2020	3,125,294.66	153,786.50
	2019	2,952,331.66	154,319.22
	2018	2,829,247.63	100,000.00
	2017	2,528,450.88	None
	2016	2,039,814.98	None

NOTE 6: FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2020:

	Balance Dec. 31, 2019	Balance Dec. 31, 2020
Land	\$ 517,000.00	\$ 517,000.00
Buildings	6,401,236.00	6,401,236.00
Machinery & Equipment	4,765,080.99	4,765,080.99
Vehicles	5,839,180.74	5,839,180.74
	<u>\$ 17,522,497.73</u>	<u>\$ 17,522,497.73</u>

NOTE 7: RISK MANAGEMENT

The Borough is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough maintains commercial insurance coverage for property, liability, and surety bonds. The Borough of Pitman is a member of the Gloucester, Salem, and Cumberland Counties Municipal Joint Insurance Fund and the Municipal Excess Liability Fund which includes other municipalities throughout the region. The Borough is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Gloucester, Salem, and Cumberland Counties Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. There have been no claims in excess of coverage and no significant change in coverage during the current year.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method in 2006." Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's Trust Fund for the current year and previous two years:

Year	Borough Contribution	Employee Contribution	Interest Earnings	Amount Reimbursed	Ending Balance
2020	None	\$ 6,703.60	\$ 417.61		\$ 96,016.53
2019	\$ 2,219.72	4,421.32	1,778.44	\$ 24,747.63	88,895.32
2018	20,000.00	2,824.95	1,331.72	15,881.51	105,223.47

NOTE 8: INTERFUND RECEIVABLES AND PAYABLES

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2020:

	Due From	Due To
Current Fund:		
Animal Control Trust Fund	\$ 15.60	
General Capital Fund		\$ 103,536.89
Federal and State Grant Fund	1,806.76	
Federal and State Grant Fund:		
Current Fund		1,806.76
General Capital Fund:		
Current Fund	103,536.89	
Animal Control Trust Fund:		
Current Fund		15.60
	<u>\$ 105,359.25</u>	<u>\$ 105,359.25</u>

The amount due from Federal and State Grant Fund to Current Fund is due to the fact that there is not a separate bank account for the Grant Fund. Most of the other interfunds are due to interest earned in December not transferred by the end of the year.

BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019

NOTE 9: LONG-TERM DEBT

During the calendar year 2020, the following changes occurred in the municipal debt of the Borough:

	Balance Dec. 31, 2019	Issued/ Authorized	Retired/ Reductions	Balance Dec. 31, 2020	Due Within One Year
Issued:					
Current Fund:					
Bonds	\$ 4,720,000.00	\$ 2,080,000.00	\$ 2,735,000.00	\$ 4,065,000.00	\$ 430,000.00
Bond Anticipation Notes	1,730,000.00	1,545,000.00		3,275,000.00	
Utility Fund:					
Bonds	4,135,000.00	2,150,000.00	2,780,000.00	3,505,000.00	215,125.00
Bond Anticipation Notes	1,511,000.00			1,511,000.00	
Loans	2,164,571.36		34,769.66	2,129,801.70	35,908.85
Net Debt Issued	14,260,571.36	5,775,000.00	5,549,769.66	14,485,801.70	681,033.85
Authorized But Not Issued:					
Current Fund:					
Bonds and Notes	561,972.05	1,635,650.00	1,545,160.30	652,461.75	
Utility Fund:					
Bonds and Notes	973.00	255,350.00		256,323.00	
Authorized But Not Issued	562,945.05	1,891,000.00	1,545,160.30	908,784.75	
Total Debt Issued and Authorized But Not Issued	\$ 14,823,516.41	\$ 7,666,000.00	\$ 7,094,929.96	\$ 15,394,586.45	\$ 681,033.85

\$4,765,000.00 General Improvement Bonds dated December 22, 2009, payable in annual installments through December 1, 2027. Interest is paid semi-annually at a rate of 4.00% per annum. There was no balance remaining as of December 31, 2020.

\$2,437,000.00 General Improvement Bonds dated July 12, 2017, payable in annual installments through July 1, 2030. Interest is paid semi-annually at a rate of 2% to 3% per annum. The balance remaining as of December 31, 2020, was \$1,985,000.00.

\$2,080,000.00 General Improvement Bonds dated September 10, 2020, payable in annual installments through December 1, 2027. Interest is paid semi-annually at a rate of 3% to 4% per annum. The balance remaining as of December 31, 2020, was \$2,080,000.00.

\$4,545,000.00 Water & Sewer Utility Bonds dated December 22, 2009, payable in annual installments through December 1, 2029. Interest is paid semi-annually at a rate of 4% to 4.125% per annum. There was no balance remaining as of December 31, 2020.

BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019

NOTE 9: LONG-TERM DEBT (CONTINUED)

\$1,672,000.00 Water & Sewer Bonds dated July 12, 2017, payable in annual installments through July 1, 2030. Interest is paid semi-annually at a rate of 2% to 3% per annum. The balance remaining as of December 31, 2020, was \$1,355,000.00.

\$2,150,000.00 Water & Sewer Bonds dated September 10, 2020, payable in annual installments through December 1, 2029. Interest is paid semi-annually at a rate of 4% to 4.125% per annum. The balance remaining as of December 31, 2020, was \$2,150,000.00.

\$2,337,000.00 Water & Sewer Utility USDA Loan dated March 13, 2014, payable in annual installments through March 13, 2054. Interest is paid semi-annually at a rate of 3.25% per annum. The balance remaining as of December 31, 2020, was \$2,129,801.70.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Year Ended December 31,	Total	Principal	Interest
General Serial Bonds:			
2021	\$ 562,500.00	\$ 430,000.00	\$ 132,500.00
2022	563,600.00	445,000.00	118,600.00
2023	564,200.00	460,000.00	104,200.00
2024	564,300.00	475,000.00	89,300.00
2025	568,700.00	495,000.00	73,700.00
2026-2030	1,899,025.00	1,760,000.00	139,025.00
	<u>\$ 4,722,325.00</u>	<u>\$ 4,065,000.00</u>	<u>\$ 657,325.00</u>

Year Ended December 31,	Total	Principal	Interest
Utility Serial Bonds:			
2021	\$ 459,037.50	\$ 340,000.00	\$ 119,037.50
2022	462,937.50	355,000.00	107,937.50
2023	446,337.50	350,000.00	96,337.50
2024	449,937.50	365,000.00	84,937.50
2025	448,037.50	375,000.00	73,037.50
2026-2030	1,883,550.00	1,720,000.00	163,550.00
	<u>\$ 4,149,837.50</u>	<u>\$ 3,505,000.00</u>	<u>\$ 644,837.50</u>

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9: LONG-TERM DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding (Continued)

Year Ended December 31,	Principal	Interest	Total
2021	\$ 35,908.85	\$ 68,929.15	\$ 104,838.00
2022	37,085.37	67,752.63	104,838.00
2023	38,300.44	66,537.56	104,838.00
2024	39,555.32	65,282.68	104,838.00
2025	40,851.31	63,986.69	104,838.00
2026-2030	225,232.28	298,957.72	524,190.00
2031-2035	264,628.26	259,561.74	524,190.00
2036-2040	310,915.10	213,274.90	524,190.00
2041-2045	365,298.09	158,891.91	524,190.00
2046-2050	429,193.35	94,996.65	524,190.00
2051-2054	342,833.33	22,570.34	365,403.67
	<u>\$ 2,129,801.70</u>	<u>\$ 1,380,741.97</u>	<u>\$ 3,510,543.67</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 1.289%.

	Gross Debt	Deductions	Net Debt
School District Debt	\$ 3,290,000.00	\$ 3,290,000.00	
Utility Debt	7,402,124.70	7,402,124.70	
General Debt	7,992,622.05		\$ 7,992,622.05
	<u>\$ 18,684,746.75</u>	<u>\$ 10,692,124.70</u>	<u>\$ 7,992,622.05</u>

Net Debt \$7,992,622.05/Equalized Valuation Basis per NJSA 40A:2-2 as amended
\$620,108,373.33 = 1.289%.

Borrowing Power Under NJSA 40A:2-6 as Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 21,703,793.07
Net Debt	<u>7,992,622.05</u>
Remaining Borrowing Power	<u>\$ 13,711,171.02</u>

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9: LONG-TERM DEBT (CONTINUED)

Calculation of "Self-Liquidating Purpose" Water & Sewer Utility per NJSA 40:2-45

Cash Receipts from Fees, Rents, or Other Charges		\$ 3,008,891.99
Deductions:		
Operating and Maintenance Costs	\$ 2,313,868.22	
Debt Service	592,344.80	
	<u>2,906,213.02</u>	
Excess in Revenue		<u>\$ 102,678.97</u>

NOTE 10: BOND ANTICIPATION NOTES

The Borough has outstanding at December 31, 2020, a General Capital Bond Anticipation Note, payable to Cede & Co., in the amount of \$1,730,000.00. This note will mature on December 15, 2021, at an interest rate per annum of 2%.

The Borough has outstanding at December 31, 2020, a General Capital Bond Anticipation Note, payable to the Borough of Pitman in the amount of \$1,545,000.00. This note will mature on December 15, 2021, at an interest rate per annum of .55%.

The Borough has outstanding at December 31, 2020, a Utility Capital Bond Anticipation Note, payable to Cede & Co, in the amount of \$1,511,000.00. This note will mature on December 15, 2021, at an interest rate per annum of 2%.

NOTE 11: ACCUMULATED ABSENCE BENEFITS

Borough employees are granted vacation benefits in varying amounts depending on their length of service with the Borough. The Borough does not permit employees to accrue unused vacation pay. The Borough permits employees to carry over one week of vacation time, which must be utilized by December 31 of the succeeding year or be forfeited unless otherwise approved by a Department Head. All employees are granted twelve sick days per year. Sick leave is accumulated from year to year but may not exceed twenty-six weeks of earned sick leave. The Borough compensates employees for unused sick leave and vacation days upon termination or retirement. The current policy provides one compensated day for every two and a half sick days accumulated and one compensated day for every vacation day accumulated. The Borough has entered into duly negotiated and approved labor agreements with various unions with regards to accumulated absence benefits.

The total value of compensated absences owed to employees as of December 31, 2020 and 2019, was \$358,485.00 and \$306,617.35. The Borough did not appropriate anything in the 2021 budget to fund a reserve for accumulated absences.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12: PENSION FUNDS

Description of Plans - All eligible employees of the Borough are covered by either the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS), cost-sharing, multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and PFRS. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System was established in July 1944 under the provisions of NJSA 43:16A to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Enrollment is required for permanent, full-time employees appointed to positions of law enforcement or firefighting in the State of New Jersey.

