TOWN OF GUTTENBERG

Financial Statements With
Supplementary Information

December 31, 2020

(With Independent Auditors' Reports Thereon)

TOWN OF GUTTENBERG

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Town of Guttenberg in the County of Hudson, as of December 31, 2020 and 2019, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and 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 Town'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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the 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 Town of Guttenberg 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 Town of Guttenberg 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 Town of Guttenberg's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were 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, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

W&CO

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 July 9, 2021 on our consideration of the Town of Guttenberg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Town of Guttenberg's internal control over financial reporting and compliance.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 9, 2021

W&CO

Exhibit A

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2020 and 2019

Assets	Ref.	2020	2019
Current Fund:			
Cash	A-4	$ 9,907,991	8,560,073
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-7	30,847	29,607
		9,938,838	8,589,680
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-5	1,811,225	2,038,911
Tax Title Liens	A-20	321,532	266,235
Revenue accounts receivable	A-6	37,335	46,606
Prepaid School Taxes	A-8	188,696	
Interfunds Receivable:			
Animal License Trust Fund	A-16	769	1,642
Community Development Trust Fund	A-16	183	197
Escrow Trust Fund	A-16	139	29
Alcohol Education & Rehabilitation Trust Fund	A-16		5
POAA Trust Fund	A-16		82
Redemption Trust Fund	A-16		221
Federal and State Grant Fund	A-16	1,013,855	
General Capital Fund	A-16	259,111	210,152
		3,632,845	2,564,080
		13,571,683	11,153,760
State and Federal Grant Fund:			
Cash	A-4	544,028	118,079
Grants receivable	A-21	757,615	81,022
Over-Expenditure of Grant Appropriation	A-22		17,832
Interfunds Receivable:			
Current Fund	A-17		2,296
Alcohol Education & Rehabilitation Trust Fund	A-18		988
		1,301,643	220,217
		$ 14,873,326	11,373,977

Exhibit A

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2020 and 2019

	Ref.	2020	2019
Liabilities, Reserves and Fund Balance			
Current Fund:			
Appropriation reserves	A-3,A-11	$ 3,594,727	982,815
Encumbrances payable	A-12	212,675	17,333
Tax overpayments	A-13	139,618	145,149
Prepaid taxes	A-14	340,388	214,802
County Added Taxes Payable	A-10	495	2,012
Reserve for Amount Due to the Hudson County Treasurer - Court Fines and Costs	A-15	6,764	6,764
Interfunds Payable:			
Unemployment Compensation Trust Fund	A-16	220	
Other Trust Fund - Redemption	A-16	16,478	2,131
Other Trust Fund	A-16	2,661	
POAA Trust Fund	A-16	129	
Federal and State Grant Fund	A-16		2,296
Alcohol Education and Rehabilitation Trust	A-16	101	
Fire Prevention Trust Fund	A-16	375	
Reserve for:			
Pension Deferral	A-19	228,137	228,137
Revaluation	A-19	17,130	17,130
Library Contribution	A-19	20,554	20,554
State Library Aid	A-19	11,262	6,419
Tax Appeals	A-19	64,519	185,966
		4,656,233	1,831,508
Reserve for receivables and other assets	A	3,632,845	2,564,080
Fund balance	A-1	5,282,605	6,758,172
		13,571,683	11,153,760
State and Federal Grant Fund:			
Matching Funds for Grants		95,000	95,000
Due to Current Fund	A-17	1,013,855	
Appropriated reserves	A-22	175,051	82,813
Encumbrances Payable	A-22	15,055	
Unappropriated reserves	A-23	2,682	42,404
		1,301,643	220,217
		$ 14,873,326	11,373,977

See accompanying notes to financial statements.

Exhibit A-1

TOWN OF GUTTENBERG

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Year Ended December 31, 2020 and 2019

		Dec. 31, 2020	Dec. 31, 2019
Revenue and other income realized:			
Fund balance utilized	$	2,100,000	2,000,000
Miscellaneous revenue anticipated		4,283,209	3,154,653
Receipts from delinquent taxes		2,048,070	1,824,150
Receipts from current taxes		28,248,412	28,051,906
Nonbudget revenues		346,465	496,508
Other credits to income:			
Unexpended balance of appropriation reserves		735,312	578,639
Liabilities Canceled		36,241	39,598
Interfunds Returned		212,324	354,207
Total revenue		38,010,033	36,499,661
Expenditures:			
Budget and emergency appropriations:			
Operations:			
Salaries and wages		5,531,100	5,739,500
Other expenses		11,511,316	9,783,932
Deferred charges and statutory expenditures		1,302,250	1,167,765
Municipal debt service		1,573,253	1,621,524
County taxes		4,581,544	4,723,631
Due county for added taxes		495	2,012
Local district school taxes		11,321,822	11,321,822
Prepaid School Taxes		188,696	
Interfunds Advanced		1,275,550	200,000
Outside lien purchased by Town			94,926
Refunds		99,574	32,986
Total expenditures		37,385,600	34,688,098
Excess in Revenue		624,433	1,811,563