Defined Contribution Retirement Program (DCRP) - The Borough established a Defined Contribution Retirement Program as required by Chapter 92 of the Laws of 2007 and NJSA 43:15C-1 et seq. DCRP is a cost-sharing, multiple-employer defined contribution pension fund. DCRP provides eligible members and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established in NJSA 43:15C-1 et seq. DCRP provides for employee contributions of 5.5% and employer contributions of 3% of employees' annual base salary.

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS provide for employee contributions of 7.50% of employees' annual compensation. The PFRS provides for employee contributions of 10% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in the PERS and PFRS. The PERS and PFRS rates in effect for 2020 are 13.69% and 29.80%, respectively, of covered payroll, as reported on June 30, 2019. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12: PENSION FUNDS (CONTINUED)

The Borough's contributions paid to the PERS for the years ending December 31, 2020, 2019, and 2018, were \$247,761.00, \$238,567.00, and \$214,594.00, respectively, equal to the required contributions for each year. The Borough's contributions to the PFRS for the years ending December 31, 2020, 2019, and 2018, were \$352,728.00, \$383,252.00, and \$331,334.00, respectively, equal to the required contributions for each year. The Borough was not required to make contributions to DCRP for the years ending December 31, 2020, 2019, and 2018.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011, made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011, (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011, (Tier 3 members), will be 60% instead of 65% of the member's final compensation, plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of the PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of the PERS to 1/60th from 1/55th, and it provided that new members of the PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of the PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12: PENSION FUNDS (CONTINUED)

Significant Legislation (Continued)

For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for Social Security and requires the pension to be calculated using a three-year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined at 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program (DCRP).

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006, report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 13: POSTEMPLOYMENT BENEFITS

Plan Description - Borough of Pitman, New Jersey Postemployment Healthcare Benefit Plan is a single-employer defined benefit healthcare plan administered by Southern NJ Regional Employee Benefits Fund. MRHIF provides fully-insured medical and prescription drug coverage to eligible retirees and their spouses.

Funding Policy - The contribution requirements of the Borough healthcare plan are established by negotiated labor contracts. The required contribution is based on projected pay-as-you-go financing requirements. For calendar year 2019, the Borough contributed \$486,432.00 to the plan for current premiums. Plan members receiving benefits are not required to make contributions.

Annual OPEB Cost and Net OPEB Obligation - The Borough's annual Other Postemployment Benefit (OPEB) cost (expense) is calculated based on the Entry Age Normal (EAN) cost method as required by GASB Statement 75. The EAN actuarial cost method requires a salary scale assumption.

The discount rate used to determine the liabilities under GASB 75 is based on the Bond Buyer 20 Index. This rate was 2.74% as of December 31, 2019.

Future medical care cost increase rates unpredictable and could be volatile. They will depend upon the economy, future health care delivery systems, and emerging technologies.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13: POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued)

Balance as of 12/31/2018	\$ 18,342,539
Service Cost	245,623
Interest of Total OPEB Liability	752,143
Change in Assumptions	2,042,842
Benefits Payments	(486,432)
	<hr/>
Net Changes	2,554,176
	<hr/>
Balance as of 12/31/2019	<u><u>\$ 20,896,715</u></u>

Total OPEB Expense Calculation as of 12/31/2019

Service Cost	\$ 245,623
Interest on Total OPEB Liability	752,143
Recognition of Assumption Changes	166,681
	<hr/>
Net OPEB Expense Recognized	<u><u>\$ 1,164,447</u></u>

Sensitivity of the total net OPEB liability to changes in the discount rate. The following represents the total net OPEB liability of the Borough, as well as what the Borough's total net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

1% Decrease 1.74%	Current Discount Rate	1% Increase 3.74%
<u><u>\$ 22,490,150</u></u>	<u><u>\$ 20,896,715</u></u>	<u><u>\$ 19,553,957</u></u>

Sensitivity of the total net OPEB liability to changes in the healthcare cost trend rates. The following represents the total net OPEB liability of the Borough, as well as what the Borough's total net OPEB liability would be if it were calculated using a healthcare cost trend rates that is 1% lower or 1% higher than the current healthcare cost trend rate.

1% Decrease	Current Healthcare Rate	1% Increase
<u><u>\$ 19,318,302</u></u>	<u><u>\$ 20,896,715</u></u>	<u><u>\$ 22,766,480</u></u>

For the year ended December 31, 2019, the Borough's OPEB expense would have been \$1,164,447 if New Jersey municipalities followed GAAP accounting principles. The Borough did not have deferred outflows of resources or deferred inflows of resources related to OPEB.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS

New Jersey municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, NJAC 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 & GASB 71 information in the Notes to the Financial Statements. The following disclosures meet the requirements of GASB 68 & GASB 71 for the PERS and PFRS retirement systems.

Public Employee's Retirement System - At December 31, 2020, the Borough's proportionate share of net pension liability was \$3,970,882. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2019 and 2018, the Borough's allocation percentage was 0.0243502085% and 0.0254058414%, respectively.

For the year ended December 31, 2020, the Borough's pension expense would have been \$(77,184) if New Jersey municipalities followed GAAP accounting principles. The Borough's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to the PERS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 1,481,694
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 90,732	
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions		17,825
Difference Between Expected and Actual Experience		40,448
	<u>\$ 90,732</u>	<u>\$ 1,539,967</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

Year Ended December 31,	Amount
2021	\$ (567,960)
2022	(473,972)
2023	(254,436)
2024	(125,793)
2025	(27,075)
	\$ (1,449,236)

Additional information – Collective balances at June 30, 2020 and 2019, are as follows:

	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,307,384,832	18,018,482,972
Borough's Proportion	0.0243502085%	0.0254058414%

Contributions - The contribution policy for the PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The Borough's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

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 was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% Based on Age
Thereafter	3.00 – 7.00% Based on Age
Investment Rate of Return	7.00%

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions (Continued)

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

Police and Firemen's Retirement System - At December 31, 2020, the Borough's proportionate share of net pension liability for Police was \$5,383,387. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 and 2019, the Borough's proportion was 0.0416628306% and 0.0349197406%, respectively.

For the year ended December 31, 2020, the Borough's pension expense would have been \$(145,939) if New Jersey municipalities followed GAAP accounting principles. The Borough's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to the PFRS are from the following sources:

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 1,269,833
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 190,403	
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions	517,438	
Difference Between Expected and Actual Experience	41,445	
	<u>\$ 749,286</u>	<u>\$ 1,269,833</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

Year Ended December 31,	Amount
2021	\$ (413,964)
2022	(233,652)
2023	(51,635)
2024	46,687
2025	(520,546)
	<u>\$ (1,173,110)</u>

Additional information – Collective balances at June 30, 2020 and 2019, are as follows:

	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 1,601,195,680	\$ 1,198,936,924
Collective Deferred Inflows of Resources	4,191,274,402	4,874,748,912
Collective Net Pension Liability	<u>12,921,318,904</u>	<u>12,237,818,793</u>
 Borough's Proportion	 0.0416628306%	 0.0349197406%

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)

Contributions

The contribution policy for the PFRS is set by NJSA 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The Borough's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

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 was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25
Salary Increases:	
Through all Future Years	3.25 – 15.25% Based on Years of Service
Investment Rate of Return	7.00%

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

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.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

A special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under 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 June 30, 2020 and June 30, 2019, special funding situation net pension liability amounts of \$835,477 and \$674,780 for Police are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date.

**BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019**

NOTE 15: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salary and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

NOTE 16: LABOR CONTRACTS

Borough employees are represented by the following unions:

- American Federation of State, County, and Municipal Employees, Local 3303B – January 1, 2020, through December 31, 2024.
- Police Benevolent Association, Local 122 - January 1, 2020, through December 31, 2024.
- Teamsters Local Union No. 676 - January 1, 2020, through December 31, 2024.

NOTE 17: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. The following is a comparison of the liability for the current and previous year:

	Balance Dec. 31, 2020	Balance Dec. 31, 2019
Prepaid Taxes - Cash Liability	<u>\$ 124,452.29</u>	<u>\$ 133,739.02</u>

NOTE 18: ECONOMIC DEPENDENCY

The Borough of Pitman is not economically dependent on any one business or industry within the Borough.

NOTE 19: COMMITMENTS AND CONTINGENCIES

The Borough participates in federal and state assistance grant programs. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the Borough of Pitman Counsel's opinion that there exists no litigation or contingent liability that may be pending against the Borough of Pitman that would have an adverse effect on the financial position in the future.

BOROUGH OF PITMAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019

NOTE 20: OPERATING LEASES

At December 31, 2020, the Borough had operating lease agreements in effect for copiers and a postage meter. Future minimum lease payments under operating lease agreements are as follows:

<u>Year Ending</u>	<u>Amount</u>
2021	4,678.32
2022	2,982.36
2023	2,485.30
	<u>\$ 10,145.98</u>

NOTE 21: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2020 and June 17, 2021, the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of certain anticipated revenues, such as licenses, fees, and permits. Other financial impact could occur though such potential impact is unknown at this time.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS
(GASB 68 & GASB 71)**

Schedule of the Borough's Proportionate Share of the Net Pension Liability - PERS
Last Seven Fiscal Years

	Year Ended						
	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Borough's Proportion of the Net Pension Liability (Asset)	0.0254058414%	0.0254058414%	0.0239387300%	0.0231644619%	0.0230002572%	0.0224878269%	0.0229181593%
Borough's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,970,882	\$ 4,577,747	\$ 4,713,416	\$ 5,392,316	\$ 6,812,016	\$ 5,048,067	\$ 4,290,906
Borough's Covered-Employee Payroll	1,758,002	1,696,460	1,714,272	1,581,699	1,576,455	1,572,856	1,517,656
Borough's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	225.87%	269.84%	274.95%	340.92%	432.11%	320.95%	282.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.59%	48.10%	40.14%	47.93%	52.08%
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

Schedule of Borough Contributions - PERS
Last Seven Fiscal Years

	Year Ended					
	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Contractually Required Contribution	\$ 247,124	\$ 238,113	\$ 214,594	\$ 204,331	\$ 193,335	\$ 188,934
Contributions in Relation to the Contractually Required Contribution	247,124	238,113	214,594	204,331	193,335	188,934
Contribution Deficiency (Excess)	None	None	None	None	None	None
Borough's Covered-Employee Payroll	\$ 1,758,002	\$ 1,696,460	\$ 1,714,272	\$ 1,581,699	\$ 1,576,455	\$ 1,567,884
Contributions as a Percentage of Covered-Employee Payroll	14.06%	14.04%	12.52%	12.92%	12.26%	12.05%
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015

Schedule of the Borough's Proportionate Share of the Net Pension Liability - PFRS
Last Seven Fiscal Years