Exhibit A-1

TOWN OF GUTTENBERG

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Year Ended December 31, 2020 and 2019

		Dec. 31, 2020	Dec. 31, 2019
Statutory excess to fund balance		624,433	1,811,563
Fund balance - January 1,		6,758,172	6,946,609
		7,382,605	8,758,172
Decreased by utilization as anticipated revenue		2,100,000	2,000,000
Fund balance - December 31,	$	5,282,605	6,758,172

See accompanying notes to financial statements.

Exhibit A-2

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2020

	Budget	Realized	Excess (deficit)
Surplus anticipated	$ 2,100,000	2,100,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	30,000	41,250	11,250
Other	100,000	134,622	34,622
Fees and permits:			
Other	90,000	90,230	230
Fines and costs municipal court	550,000	599,859	49,859
Parking meters	225,000	271,928	46,928
Interest and costs on taxes	185,000	342,467	157,467
Interest on investments and deposits	75,000	270,812	195,812
Consolidated Municipal Property Tax Relief Aid	129,404	129,404	
Energy Receipts Tax	629,371	629,371	
Uniform Construction Code Fees	125,000	173,969	48,969
Interlocal Service Agreements:			
Board of Education - Shared Services	50,000	100,000	50,000
Public and Private Programs Offset by Revenues:			
CARES Act	1,037,377	1,037,377	
Alcohol Education and Rehabilitation Grant	3,418	3,418	
Summer Food Program	36,657	36,657	
Municipal Alliance	9,704	9,704	
Clean Communities	15,624	15,624	
Recycling Tonnage Grant	28,914	28,914	
Body Armor Replacement Grant	2,425	2,425	
General Capital Fund Balance	200,000	200,000	
Reserve for Payment of Debt	67,500	67,500	
Time Warner	48,000	49,981	1,981
Verizon	51,000	47,697	(3,303)
Total miscellaneous revenues	3,689,394	4,283,209	593,815
Receipts from delinquent taxes	1,700,000	2,048,070	348,070
Amount to be raised by taxes for support of municipal budget	14,402,444	14,313,051	(89,393)
Budget total	$ 21,891,838	22,744,330	852,492
Nonbudget revenue		346,465	
		$ 23,090,795	

Exhibit A-2

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2020

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	$ 28,248,412
Allocated to:	
Local district school tax	11,321,822
County taxes	4,582,039
	15,903,861
Balance for support of municipal budget appropriations	12,344,551
Reserve for uncollected taxes	1,968,500
	$ 14,313,051
Receipts from:	
Delinquent tax collections	$ 2,048,070

Analysis of Miscellaneous Revenue Not Anticipated

Insurance Reimbursement	5,118
Election Reimbursement	50
ADS Refunds - State Health Benefits	182,806
Birth/Death Certificates	4,285
Wedding Fees	2,750
Towing	300
Tax Title Lien Premiums cancelled to Town	11,700
Police Off Duty Administrative Fee	19,275
Vacant Property	1,500
Tax Abatements	18,451
Bus Franchise Fee	1,508
PILOT - Housing Authority	82,800
DMV Inspection Fines	650
Other	15,272
	$ 346,465

See accompanying notes to financial statements.

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2020

Description		Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Operations-within "CAPS"						
Administrative and executive:						
Salaries and wages	$	401,000	401,000	380,367	20,633	
Other expenses		290,000	261,000	251,014	9,986	
Elections:						
Salaries and wages		2,000	2,000	2,000		
Other expenses		12,500	9,500	9,402	98	
Financial administration:						
Salaries and wages		390,000	390,000	330,671	59,329	
Other expenses		165,000	170,000	131,070	38,930	
Assessment of taxes:						
Salaries and wages		60,000	60,000	54,550	5,450	
Other expenses		10,000	10,000	5,569	4,431	
Municipal Court:						
Salaries and wages		320,000	266,600	225,306	41,294	
Other Expenses		20,000	20,000	16,573	3,427	
Collection of taxes:						
Salaries and wages		92,000	92,000	71,993	20,007	
Other expenses		4,000	4,975	4,975		
Legal services and costs:						
Other expenses		250,000	265,000	240,261	24,739	
Public building and grounds:						
Other expenses		130,000	225,000	214,674	10,326	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2020