	Year Ended						
	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Borough's Proportion of the Net Pension Liability (Asset)	0.0416628306%	0.0349197406%	0.0392014571%	0.0374380892%	0.0356848417%	0.0349422040%	0.0346545658%
Borough's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,383,387	\$ 4,273,415	\$ 5,304,603	\$ 5,779,717	\$ 6,816,718	\$ 5,820,153	\$ 4,359,223
Borough's Covered-Employee Payroll	1,446,646	1,358,384	1,298,055	1,261,183	1,196,678	1,174,960	1,142,976
Borough's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	372.13%	314.60%	408.66%	458.28%	569.64%	495.35%	381.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	64.99%	62.47%	58.60%	52.01%	56.31%	62.41%
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

Schedule of Borough Contributions - PFRS
Last Six Fiscal Years

	Year Ended						
	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Contractually Required Contribution	\$ 352,728	\$ 383,252	\$ 331,334	\$ 290,953	\$ 284,028	\$ 266,171	\$ 254,388
Contributions in Relation to the Contractually Required Contribution	352,728	383,252	331,334	290,953	284,028	266,171	254,388
Contribution Deficiency (Excess)	None	None	None	None	None	None	None
Borough's Covered-Employee Payroll	\$ 1,446,646	\$ 1,358,384	\$ 1,298,055	\$ 1,261,183	\$ 1,196,678	\$ 1,173,589	\$ 1,111,949
Contributions as a Percentage of Covered-Employee Payroll	24.38%	28.21%	25.53%	23.07%	23.73%	22.68%	22.88%
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

Schedule of the Borough's Proportionate Share of the Net Pension Liability - PFRS
Special Funding Situation
Last Seven Fiscal Years

	Year Ended						
	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Borough's Proportion of the Net Pension Liability (Asset)	0.0416628306%	0.0349197406%	0.0392014571%	0.0374380892%	0.0356848417%	0.0349422040%	0.0346545658%
Borough's Proportionate Share of the Net Pension Liability (Asset)	\$ 835,477	\$ 674,780	\$ 720,543	\$ 647,377	\$ 572,435	\$ 510,408	\$ 469,415
Borough's Covered-Employee Payroll	1,446,646	1,358,384	1,298,055	1,261,183	1,196,678	1,174,960	1,142,976
Borough's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	57.75%	49.68%	55.51%	51.33%	47.84%	43.44%	41.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	64.99%	62.47%	58.60%	52.01%	56.31%	62.41%
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the Borough.

The Police & Firemen's Retirement System is a Cost-Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation - 100% of the additional costs incurred by local employers under 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.

Schedule of Borough Contributions - PFRS
Special Funding Situation
Last Seven Fiscal Years

	Year Ended						
	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Contractually Required Contribution	\$ 64,289	\$ 45,466	\$ 42,674	\$ 32,372	\$ 21,934	\$ 26,569	\$ 19,491
Contributions in Relation to the Contractually Required Contribution	64,289	45,466	42,674	32,372	21,934	26,569	19,491
Contribution Deficiency (Excess)	None	None	None	None	None	None	None
Borough's Covered-Employee Payroll	\$ 1,446,646	\$ 1,358,384	\$ 1,298,055	\$ 1,261,183	\$ 1,196,678	\$ 1,174,960	\$ 1,142,976
Contributions as a Percentage of Covered-Employee Payroll	4.44%	3.35%	3.29%	2.57%	1.83%	2.26%	1.71%
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

SUPPLEMENTARY INFORMATION

PETRONI & ASSOCIATES LLC

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MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

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

Independent Auditor's Report

Honorable Mayor and Members
of the Borough Council
Borough of Pitman
110 South Broadway
Pitman, New Jersey, 08071

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accompanying balance sheets - regulatory basis of the various funds and account group, the related statement of operations and changes in fund balance - regulatory basis, the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Borough of Pitman, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough of Pitman's basic financial statements, and have issued our report thereon dated June 17, 2021, which contained an adverse opinion on those financial statements due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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

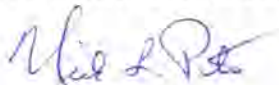
Compliance and Other Matters

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

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.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252

June 17, 2021

CURRENT FUND

SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current Fund	Payroll Account
Balance December 31, 2019	A	\$ 5,607,954.00	\$ 12,843.49
Increased by Receipts:			
Taxes Receivable	A-6	25,009,581.68	
Tax Overpayments		59,768.06	
Prepaid Taxes	A	124,452.29	
Revenue Accounts Receivable	A-9	1,979,717.01	
Grants Receivable	A-15	100,124.01	
Federal and State Grants Unappropriated	A-17	26,039.00	
Due State of New Jersey -			
Senior Citizen and Veterans Deductions	A-12	62,000.00	
DCA Training Fees		7,210.00	
State Library Aid		4,686.00	
Due Payroll Account	A-4	87.18	
Due Animal Control Trust Fund		7,352.28	
Due Theatre Revitalization Trust Fund		63,314.98	
Due Developer's Escrow Trust Fund		43,949.44	
Due Recreation Donation Trust		2,040.77	
Due Library Donations Trust Fund		16,435.42	
Due General Capital Fund		2,461,105.68	
Due Trust Other		18.23	
Due Water and Sewer Utility Operating Fund		1,548,766.38	
Due Water and Sewer Utility Capital Fund		73,620.75	
Due 4th July Parade Trust Fund		23.19	
Due Uniform Fire Safety Trust Fund		23,595.07	
Due Miss Pitman		331.77	
Due Tax Sale Premium Trust Fund		142,187.85	
Due Outside Employment of Off-Duty Police		229,142.95	
Due Tax Title Lien Redemption Trust Fund		15.22	
Due K-9 Donations Trust Fund		7,403.31	
Due Town Clock Maintenance Trust Fund		0.02	
Due Community Service Trust Fund		0.37	
Payroll Taxes Payable			2,558,569.72
Net Payroll			2,380,227.06
Transfer from Payroll and Flex Spending Trust			2,750.00
Total Receipts		31,992,968.91	4,941,546.78
		37,600,922.91	4,954,390.27

SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current Fund	Payroll Account
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	7,557,043.20	
Appropriation Reserves	A-10	138,004.06	
Encumbrances Payable	A-11	138,384.45	
State Library Aid		9,419.00	
Reserve for Grants - Appropriated	A-16	147,044.76	
County Taxes Payable	A-14	4,353,711.94	
Local District School Tax	A-13	14,882,902.00	
Due State of New Jersey:			
DCA Fees		5,278.00	
Tax Overpayments		51,936.04	
Due Current Fund	A-4		87.18
Due Animal Control Trust Fund		3,547.40	
Due Library Donations Trust Fund		16,358.61	
Due K-9 Donations Trust Fund		7,381.96	
Due Uniform Fire Safety Trust Fund		23,529.08	
Due Recreation Donation Trust		1,997.62	
Due Community Appreciation		55.02	
Due Aflac		26.94	
Due Theatre Revitalization Trust Fund		63,108.69	
Due Miss Pitman		122.90	
Due Water and Sewer Utility Operating Fund		1,548,660.69	
Due General Capital Fund		2,447,735.35	
Due Tax Sale Premium		142,100.00	
Due Developers Escrow Trust Fund		44,117.96	
Due Outside Employment of Off-Duty Police Officers Trust Fund		228,871.82	
Due Water and Sewer Utility Capital Fund		73,620.75	
Payroll Taxes Payable			2,374,312.52
Net Payroll			2,558,569.72
		<u>31,884,958.24</u>	<u>4,932,969.42</u>
Balance December 31, 2020	A	<u>\$ 5,715,964.67</u>	<u>\$ 21,420.85</u>

SCHEDULE OF CHANGE FUNDS

	Balance Dec. 31, 2020	Balance Dec. 31, 2019
Collector	\$ 150.00	\$ 150.00
Construction Code Official	60.00	60.00
	<u>\$ 210.00</u>	<u>\$ 210.00</u>
Ref.	A	A

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2019	Levy	Added Taxes	Collected		Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance
				2019	2020				Dec. 31, 2020
2019	\$ 377,383.83		\$ 5,041.37		\$ 381,675.20	\$ 750.00			
	<u>377,383.83</u>		<u>5,041.37</u>		<u>381,675.20</u>	<u>750.00</u>			
2020		\$ 25,256,325.33		\$ 133,739.02	24,693,632.51	35,424.62	\$ 4,185.20	\$ 32,356.72	\$ 356,987.26
	<u>\$ 377,383.83</u>	<u>\$ 25,256,325.33</u>	<u>\$ 5,041.37</u>	<u>\$ 133,739.02</u>	<u>\$ 25,075,307.71</u>	<u>\$ 36,174.62</u>	<u>\$ 4,185.20</u>	<u>\$ 32,356.72</u>	<u>\$ 356,987.26</u>
Ref.	A			A				A-7	A
		Cash		Ref.	\$ 25,009,581.68				
		State of New Jersey		A-4	65,726.03				
				A-12	<u>\$ 25,075,307.71</u>				

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax:		
General Property Tax	<u>\$ 25,194,194.11</u>	\$ 25,194,194.11
Added & Omitted Taxes (54:4-63.1 and 54:4-63.12 et seq.)		<u>62,131.22</u>
		<u><u>\$ 25,256,325.33</u></u>

Tax Levied:

	Ref.		
Local District School Tax (Abstract)	A-13		\$ 14,882,902.00
County Taxes:			
County Tax (Abstract)	A-14	\$ 4,094,960.06	
County Open Space (Abstract)	A-14	246,831.33	
Due County for Added & Omitted Taxes (54:4-63.1 & 54:4-63.12 et seq.)	A-14	<u>11,201.54</u>	
Total County Taxes			4,352,992.93
Local Tax for Municipal Purposes	A-2	5,758,432.30	
Local Minimum Library Tax	A-2	206,972.70	
Add: Additional Taxes Levied		<u>55,025.40</u>	
			<u>6,020,430.40</u>
			<u><u>\$ 25,256,325.33</u></u>

EXHIBIT A-7

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	Ref.	
Balance December 31, 2019	A	\$ 104,822.73
Increased by:		
Transfers from Taxes Receivable	A-6	<u>32,356.72</u>
Balance December 31, 2020	A	<u><u>\$ 137,179.45</u></u>

EXHIBIT A-8

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

	Ref.	
Balance December 31, 2019	A	<u>\$ 80,300.00</u>
Balance December 31, 2020	A	<u><u>\$ 80,300.00</u></u>

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Accrued	Collected
Miscellaneous Revenue Anticipated		
Fees and Permits	\$ 26,299.23	\$ 26,299.23
Fines and Costs:		
Municipal Court	43,166.27	43,166.27
Interest and Costs on Taxes	85,171.44	85,171.44
Interest on Investments	44,964.63	44,964.63
Lease Payments - Cell Tower	144,680.67	144,680.67
Consolidated Municipal Property Tax Relief	40,796.00	40,796.00
Energy Receipts Tax	597,650.99	597,650.99
Uniform Construction Code Official	117,840.00	117,840.00
Pitman Board of Education	50,000.00	50,000.00
Cable Television Franchise Tax	55,926.10	55,926.10
Internet Franchise Fee	59,591.22	59,591.22
JIF Safety Incentive	4,168.79	4,168.79
JIF Optional Safety	3,500.00	3,500.00
JIF Cyber Risk Management	2,210.00	2,210.00
JIF Wellness	1,250.00	1,250.00
Miscellaneous Revenue Not Anticipated		
Vacant Property Fees	93,700.00	93,700.00
Liquor License	306,000.00	306,000.00
Tax Sale Costs	3,386.17	3,386.17
Scrap Iron Receipts	5,745.35	5,745.35
Prior Year Grant	21,704.23	21,704.23
Fire Safety Local	61,168.00	61,168.00
Fire Safety LEA	16,581.52	16,581.52
Parking Permits, OPRA Requests, 200 Ft. Lists	3,809.50	3,809.50
Refunds	7,893.00	7,893.00
Trash Can Sales	2,470.00	2,470.00
Street Opening Permits	73,929.00	73,929.00
Senior Citizen and Veteran Deduction Administration Fee	1,270.00	1,270.00
Miscellaneous	858.62	858.62
Sign Concession Fee	1,125.00	1,125.00
NSF Fee	60.00	60.00
Insurance Dividend	91,317.67	91,317.67
FEMA Reimbursement	11,483.61	11,483.61
	<u>\$ 1,979,717.01</u>	<u>\$ 1,979,717.01</u>
Ref.		A-4

SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages:				
General Administration	\$ 11,876.57	\$ 11,876.57	\$ 200.00	\$ 11,676.57
Streets and Roads	34,874.62	34,874.62	8,466.63	26,407.99
Other Expenses:				
General Administration	30,027.03	30,027.03	6,153.30	23,873.73
Mayor and Council	1,236.05	1,236.05	900.00	336.05
Financial Administration	1,444.49	1,444.49	10.00	1,434.49
Audit	2,664.50	2,664.50	1,500.00	1,164.50
Legal Services and Costs	19,404.91	19,404.91	19,064.15	340.76
Engineering Services & Costs	22,161.25	22,161.25	4,764.78	17,396.47
Planning Board	1,807.97	1,807.97	815.44	992.53
Police	3,266.72	3,266.72	1,621.81	1,644.91
Electricity	13,152.66	13,152.66	2,993.19	10,159.47
Street Lighting	23,641.51	23,641.51	10,512.50	13,129.01
Telephone	10,007.47	10,007.47	607.74	9,399.73
Natural Gas	8,116.52	8,116.52	1,928.48	6,188.04
Gasoline/Diesel Fuel	37,444.23	37,444.23	23,725.24	13,718.99
Solid Waste Disposal	43,284.16	43,284.16	38,655.65	4,628.51
Social Security	10,144.38	10,144.38	15.30	10,129.08
Unemployment	11,460.63	11,460.63	193.00	11,267.63
Excluded from "CAPS"				
Maintenance of Free Public Library	25,714.21	25,714.21	815.66	24,898.55
Recycling Tax	1,919.86	1,919.86	884.19	1,035.67
Preliminary Costs - Redevelopment Area	24,159.49	24,159.49	24,159.49	
Road Improvements	93,554.40	93,554.40	93,554.40	
Other Accounts - No Change	369,584.27	369,584.27		369,584.27
	<u>\$ 800,947.90</u>	<u>\$ 800,947.90</u>	<u>\$ 241,540.95</u>	<u>\$ 559,406.95</u>
Ref. A		Ref.		A-1
Due General Capital			103,536.89	
Cash Disbursements		A-4	<u>138,004.06</u>	
			<u>241,540.95</u>	

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Current Fund	Grant Fund
Balance December 31, 2019	A	\$ 166,722.69	\$ 11,900.00
Increased by:			
Charges to Current Year Appropriations	A-3	117,318.43	
Charges to Non Budget Accounts		11,584.54	
Charges to Grants Appropriated	A-16		2,739.04
		<u>295,625.66</u>	<u>14,639.04</u>
Decreased by:			
Payments	A-4	126,484.45	11,900.00
Canceled	A-1	8,523.93	
Transfer to Accounts Payable	A	31,714.31	
		<u>166,722.69</u>	<u>11,900.00</u>
Balance December 31, 2020	A	<u>\$ 128,902.97</u>	<u>\$ 2,739.04</u>

EXHIBIT A-12

SCHEDULE OF DUE TO STATE OF NEW JERSEY -
SENIOR CITIZEN AND VETERANS DEDUCTIONS

Balance December 31, 2019	Ref. A	\$ 25,737.82
Increased by:		
Receipts	A-4	<u>62,000.00</u>
		87,737.82
Decreased by:		
Deductions Per Tax Duplicate		\$ 64,750.00
Deductions Allowed by Collector		1,250.00
Deductions Disallowed by Collector		<u>(273.97)</u>
		65,726.03
Prior Year Deductions Disallowed by Collector	A-6 A-1	<u>(2,250.00)</u>
		63,476.03
Balance December 31, 2020	A	<u><u>\$ 24,261.79</u></u>

EXHIBIT A-13

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:		
Levy School Year July 1, 2020 to June 30, 2021	A-6	\$ 14,882,902.00
Decreased by:		
Payments	A-4	<u>14,882,902.00</u>
Tax Liability for Local District School Tax:		
Tax Paid		<u>14,882,902.00</u>
Amount Charged to Operations	A-1	<u><u>\$ 14,882,902.00</u></u>

SCHEDULE OF COUNTY TAXES PAYABLE

Balance December 31, 2019	Ref. A	\$ 11,920.55
Increased by:		
Tax Levy:		
General County	A-6	\$ 4,094,960.06
Open Space Preservation	A-6	246,831.33
Added and Omitted Taxes	A-6	11,201.54
		<hr/>
		4,352,992.93
		<hr/>
		4,364,913.48
Decreased by:		
Payments	A-4	4,353,711.94
		<hr/>
Balance December 31, 2020	A	<u><u>\$ 11,201.54</u></u>

SCHEDULE OF GRANTS RECEIVABLE

Grant	Balance Dec. 31, 2019	Revenue Realized	Received	From Grants Unappropriated	Canceled	Balance Dec. 31, 2020
Federal Grants:						
Click It or Ticket	\$ 4,240.00				\$ 4,240.00	
Community Development Block Grant	74,994.41		\$ 50,000.00		24,994.41	
Drive Sober or Get Pulled Over DWI Saturation Grant	3,100.00		2,200.00			\$ 900.00
NJ Transportation Trust Fund - Lexington, Oakcrest	25,632.27		25,632.27			
NJ Transportation Trust Fund - Washington & Highland Ave.	37,722.14					37,722.14
NJ Transportation Trust Fund - Hudson & Elsie Ave.	16,034.62					16,034.62
Stormwater Regulation	2,117.00					2,117.00
Assistance to Firefighters	1,049.00					1,049.00
Total Federal Grants	164,889.44		77,832.27		29,234.41	57,822.76
State Grants:						
Clean Communities Program		\$ 17,933.17	17,933.17			
Gloucester County Housing & Community Development	58,648.43					58,648.43
Municipal Aid Program - Touhy		250,000.00				250,000.00
Municipal Aid Program - Glen Lake	270,000.00					270,000.00
Municipal Aid Program - Woodland/McClelland	85,386.99					85,386.99
Municipal Alliance on Alcoholism and Drug Abuse		12,000.00	2,347.75			9,652.25
Body Armor Replacement Program	2,010.82		2,010.82			
Safe and Secure Communities Program		26,039.00		\$ 26,039.00		
Total State Grants	416,046.24	305,972.17	22,291.74	26,039.00		673,687.67
Total All Grants	\$ 580,935.68	\$ 305,972.17	\$ 100,124.01	\$ 26,039.00	\$ 29,234.41	\$ 731,510.43
Ref.	A	A-2	A-4	A-17	A-1	A

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2019	Transferred from Budget Appropriation	Paid or Charged	Encumbered	Canceled	Reclassify	Balance Dec. 31, 2020
Federal Grants:							
Buckle Up South Jersey	\$ 2,000.00						\$ 2,000.00
Click It or Ticket	4,499.40				\$ 4,499.40		
Community Development Block Grant	69,602.78		\$ 40,206.50		29,396.28		
Drive Sober or Get Pulled Over DWI Saturation Grant	2,299.12					\$ (2,299.12)	
Stormwater Regulation	8,269.10						8,269.10
Total Federal Grants	86,670.40		40,206.50		33,895.68	(2,299.12)	10,269.10
State Grants:							
Municipal Court Alcohol Education & Rehabilitation	3,958.80			\$ 1,557.96			2,400.84
Clean Communities Program	31,670.82	\$ 17,933.17	8,236.90				41,367.09
Municipal Aid Program - Touhy		250,000.00	26,000.00				224,000.00
Municipal Aid Program - Glen Lake	250,500.00		9,129.50				241,370.50
Municipal Aid Program - Woodland/McClelland	39,709.38		33,709.29				6,000.09
Drunk Driving	1,406.38		3,318.34	230.00		2,299.12	157.16
Municipal Alliance on Alcoholism and Drug Abuse	28,080.35	15,000.00	405.23				42,675.12
Recycling Tonnage Grant	107,752.17						107,752.17
Safe and Secure Communities Program	199,626.15	26,039.00	26,039.00		199,626.15		
Seatbelt Enforcement Grant	2,225.40				2,225.40		
Body Armor Replacement Program	2,010.82			951.08			1,059.74
Total State Grants	666,940.27	308,972.17	106,838.26	2,739.04	201,851.55	2,299.12	666,782.71
Total All Grants	\$ 753,610.67	\$ 308,972.17	\$ 147,044.76	\$ 2,739.04	\$ 235,747.23		\$ 677,051.81
Ref.	A	A-3	A-4	A-11	A-1		A

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance Dec. 31, 2019	Budget Revenue Realized	Received	Balance Dec. 31, 2020
State Grants:				
Body Armor Replacement Program	\$ 2,137.98			\$ 2,137.98
Safe and Secure Communities Program	26,039.00	\$ 26,039.00	\$ 26,039.00	26,039.00
Recycling Tonnage Grant	21,735.84			21,735.84
Total All Grants	<u>\$ 49,912.82</u>	<u>\$ 26,039.00</u>	<u>\$ 26,039.00</u>	<u>\$ 49,912.82</u>
Ref.	A	A-15	A-4	A