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Engineering:					
Other expenses	125,000	220,000	194,040	25,960	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and wages	24,000	24,000	10,819	13,181	
Other expenses	4,500	19,500	12,408	7,092	
Community Action Program:					
Other expenses	10,500	10,000	10,000		
Insurance:					
Insurance-Other	650,000	635,000	626,428	8,572	
Group Insurance for Employees	1,630,000	1,530,000	1,451,506	78,494	
Insurance/Deductible	5,000	40,000	40,000		
Unemployment Insurance	20,000	20,000	20,000		
PUBLIC SAFETY:					
Police:					
Salaries and wages	3,200,000	3,000,000	2,926,115	73,885	
Other expenses	185,000	290,000	274,693	15,307	
Emergency management services:					
Other expenses	10,000	10,000	6,330	3,670	
Fire Official/Inspector:					
Salaries and wages	124,000	124,000	104,689	19,311	
Other expenses	5,000	5,000	2,956	2,044	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2020

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Public Works:					
Street Cleaning:					
Salaries and wages	765,000	665,000	624,660	40,340	
Other expenses	200,000	250,000	245,703	4,297	
Recycling:					
Other expenses	125,000	140,000	125,785	14,215	
Solid Waste & Garbage Removal:					
Other expenses	875,000	915,000	813,004	101,996	
Snow Removal:					
Other expenses	90,000	90,000	5,406	84,594	
Health and Welfare:					
Public Health Services:					
Other expenses	55,000	55,000	13,659	41,341	
Recreation and Education:					
Recreation:					
Salaries and wages	325,000	205,000	176,619	28,381	
Other expenses	125,000	35,525	14,327	21,198	
Celebration of public event, anniversary or holiday - other expenses	87,000	57,000	31,783	25,217	
Senior Citizens Nutrition Program:					
Salaries and wages	20,000	20,500	20,444	56	
Other expenses	55,000	55,000	38,927	16,073	
Senior Citizens Tranportation:					
Other expenses	60,000	10,000		10,000	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2020

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Senior Recreation Program:					
Other expenses	10,000	10,000	112	9,888	
Uniform construction code official:					
Salaries and wages	213,000	213,000	186,286	26,714	
Other expenses	8,000	8,000	4,899	3,101	
License inspector:					
Salaries and wages	48,000	48,000	42,109	5,891	
Other expenses	2,500	2,500	1,632	868	
UNCLASSIFIED:					
Utilities:					
Electricity	90,000	150,000	91,784	58,216	
Street lighting	85,000	85,000	50,433	34,567	
Telephone	90,000	110,000	100,999	9,001	
Water	25,000	25,000	7,709	17,291	
Fire hydrant service	50,000	65,000	50,393	14,607	
Sewerage	35,000	35,000	21,391	13,609	
Gasoline	92,000	92,000	64,793	27,207	
Postage - all departments	30,000	30,000	23,428	6,572	
Technology	175,000	275,000	262,422	12,578	
Accumulated Leave of Absence	1,000	15,000	15,000		
Salary & Wage Adjustment	5,000	5,000		5,000	
Total Operations within "CAPS"	11,881,000	11,771,100	10,652,116	1,118,984	
Contingent	6,125	6,125	5,760	365	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2020

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Total Operations Including Contingent-within "CAPS"	11,887,125	11,777,225	10,657,876	1,119,349	
Detail:					
Salaries & Wages	5,990,000	5,531,100	5,171,628	359,472	
Other Expenses (Including Contingent)	5,897,125	6,246,125	5,486,248	759,877	
	11,887,125	11,777,225	10,657,876	1,119,349	
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
DEFERRED CHARGES					
Overexpenditure of Grants	17,832	17,832	17,832		
Waterfront Park	23,315	23,315	23,315		
Various Improvements	49,247	49,247	49,247		
71st Street	27,438	27,438	27,438		
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	320,000	320,000	287,458	32,542	
Public Employees Retirement system	305,445	305,445	303,779	1,666	
Police and Firemans Retirement System of N.J.	540,312	555,612	555,218	394	
Consolidated Police and Firemen's Pension Fund					
DCRP	3,360	3,360	2,637	723	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,286,949	1,302,249	1,266,924	35,325	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2020