TRUST FUND

SCHEDULE OF TRUST FUND CASH - TREASURER

	Ref.	Animal Control	Trust Other	Tax Sale Premium Trust	Tax Title Lien Redemption Trust	Unemployment Insurance Trust	Law Enforcement Forfeited Trust	Town Clock Maintenance Donations	Parade Donations	Library Donations Trust	Outside Employment Off-Duty Police
Balance December 31, 2019	B	\$ 14,245.68	\$ 19,018.23	\$ 53,887.85	\$ 15.22	\$ 88,895.32	\$ 16,351.90	\$ 19.95	\$ 21,847.71	\$ 67,054.79	\$ 252,478.88
Increased by Receipts:											
Interest Earned		51.42	\$ 87.60	271.78	28.93	417.61	78.57	0.05	100.68	301.59	1,292.06
Dog License Fees:											
Municipal Fees	B-2	2,050.60									
State Fees		338.40									
Deposits for Redemption of Tax Sale Certificates					182,463.98						
Tax Sale Premiums				112,100.00							
Unemployment Contributions						6,703.60					
Parade Donations									50.00		
Law Enforcement Forfeitures							3,811.00				
Library Donations										12,890.37	
Police Off-Duty Receipts											126,861.00
Transfer			19.93								
		<u>2,440.42</u>	<u>107.53</u>	<u>112,371.78</u>	<u>182,492.91</u>	<u>7,121.21</u>	<u>3,889.57</u>	<u>0.05</u>	<u>150.68</u>	<u>13,191.96</u>	<u>128,153.06</u>
		<u>16,686.10</u>	<u>19,125.76</u>	<u>166,259.63</u>	<u>182,508.13</u>	<u>96,016.53</u>	<u>20,241.47</u>	<u>20.00</u>	<u>21,998.39</u>	<u>80,246.75</u>	<u>380,631.94</u>
Decreased by Disbursements:											
Expenditures Under RS 4:19-15.11:	B-2	1,339.00									
Due State of New Jersey		342.60									
Due to Current Fund		4,999.30	105.83	359.63	44.15			0.07	123.87	378.40	1,563.19
Tax Sale Premiums				76,000.00							
Refunds Upon Redemption					182,463.98						
Library Donations										16,358.61	
Outside Employment of Off-Duty Police											92,875.82
Transfer								19.93			
		<u>6,680.90</u>	<u>105.83</u>	<u>76,359.63</u>	<u>182,508.13</u>			<u>20.00</u>	<u>123.87</u>	<u>16,737.01</u>	<u>94,439.01</u>
Balance December 31, 2020	B	<u>\$ 10,005.20</u>	<u>\$ 19,019.93</u>	<u>\$ 89,900.00</u>		<u>\$ 96,016.53</u>	<u>\$ 20,241.47</u>		<u>\$ 21,874.52</u>	<u>\$ 63,509.74</u>	<u>\$ 286,192.93</u>

SCHEDULE OF TRUST FUND CASH - TREASURER

	Ref.	Miss Pitman Recreation Donations	Community Appreciation Day Donations	Theater Avenue Revitalization Donations	Uniform Fire Safety Act Trust	Developer's Escrow Trust	Recreation Donations	Community Service Trust	K-9 Donations Trust
Balance December 31, 2019	B	\$ 11,162.98	\$ 12,236.06	\$ 10,068.02	\$ 62,097.63	\$ 41,227.42	\$ 30,094.38	\$ 332.84	\$ 19,431.35
Increased by Receipts:									
Interest Earned		50.43	65.93	44.96	259.22	209.51	145.20	1.77	93.83
Due from Current Fund			55.02			214.50			
Community Appreciation Contributions			3,060.00						
Due from Outside Employment of Off-Duty Police									
Fire Safety Fees					1,350.00				
Developer's Escrow Contributions						27,850.00			
Recreation Donations							21,303.34		
Community Service Contributions								111.59	
K-9 Donations									6,957.00
		<u>50.43</u>	<u>3,180.95</u>	<u>44.96</u>	<u>1,609.22</u>	<u>28,274.01</u>	<u>21,448.54</u>	<u>113.36</u>	<u>7,050.83</u>
		<u>11,213.41</u>	<u>15,417.01</u>	<u>10,112.98</u>	<u>63,706.85</u>	<u>69,501.43</u>	<u>51,542.92</u>	<u>446.20</u>	<u>26,482.18</u>
Decreased by Disbursements:									
Due to Current Fund		259.30	65.93	57.16	325.21	255.49	188.35	2.14	115.18
Developer's Escrow Expenditures						15,819.46			
Fire Safety Expenditures					23,529.08				
Recreation Expenditures		122.90					35,573.44		
Community Service Expenditures								31.84	
Theater Avenue Revitalization Contributions				7,382.50					
K-9 Donations									6,781.96
		<u>382.20</u>	<u>65.93</u>	<u>7,439.66</u>	<u>23,854.29</u>	<u>16,074.95</u>	<u>35,761.79</u>	<u>33.98</u>	<u>6,897.14</u>
Balance December 31, 2020	B	<u>\$ 10,831.21</u>	<u>\$ 15,351.08</u>	<u>\$ 2,673.32</u>	<u>\$ 39,852.56</u>	<u>\$ 53,426.48</u>	<u>\$ 15,781.13</u>	<u>\$ 412.22</u>	<u>\$ 19,585.04</u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2019	Ref. B	\$ 10,436.60
Increased by:		
Dog License Fees	B-2	2,050.60
		<u>12,487.20</u>
Decreased by:		
Expenditures Under RS 4:19-15.11:		
Disbursed in Current Fund	B-2	1,339.00
Statutory Excess Due to Current Fund		1,158.60
		<u>2,497.60</u>
Balance December 31, 2020	B	<u><u>\$ 9,989.60</u></u>

License Fees Collected

Year	Amount
2018	\$ 5,551.20
2019	4,438.40
	<u>\$ 9,989.60</u>

GENERAL CAPITAL FUND

EXHIBIT C-2

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2019	Ref. C		\$ 2,320,664.55
Increased by:			
Due Current Fund	C-3	\$ 10,447.67	
Premium	C-1	25,917.65	
Bond Anticipation Notes	C-9	1,545,000.00	
Budget Appropriation			
Capital Improvement Fund	C-6	20,000.00	
			<u>1,601,365.32</u>
			3,922,029.87
Decreased by:			
Improvement Authorizations	C-7	70,124.00	
Encumbrances Payable	C-11	659,274.20	
Due Current Fund	C-3	12,155.15	
			<u>741,553.35</u>
Balance December 31, 2020	C		<u><u>\$ 3,180,476.52</u></u>

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2019	Budget	Receipts		Disbursements		Transfers To/(From)	Balance Dec. 31, 2020
			BAN	Miscellaneous	Improvement Authorizations	Miscellaneous		
General Capital Fund Balance	\$ 21,516.38			\$ 25,917.65			\$ 137,096.50	\$ 184,530.53
Capital Improvement Fund	75,478.20	\$ 20,000.00					(55,000.00)	40,478.20
Due to (from) Current Fund	1,707.48			10,447.67		\$ 12,155.15		
Encumbrances Payable	677,920.70					659,274.20	299,631.80	318,278.30
Ordinance Number								
1992-15 Construction & Renovation of Storm Sewers & Roads Relating to Pitman Grove Area	35,000.30						(35,000.30)	
1997-02 Various Recreation Improvements to Alcyon Park	11.42						(11.42)	
2008-34 Renovation of Borough Owned Properties Located in Pitman Grove Area, Improvements to Municipal Parking Lot, and Upgrade to HVAC System at Borough Fire Hall	55,351.91						(55,351.91)	
2006-07 Acquisition of a Certain Capital Building, Restoration of Certain Streets & Dredging of Alcyon Lake	5,310.20						(5,310.20)	
2006-10 Acquisition of Certain Capital Equipment for Public Works Department	68,858.44							68,858.44
2007-08 Various General Projects	179,730.83							179,730.83
2007-10 Purchase of Land Known as Block 1 - Lot 1 and Various Lot Improvements	75,271.20							75,271.20
2007-13 Broadway Streetscape Project	41,422.67						(41,422.67)	
2009-02 Acquisition of Pump and Ladder Fire Truck	42,689.01							42,689.01
2009-13 Various General Projects	14,750.00							14,750.00
2009-21 Purchase of Pickup Truck with Plow Package	(37,353.25)	37,353.25						
2011-31 Purchase of Garbage Truck	5,934.40						(2,145.00)	3,789.40
2012-03 Purchase of Regenerative Air Vacuum Street Sweeper	72.90	3,000.00						3,072.90
2012-04 Purchase of Rear Loading Garbage Truck	45,095.67						2,145.00	47,240.67
2012-18 Purchase of Garbage Truck, Various Building Improvements, Equipment, and Reconstruction of Borough Roads	317,701.93							317,701.93
2013-02 Purchase and Replacement of HVAC Unit	1,100.00							1,100.00
2014-18 Purchase of MPH Speed Monitor Trailer	5.00							5.00
2014-19 Purchase of Software Upgrade, Refurbish a Trash Truck, Improvements to Storm Drain, Paving Borough Streets, Replace/Repair Roof of Borough Hall, and Purchase of Telephone System	217,301.54							217,301.54
2014-22 Acquisition of Real Property in Borough	166.92							166.92
2015-07 Various Capital Improvement and Acquisition of Various Pieces of Equipment	1,070.81							1,070.81
2016-08 Various Capital Improvement and Acquisition of Various Pieces of Equipment	8,977.26							8,977.26
2017-05 Various Capital Improvement and Acquisition of Various Pieces of Equipment	266,971.80				\$ 1,695.00			265,276.80
2018-08 Various Capital Improvement and Acquisition of Various Pieces of Equipment	46,031.78				5,926.00			40,105.78
2019-18 Various Capital Improvements and Acquisition of Various Pieces of Equipment	108,600.80				10,067.12			98,533.68
2019-22 Various Capital Improvements and Acquisition of Various Pieces of Equipment	3,615.00				13,206.78			(9,591.78)
2020-07 Various Improvements Alcyon Lake Park			\$ 500,000.00		395.00			499,605.00
2020-10 Various Capital Improvements and Acquisition of Various Pieces of Equipment			1,045,000.00		38,834.10		(244,631.80)	761,534.10
	\$ 2,280,311.30	\$ 60,353.25	\$ 1,545,000.00	\$ 36,365.32	\$ 70,124.00	\$ 671,429.35		\$ 3,180,476.52
Ref.	C-2	C-6	C-9	C-2	C-7	C-2		C-2

EXHIBIT C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2019	Ref. C	\$ 4,720,000.00
Increased by:		
Serial Bonds Issued	C-8	2,080,000.00
		<hr/> 6,800,000.00
Decreased by:		
Payments on General Serial Bonds	C-8	2,735,000.00
		<hr/> 2,735,000.00
Balance December 31, 2020	C	<u><u>\$ 4,065,000.00</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	Authorizations	Cancel	Balance Dec. 31, 2020	Analysis of Balances Dec. 31, 2020		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1992-15	Construction & Renovation of Storm Sewers & Roads Relating to Pitman Grove Area	\$ 136.51		\$ 136.51				
2008-34	Renovation of Borough Owned Properties Located in Pitman Grove Area, Improvements to Municipal Parking Lot, and Upgrade to HVAC System at Borough Fire Hall	23.79		23.79				
2009-13	Various General Projects	1,500.00			\$ 1,500.00			\$ 1,500.00
2009-21	Purchase of Pickup Truck with Plow Package	10,146.75			10,146.75			10,146.75
2012-18	Purchase of Garbage Truck, Various Building Improvements, Equipment, and Reconstruction of Borough Roads	478,500.00			478,500.00			478,500.00
2015-07	Various Capital Improvement and Acquisition of Various Pieces of Equipment	450,265.00			450,265.00	\$ 450,000.00		265.00
2016-08	Various Capital Improvement and Acquisition of Various Pieces of Equipment	418,300.00			418,300.00	418,000.00		300.00
2018-08	Various Capital Improvement and Acquisition of Various Pieces of Equipment	131,100.00			131,100.00	131,000.00		100.00
2019-18	Various Capital Improvements and Acquisition of Various Pieces of Equipment	731,000.00			731,000.00	731,000.00		
2019-22	Various Capital Improvements and Acquisition of Various Pieces of Equipment	71,000.00			71,000.00		\$ 9,591.78	61,408.22
2020-07	Various Improvements Alcyon Lake Park		\$ 500,000.00		500,000.00	500,000.00		
2020-08	Refunding Bonds		90,650.00		90,650.00			90,650.00
2020-10	Various Capital Improvements and Acquisition of Various Pieces of Equipment		1,045,000.00		1,045,000.00	1,045,000.00		
		<u>\$ 2,291,972.05</u>	<u>\$ 1,635,650.00</u>	<u>\$ 160.30</u>	<u>\$ 3,927,461.75</u>	<u>\$ 3,275,000.00</u>	<u>\$ 9,591.78</u>	<u>\$ 642,869.97</u>
Ref.		C	C-7	C-3	C	C-9	C-3	
	Improvement Authorizations - Unfunded				Ref. C-7	Ref. C-7		\$ 2,052,696.60
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:							
	Ordinance No. 2015-07				C-3	C-3	\$ 1,070.81	
	Ordinance No. 2016-08				C-3	C-3	8,977.26	
	Ordinance No. 2018-08				C-3	C-3	40,105.78	
	Ordinance No. 2019-08				C-3	C-3	98,533.68	
	Ordinance No. 2020-07				C-3	C-3	499,605.00	
	Ordinance No. 2020-10				C-3	C-3	761,534.10	
								1,409,826.63
								<u>\$ 642,869.97</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2019	C	\$ 75,478.20
Increased by:		
Budget Appropriation	C-2	<u>20,000.00</u>
		95,478.20
Decreased by:		
Funding of Ordinance	C-7	<u>55,000.00</u>
Balance December 31, 2020	C	<u><u>\$ 40,478.20</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2019		Authorizations	Paid or Charged	Canceled	Encumbrance	Balance Dec. 31, 2020	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
1992-15	Construction & Renovation of Storm Sewers & Roads Relating to Pitman Grove Area	10/13/1992	\$ 930,000.00	\$ 35,000.30	\$ 136.51			\$ 35,136.81			
1997-02	Various Recreation Improvements to Alcyon Park	2/10/1997	1,667,500.00	11.42				11.42			
2008-34	Renovation of Borough Owned Properties Located in Pitman Grove Area, Improvements to Municipal Parking Lot, and Upgrade to HVAC System at Borough Fire Hall	4/8/2002	375,000.00	55,351.91	23.79			55,375.70			
2006-07	Acquisition of a Certain Capital Building, Restoration of Certain Streets & Dredging of Alcyon Lake	4/24/2006	500,000.00	5,310.20				5,310.20			
2006-10	Acquisition of Certain Capital Equipment for Public Works Department	5/22/2006	420,000.00	68,858.44						\$ 68,858.44	
2007-08	Various General Projects	7/9/2007	1,200,000.00	179,730.83						179,730.83	
2007-10	Purchase of Land Known as Block 1 - Lot 1 and Various Lot Improvements	7/9/2007	300,000.00	75,271.20						75,271.20	
2007-13	Broadway Streetscape Project	12/10/2007	297,217.54	41,422.67				41,422.67			
2009-02	Acquisition of Pump and Ladder Fire Truck	2/23/2009	750,000.00	42,689.01						42,689.01	
2009-13	Various General Projects	7/13/2009	325,000.00	14,750.00	1,500.00					14,750.00	\$ 1,500.00
2009-21	Purchase of Pickup Truck with Plow Package	12/14/2009	50,000.00		10,146.75						10,146.75
2011-31	Purchase of Garbage Truck	11/14/2011	265,000.00	3,789.40						3,789.40	
2012-03	Purchase of Regenerative Air Vacuum Street Sweeper	3/12/2012	135,000.00	3,072.90						3,072.90	
2012-04	Purchase of Rear Loading Garbage Truck	3/12/2012	265,000.00	47,240.67						47,240.67	
2012-18	Purchase of Garbage Truck, Various Building Improvements, Equipment, and Reconstruction of Borough Roads	10/22/2012	1,030,000.00	317,701.93	478,500.00					317,701.93	478,500.00
2013-02	Purchase and Replacement of HVAC Unit	3/11/2013	10,000.00	1,100.00						1,100.00	
2014-18	Purchase of MPH Speed Monitor Trailer	9/8/2014	20,000.00	5.00						5.00	
2014-19	Purchase of Software Upgrade, Refurbish a Trash Truck, Improvements to Storm Drain, Paving Borough Streets, Replace/Repair Roof of Borough Hall, and Purchase of Telephone System	9/8/2014	664,000.00	217,301.54						217,301.54	
2014-22	Acquisition of Real Property in Borough	12/8/2014	200,000.00	166.92						166.92	
2015-07	Various Capital Improvement and Acquisition of Various Pieces of Equipment	6/8/2015	474,015.00		1,335.81						1,335.81
2016-08	Various Capital Improvement and Acquisition of Various Pieces of Equipment	8/8/2016	454,000.00		9,277.26						9,277.26
2017-05	Various Capital Improvement and Acquisition of Various Pieces of Equipment	6/12/2017	872,000.00	266,971.80			\$ 1,695.00			265,276.80	
2018-08	Various Capital Improvement and Acquisition of Various Pieces of Equipment	7/9/2018	138,000.00		46,131.78		5,926.00				40,205.78
2019-18	Various Capital Improvements and Acquisition of Various Pieces of Equipment	7/22/2019	772,000.00		108,600.80		10,067.12				98,533.68
2019-22	Various Capital Improvements and Acquisition of Various Pieces of Equipment	11/12/2019	75,000.00	3,615.00	71,000.00		13,206.78				61,408.22
2020-07	Various Improvements Alcyon Lake Park	6/22/2020	500,000.00			\$ 500,000.00	395.00				499,605.00
2020-08	Refunding Bonds	7/13/2020	90,650.00			90,650.00					90,650.00
2020-10	Various Capital Improvement and Acquisition of Various Pieces of Equipment	8/10/2020	1,100,000.00			1,100,000.00	38,834.10		\$ 299,631.80		761,534.10
				<u>\$ 1,379,361.14</u>	<u>\$ 726,652.70</u>	<u>\$ 1,690,650.00</u>	<u>\$ 70,124.00</u>	<u>\$ 137,256.80</u>	<u>\$ 299,631.80</u>	<u>\$ 1,236,954.64</u>	<u>\$ 2,052,696.60</u>
Ref.				C	C		C-2		C-11	C	C
Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund					Ref.						
					C-5	\$ 1,635,650.00					
					C-6	55,000.00					
						<u>\$ 1,690,650.00</u>					

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
General Obligation Bonds, Series 2009	12/22/09	\$ 4,765,000.00				\$ 2,570,000.00		\$ 2,570,000.00	
General Obligation Bonds, Series 2017	07/12/17	2,437,000.00	7/1/2021	165,000.00	2.00%				
			7/1/2022	170,000.00	2.00%				
			7/1/2023	175,000.00	2.00%				
			7/1/2024	170,000.00	2.00%				
			7/1/2025	180,000.00	2.25%				
			7/1/2026	195,000.00	2.50%				
			7/1/2027	210,000.00	2.75%				
			7/1/2028	240,000.00	2.75%				
	7/1/2029-2030	240,000.00	3.00%	2,150,000.00		165,000.00	\$ 1,985,000.00		
General Obligation Bonds, Series 2020	09/10/20	2,080,000.00	12/1/2021	265,000.00	4.00%				
			12/1/2022	275,000.00	4.00%				
			12/1/2023	285,000.00	4.00%				
			12/1/2024	305,000.00	4.00%				
			12/1/2025	315,000.00	4.00%				
			12/1/2026	320,000.00	4.00%				
			12/1/2027	315,000.00	3.00%				
								\$ 2,080,000.00	
					\$ 4,720,000.00	\$ 2,080,000.00	\$ 2,735,000.00	\$ 4,065,000.00	
				Ref.	C	C-9:C-10	C-4	C	

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ordinance Number	Purpose	Amount of Original Issue	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Increased	Balance Dec. 31, 2020
2015-07	Various Capital Improvements and Acquisition of Various Pieces of Equipment	\$ 450,000.00	12/20/2018	12/16/2020	12/15/2021	2.0000%	\$ 450,000.00		\$ 450,000.00
2016-08	Various Capital Improvements and Acquisition of Various Pieces of Equipment	418,000.00	12/20/2018	12/16/2020	12/15/2021	2.0000%	418,000.00		418,000.00
2018-08	Various Capital Improvements and Acquisition of Various Pieces of Equipment	131,000.00	12/20/2018	12/16/2020	12/15/2021	2.0000%	131,000.00		131,000.00
2019-18	Various Capital Improvements and Acquisition of Various Pieces of Equipment	731,000.00	12/18/2019	12/16/2020	12/15/2021	2.0000%	731,000.00		731,000.00
2020-07	Various Improvements Alcyon Lake Park	500,000.00	12/16/2020	12/16/2020	12/15/2021	2.0000%		\$ 500,000.00	500,000.00
2020-10	Various Capital Improvements and Acquisition of Various Pieces of Equipment	1,045,000.00	12/16/2020	12/16/2020	12/15/2021	2.0000%		1,045,000.00	1,045,000.00
							<u>\$ 1,730,000.00</u>	<u>\$ 1,545,000.00</u>	<u>\$ 3,275,000.00</u>
Ref.							C	C-2	C

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	Authorization	Notes Issued	Canceled	Balance Dec. 31, 2020
1992-15	Construction & Renovation of Storm Sewers & Road Relating to Pitman Grove	\$ 136.51			\$ 136.51	
2008-34	Renovation of Borough Owned Properties Located in Pitman Grove Area, Improvements to Municipal Parking Lot, and Upgrade to HVAC System at Borough Fire Hall	23.79			23.79	
2009-13	Various General Projects	1,500.00				\$ 1,500.00
2009-21	Purchase of Pickup Truck with Plow Package	10,146.75				10,146.75
2012-18	Purchase of Garbage Truck, Various Building Improvements, Equipment, and Reconstruction of Borough Roads	478,500.00				478,500.00
2015-07	Various Capital Improvement and Acquisition of Various Pieces of Equipment	265.00				265.00
2016-08	Various Capital Improvement and Acquisition of Various Pieces of Equipment	300.00				300.00
2018-08	Various Capital Improvement and Acquisition of Various Pieces of Equipment	100.00				100.00
2019-22	Various Capital Improvements and Acquisition of Various Pieces of Equipment	71,000.00				71,000.00
2020-07	Various Improvements Alcyon Lake Park		\$ 500,000.00	\$ 500,000.00		
2020-08	Refunding Bonds		90,650.00			90,650.00
2020-10	Various Capital Improvements and Acquisition of Various Pieces of Equipment		1,045,000.00	1,045,000.00		
		<u>\$ 561,972.05</u>	<u>\$ 1,635,650.00</u>	<u>\$ 1,545,000.00</u>	<u>\$ 160.30</u>	<u>\$ 652,461.75</u>
Ref.			C-7	C-9	C-2	

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance December 31, 2019	Ref. C	\$ 677,920.70
Increased by:		
Charges to Improvement Authorizations	C-7	299,631.80
		<hr/>
		977,552.50
Decreased by:		
Paid	C-2	659,274.20
		<hr/>
Balance December 31, 2020	C	<hr/> <hr/> \$ 318,278.30

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

Purpose	Date of Lease	Term of Lease	Principal	Interest	Interest Rate	Balance Dec. 31, 2019	Decreased
2018 Ford Explorer Police Interceptor	2/16/2018	3 Years	\$ 35,501.00	\$ 2,257.63	6.50%	<u>\$ 11,818.04</u>	<u>\$ 11,818.04</u>
					Ref.	C	

WATER AND SEWER UTILITY FUND

SCHEDULE OF WATER AND SEWER UTILITY FUND CASH

	Ref.	Operating	Capital
Balance December 31, 2019	D	\$ 3,376,922.67	\$ 416,759.55
Increased by:			
Consumer Accounts Receivable	D-7	2,822,170.18	
Miscellaneous Revenues	D-3	25,194.00	
Premiums	D-2		22,636.74
Utility Rent Overpayments		9,018.92	
Due from Utility Operating	D-5		1,827.83
Budget Appropriation	D-15		75,000.00
Due Current Fund		37,453.74	
Due Water and Sewer Utility Capital Fund	D-5	2,291.00	
Total Additions		2,896,127.84	99,464.57
		6,273,050.51	516,224.12
Decreased by:			
Budget Appropriations	D-4	2,249,622.61	
Appropriation Reserves	D-11	102,513.84	
Encumbrances Payable	D-12	73,681.22	
Improvement Authorizations	D-14		73,620.75
Investment in BAN	D	1,545,000.00	
Accrued Interest Paid	D-13	205,423.30	
Due Water and Sewer Operating Fund	D-5		2,291.00
Due Utility Capital Fund	D-5	1,827.83	
Due to Current Fund		37,559.43	
Total Disbursements		4,215,628.23	75,911.75
Balance December 31, 2020	D	\$ 2,057,422.28	\$ 440,312.37

ANALYSIS OF WATER AND SEWER UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2019	Receipts Miscellaneous	Disbursements		Transfers	Balance Dec. 31, 2020
			Improvement Authorizations	Miscellaneous		
Capital Fund Balance	\$ 12,493.67	\$ 22,636.74				\$ 35,130.41
Capital Improvement Fund	25,000.00	75,000.00				100,000.00
Due Utility Operating Fund	463.17	1,827.83		\$ 2,291.00		
Encumbrances Payable	73,900.00				\$ (73,900.00)	
Improvement Authorizations:						
Ordinance						
Number						
2011-32 Repair of Holly Avenue Water Main	32,945.33					32,945.33
2011-33 Repair of Muriel Avenue Sewer Lateral	47,362.47					47,362.47
2014-08 Repair of West Holly Ave Sanitary Sewer Main	106,017.16					106,017.16
2015-08 Various Improvements to the Water and Sewer Utility System	10,789.50					10,789.50
2015-15 Various Improvements to the Water and Sewer Utility System	35.16				40,400.00	40,435.16
2016-09 Acquisition of Various Capital Equipment	16,500.00				33,500.00	50,000.00
2017-06 Acquisition of Various Capital Equipment	90,517.09		\$ 73,000.00			17,517.09
2018-09 Various Improvements to the Water and Sewer Utility System	736.00		620.75			115.25
	<u>\$ 416,759.55</u>	<u>\$ 99,464.57</u>	<u>\$ 73,620.75</u>	<u>\$ 2,291.00</u>		<u>\$ 440,312.37</u>
Ref.	D	D-5	D-14	D-5		D

EXHIBIT D-7

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2019	Ref. D	\$ 27,342.22
Increased by:		
Utility Rents Levied		2,890,156.23
		<u>2,917,498.45</u>
Decreased by:		
Collections	D-5	2,822,170.18
Overpayments Applied		7,208.59
Transfer to Liens	D-8	844.00
		<u>2,830,222.77</u>
Balance December 31, 2020	D	<u><u>\$ 87,275.68</u></u>

EXHIBIT D-8

SCHEDULE OF UTILITY LIENS RECEIVABLE

Balance December 31, 2019	Ref. D	\$ 3,281.39
Increased by:		
Transfer from Consumer Accounts Receivable	D-7	844.00
Balance December 31, 2020	D	<u>\$ 4,125.39</u>

SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2019	Additions	Balance Dec. 31, 2020
Water:			
Land	\$ 25,859.25		\$ 25,859.25
Pumping Station & Structures	569,646.16	\$ 14,549.00	584,195.16
Power Pumping Equipment	19,316.11		19,316.11
Springs & Wells	197,304.33		197,304.33
Distribution Mains and Accessories	4,358,737.20	38,736.88	4,397,474.08
Improvements to Water Supply & Distribution System	1,817,776.45	15,800.00	1,833,576.45
Meters	518,305.36		518,305.36
Fire Hydrants	30,242.54		30,242.54
Storage, Reservoirs, Tanks, and Standpipes	149,402.25		149,402.25
General Equipment	1,322,192.23		1,322,192.23
NJ Cottage's Camp Meeting Association Water System	50,000.00		50,000.00
Water Tower	5,884,229.79		5,884,229.79
Sewer:			
Land, Plant & Improvements	514,629.79		514,629.79
Pumping Station & Generator	520,457.82		520,457.82
Sewer Mains	263,537.56		263,537.56
General Equipment	330,825.91		330,825.91
Sewer Metering Station	287,967.71		287,967.71
Sanitary Sewer Extension	390,856.20		390,856.20
	<u>\$ 17,251,286.66</u>	<u>\$ 69,085.88</u>	<u>\$ 17,320,372.54</u>
Ref.	D	D-4:D-11	D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Purpose	Ordinance		Balance	Authorizations	Balance
		Date	Amount	Dec. 31, 2019		Dec. 31, 2020
2011-32	Repair of Holly Avenue Water Main	11/14/11	\$ 325,000.00	\$ 45,445.33		\$ 45,445.33
2011-33	Repair of Muriel Avenue Sewer Lateral	11/14/11	125,000.00	47,362.47		47,362.47
2014-08	Repair of West Holly Ave Sanitary Sewer Main	4/28/14	575,000.00	575,000.00		575,000.00
2015-08	Various Improvements to the Water and Sewer Utility System	6/8/15	1,290,985.00	1,290,985.00		1,290,985.00
2015-15	Various Improvements to the Water and Sewer Utility System	12/28/15	200,000.00	200,000.00		200,000.00
2016-09	Acquisition of Various Capital Equipment	8/8/16	50,000.00	50,000.00		50,000.00
2017-06	Acquisition of Various Capital Equipment	6/12/17	702,000.00	702,000.00		702,000.00
2018-09	Various Improvements to the Water and Sewer Utility System	7/9/18	180,000.00	180,000.00		180,000.00
2020-08	Refunding Bonds				\$ 94,350.00	94,350.00
2020-11	Various Improvements to the Water and Sewer Utility System				161,000.00	161,000.00
				<u>\$ 3,090,792.80</u>	<u>\$ 255,350.00</u>	<u>\$ 3,346,142.80</u>
				Ref. D	D-14	D

EXHIBIT D-11

SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2019	Paid or Charged	Balance Lapsed
Operating:			
Other Expenses	\$ 120,222.88	\$ 26,596.05	\$ 93,626.83
Sewerage Fees	79,062.24	44,117.79	34,944.45
Capital Outlay	31,896.88	31,800.00	96.88
Other Accounts - No Changes	81,189.65		81,189.65
	<u>\$ 312,371.65</u>	<u>\$ 102,513.84</u>	<u>\$ 209,857.81</u>
Ref.	D	D-5	D-1

EXHIBIT D-12

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Capital Fund	Operating Fund
Balance December 31, 2019	D	\$ 73,900.00	\$ 73,877.66
Increased by:			
Charges to Current Year Appropriations	D-4		81,569.56
		<u>73,900.00</u>	<u>155,447.22</u>
Decreased by:			
Payments	D-5		73,681.22
Cancelled	D-1:D-14	73,900.00	196.44
		<u>73,900.00</u>	<u>73,877.66</u>
Balance December 31, 2020	D		<u>\$ 81,569.56</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
AND ANALYSIS OF BALANCE

	Ref.	Total	Notes	Serial Bonds	Loans
Balance December 31, 2019	D	\$ 49,026.81	\$ 881.42	\$ 26,650.00	\$ 21,495.39
Increased by:					
Budget Appropriation for:					
Interest on Bonds, Loans, and Notes	D-4	202,575.14	23,041.65	109,465.15	70,068.34
		251,601.95	23,923.07	136,115.15	91,563.73
Decreased by:					
Interest Paid	D-5	205,423.30	22,579.96	112,429.73	70,413.62
Balance December 31, 2020	D	\$ 46,178.65	\$ 1,343.11	\$ 23,685.42	\$ 21,150.11

Analysis of Accrued Interest December 31, 2020

Issue	Principal Outstanding Dec. 31, 2020	Interest Rate	From	To	Period	Amount
Serial Bonds	\$ 2,150,000.00	Various	12/01/20	12/31/20	30 Days	\$ 7,166.67
Serial Bonds	1,355,000.00	Various	07/01/20	12/31/20	180 Days	16,518.75
	<u>3,505,000.00</u>					<u>23,685.42</u>
Loan	<u>2,129,801.70</u>	3.250%	09/13/20	12/31/20	110 Days	<u>21,150.11</u>
Bond Anticipation Notes	<u>1,511,000.00</u>	2.0000%	12/16/20	12/31/20	16 Days	<u>1,343.11</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2019		Authorizations	Paid or Charged	Encumbrance Canceled	Balance Dec. 31, 2020	
				Funded	Unfunded				Funded	Unfunded
2011-32	Repair of Holly Avenue Water Main	11/14/11	\$ 325,000.00	\$ 32,945.33					\$ 32,945.33	
2011-33	Repair of Muriel Avenue Sewer Lateral	11/14/11	125,000.00	47,362.47					47,362.47	
2014-08	Repair of West Holly Ave Sanitary Sewer Main	4/28/14	575,000.00		\$ 106,017.16					\$ 106,017.16
2015-08	Various Improvements to the Water and Sewer Utility System	6/8/15	1,290,985.00		11,762.50					11,762.50
2015-15	Various Improvements to the Water and Sewer Utility System	12/28/15	200,000.00		35.16			\$ 40,400.00		40,435.16
2016-09	Acquisition of Various Capital Equipment	8/8/16	50,000.00	16,500.00				33,500.00	50,000.00	
2017-06	Acquisition of Various Capital Equipment	6/12/17	702,000.00	90,517.09			\$ 73,000.00		17,517.09	
2018-09	Various Improvements to the Water and Sewer Utility System	7/9/18	180,000.00		736.00		620.75			115.25
2020-08	Refunding Bonds	6/22/20	94,350.00			\$ 94,350.00				94,350.00
2020-11	Various Improvements to the Water and Sewer Utility System	8/10/20	161,000.00			161,000.00				161,000.00
				<u>\$ 187,324.89</u>	<u>\$ 118,550.82</u>	<u>\$ 255,350.00</u>	<u>\$ 73,620.75</u>	<u>\$ 73,900.00</u>	<u>\$ 147,824.89</u>	<u>\$ 413,680.07</u>
Ref.				D	D	D-10	D-5	D-12	D	D

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2019	Ref. D	\$ 25,000.00
Increased by:		
Budget Appropriation	D-5	<u>75,000.00</u>
Balance December 31, 2020	D	<u><u>\$ 100,000.00</u></u>

EXHIBIT D-16

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance December 31, 2019	Ref. D		\$ 12,480,535.10
Increased by:			
Serial Bonds Paid by Water and Sewer Utility Operating Fund	D-18	\$ 2,780,000.00	
Loans Paid by Water and Sewer Utility Operating Fund	D-21	34,769.66	
Payments in Capital Outlay	D-9:D-11	69,085.88	
			<u>2,883,855.54</u>
			15,364,390.64
Decreased by:			
Serial Bonds Issued	D-18		<u>2,150,000.00</u>
Balance December 31, 2020	D		<u>\$ 13,214,390.64</u>

EXHIBIT D-17

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Balance December 31, 2019	Ref. D	\$ 50,000.00
Balance December 31, 2020	D	<u>\$ 50,000.00</u>

SCHEDULE OF SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding December 31, 2020		Interest Rate	Balance	Increased	Decreased	Balance
			Date	Amount		Dec. 31, 2019			Dec. 31, 2020
12/22/09	General Obligation Bonds, Series 2009	\$ 4,545,000.00				\$ 2,655,000.00		\$ 2,655,000.00	
07/12/17	General Obligation Bonds, Series 2017	1,672,000.00	7/1/21	\$ 125,000.00	2.000%				
			7/1/22-23	130,000.00	2.000%				
			7/1/24	135,000.00	2.000%				
			7/1/25	135,000.00	2.250%				
			7/1/26	140,000.00	2.500%				
			7/1/27-28	140,000.00	2.750%				
			7/1/29-30	140,000.00	3.000%	1,480,000.00		125,000.00	\$ 1,355,000.00
9/10/20	General Obligation Bonds, Series 2020	2,150,000.00	12/1/21	\$ 215,000.00	4.000%				
			12/1/22	225,000.00	4.000%				
			12/1/23	220,000.00	4.000%				
			12/1/24	230,000.00	4.000%				
			12/1/25	240,000.00	4.000%				
			12/1/26	250,000.00	4.000%				
			12/1/27	250,000.00	4.000%				
			12/1/28	255,000.00	4.000%				
			12/1/29	265,000.00	4.125%		\$ 2,150,000.00		2,150,000.00
						<u>\$ 4,135,000.00</u>	<u>\$ 2,150,000.00</u>	<u>\$ 2,780,000.00</u>	<u>\$ 3,505,000.00</u>
					Ref.	D	D-16	D-16	D

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ordinance Number	Purpose	Amount of Original Issue	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Balance Dec. 31, 2020
2015-08	Various Improvements to the Water and Sewer Utility System	\$ 1,130,000.00	12/20/18	12/16/20	12/15/21	2.00%	\$ 1,131,000.00	\$ 1,131,000.00
2015-15	Various Improvements to the Water and Sewer Utility System	125,000.00	12/20/18	12/16/20	12/15/21	2.00%	200,000.00	200,000.00
2018-09	Acquisition of Various Equipment for the Water and Sewer Utility System	500,000.00	12/20/18	12/16/20	12/15/21	2.00%	180,000.00	180,000.00
							<u>\$ 1,511,000.00</u>	<u>\$ 1,511,000.00</u>
						Ref.	D	D

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Purpose	Balance Dec. 31, 2019	Authorized	Balance Dec. 31, 2020
2015-08	Various Improvements to the Water and Sewer Utility System	\$ 973.00		\$ 973.00
2020-08	Refunding Bonds		\$ 94,350.00	94,350.00
2020-11	Various Improvements to the Water and Sewer Utility System		161,000.00	161,000.00
		<u>\$ 973.00</u>	<u>\$ 255,350.00</u>	<u>\$ 256,323.00</u>
	Ref.		D-14	

SCHEDULE OF WATER AND SEWER LOANS PAYABLE

Purpose	Series	Original Issue	Date of Issue	Interest Rate	Balance Dec. 31, 2019	Paid by Budget Appropriation	Balance Dec. 31, 2020
Construction of Water Tower, Upgrades to Existing Water Towers, Replacement of Well, and Purchase and Installation of Fire Hydrants	USDA 2014A	\$ 2,337,000.00	3/13/14	3.250%	\$ 2,164,571.36	\$ 34,769.66	\$ 2,129,801.70
				Ref.	D	D-16	D

PART II
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2020

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for NJSA 40A:11-4

NJSA 40A:11-4 states "Every contract or agreement 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 therefore, 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 bid threshold within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

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

Resurfacing of Glen Lake Blvd
Repairs for the Lakeview Pump Station

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per NJSA 40A:11.5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJSA 40A:11-6.

NJSA 40A:11-6.1 requires that at least two competitive quotations be obtained for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 2, 2020, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS NJSA 54:4-67 allows Municipalities to fix rates of interest to be charged for unpaid and delinquent taxes.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Pitman, County of Gloucester, and State of New Jersey that the Tax Collector of said Borough is hereby directed to charge interest at the rate of 8% per annum on the first \$1,500.00 of delinquent installments of taxes, and at the rate of 18% per annum on any amount in excess of \$1,500.00 from the date the installments become delinquent. Provided, however, that no interest shall be charged if payment of any installment is made within ten (10) days after the date on which same became payable.

Collection of Interest on Delinquent Taxes and Assessments (Continued)

BE IT FURTHER RESOLVED that the Tax Collector is authorized and directed to charge a penalty of 6% of the amount of tax delinquency to any taxpayer with a tax delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year.

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to the Tax Collector of the Borough of Pitman.

It appears from an examination of the collector's records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 9, 2020, and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2020	10
2019	10
2018	10
2017	4
2016	3

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services. All notices returned were reviewed and no discrepancies were noted. A separate report will be rendered if any irregularities develop after the date of the audit.

PROPERTY TAX INFORMATION

	2020	2019	2018	2017	2016
Tax Rate	4.4300	4.3260	4.2530	4.2000	4.1190
Apportionment of Tax Rate					
Municipal	1.0120	1.0100	1.0080	1.0090	0.9910
Municipal Library	0.0360	0.0350	0.0350	0.0350	0.0350
County	0.7210	0.6890	0.6740	0.6710	0.6710
County Open Space	0.0440	0.0430	0.0430	0.0420	0.0440
Local School	2.6170	2.5490	2.4930	2.4430	2.3780
Assessed Valuation	568,717,700	569,134,100	570,025,944	569,386,536	569,320,562

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

	2020	2019	2018	2017	2016
Tax Levy	\$ 25,256,325.33	\$ 24,689,992.35	\$ 24,270,926.67	\$ 23,943,541.74	\$ 23,479,337.23
Cash Collections	24,862,796.15	24,269,168.97	23,872,867.72	23,522,891.82	23,025,364.71
Percentage of Collections	98.44%	98.30%	98.36%	98.24%	98.07%

COMPARISON DELINQUENT TAXES AND TAX TITLE 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 current and previous four years.

	2020	2019	2018	2017	2016
Amount of Tax Title Liens	\$ 137,179.45	\$ 104,822.73	\$ 73,225.64	\$ 21,112.42	\$ 5,451.72
Delinquent Taxes	356,987.26	377,383.83	346,452.86	392,549.95	422,404.56
Total Delinquent	\$ 494,166.71	\$ 482,206.56	\$ 419,678.50	\$ 413,662.37	\$ 427,856.28
Percentage of Tax Levy	1.96%	1.95%	1.73%	1.73%	1.79%

COMPARISON PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

	2020	2019	2018	2017	2016
Property Acquired for Taxes (Assessed Valuation)	\$ 80,300	\$ 80,300	\$ 80,300	\$ 80,300	\$ 80,300

COMPARISON OF WATER & SEWER RENTS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent water and sewer rents and utility liens, in relation to the levy of the current and previous four years.

WATER & SEWER	2020	2019	2018	2017	2016
Balance January 1	\$ 27,342.22	\$ 32,206.95	\$ 36,385.21	\$ 41,417.65	\$ 38,999.02
Billings	2,890,156.23	2,775,518.63	2,806,068.39	2,789,113.42	2,858,564.70
Cash Collections	2,829,378.77	2,776,227.43	2,810,429.03	2,794,145.86	2,848,672.30
Percentage of Collections	96.98%	98.88%	98.87%	98.71%	98.31%

OTHER COMMENTS

Chief Financial Officer/Treasurer

The records maintained by the Chief Financial Officer and Treasurer were found to be in compliance with requirements prescribed by the Division of Local Government Services, state statutes, and administrative code requirements.

Tax Collector

The records of the Tax Collector were found to be in compliance with requirements prescribed by the Division of Local Government Services.

STATUS OF PRIOR RECOMMENDATIONS

2019-001 **Finding:** Expenditures of funds occurred in the 2019 Utility Budget Appropriations and the 2018 Utility Appropriation Reserves in excess of the amounts appropriated.

Status: Corrective action has been taken.

FINDINGS AND RECOMMENDATIONS

None

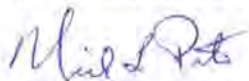
The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

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

Respectfully submitted,

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252