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes within "CAPS"	13,174,074	13,079,474	11,924,800	1,154,674	
Operations-Excluded from "CAPS"					
Reserve for Tax Appeals	62,000	62,000	62,000		
911-Other Expenses	60,000	66,900	66,863	37	
Stormwater Management	30,000	33,700	33,689	11	
Library Service-North Bergen:					
Other expenses	395,755	452,755	452,289	466	
North Hudson Regional Communication:					
Other expenses	165,000	165,000	56,250	108,750	
North Hudson Regional Fire & Rescue:					
Other expenses	3,000,000	3,000,000	707,227	2,292,773	
Guttenberg Board of Education					
Electric and Gas	95,000	95,000	95,000		
Sewer	10,000	10,000	10,000		
Water	8,000	8,000	8,000		
Snow Removal	18,000	18,000	18,000		
Security	217,292	217,292	179,276	38,016	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2020

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Public and Private Programs Offset by Revenues					
Recycling	28,914	28,914	28,914		
Municipal Alliance	9,704	9,704	9,704		
Match	2,426	2,426	2,426		
Clean Communities	15,624	15,624	15,624		
Summer Food	36,657	36,657	36,657		
Body Armor	2,425	2,425	2,425		
Alcohol Education Rehab	3,418	3,418	3,418		
CARES	1,037,377	1,037,377	1,037,377		
Total Operations-Excluded from "CAPS"	5,197,592	5,265,192	2,825,139	2,440,053	
Detail:					
Salaries and Wages					
Other Expenses	5,197,592	5,265,192	2,825,139	2,440,053	
Total Operations-Excluded from "CAPS"	5,197,592	5,265,192	2,825,139	2,440,053	
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	605,000	632,000	631,890		110
Interest on Bonds	810,825	810,825	808,749		2,076
Interest on Notes	100,000	100,000	96,768		3,232
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	35,847	35,847	35,846		1
Total Municipal Debt Service-Excluded from "CAPS"	1,551,672	1,578,672	1,573,253		5,419

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2020

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	6,749,264	6,843,864	4,398,392	2,440,053	5,419
Subtotal General Appropriations	19,923,338	19,923,338	16,323,192	3,594,727	5,419
Reserve for Uncollected Taxes	1,968,500	1,968,500	1,968,500		
Total General Appropriations	$ 21,891,838	21,891,838	18,291,692	3,594,727	5,419

Adopted Budget	20,809,829
Added by N.J.S.A. 40A:4-87	1,082,009
	$ 21,891,838

Analysis of Paid or Charged	
Reserve for Uncollected Taxes	1,968,500
Due to Federal and State Grant Fund	1,136,545
Reserve for Tax Appeals	62,000
Reserve for Encumbrances	212,675
Cash	14,911,972
	$ 18,291,692

Exhibit B

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2020 and 2019

Assets	Ref.	2020	2019
Animal License Fund:			
Cash	B-1	$ 5,676	6,271
Unemployment Compensation Trust Fund:			
Cash	B-1	70,498	45,783
Interfund Receivable			
Due from Current	B-7	220	
		70,718	45,783
Community Development Block Grant Trust Fund:			
Cash	B-1	11,023	11,037
Grants receivable	B-4	316,320	224,500
		327,343	235,537
Other Trust Funds:			
Cash	B-1	1,993,478	1,746,424
Intrafund Receivables:	B-7	46	
Interfund Receivables:			
Due from Current Fund	B-7	19,744	2,131
		2,013,268	1,748,555
		$ 2,417,005	2,036,146

Exhibit B

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2020 and 2019

Liabilities and Reserves	Ref.	2020	2019
Animal License Fund:			
Reserve for Animal License Expenditures	B-2	4,886	4,574
Due to State of New Jersey	B-3	21	55
Due to Current Fund	B-7	769	1,642
		5,676	6,271
Unemployment Compensation Trust Fund:			
Reserve for Expenditures	B-9	70,718	45,113
Community Development Block Grant Trust Fund:			
Reserve for Grant Expenditures	B-5	327,160	235,340
Due to Current Fund	B-7	183	197
		327,343	235,537
Other Trust Funds:			
Due to State-Marriage Licenses	B-6	1,625	2,875
Due to State-Construction Fees	B-6	254	254
Intrafunds Payable:	B-7	46	
Interfunds Payable:			
Escrow	B-7	139	988
Current Fund	B-7		337
Reserve for:			
Other Trust Deposits	B-8	2,011,204	1,744,101
		2,013,268	1,748,555
		$ 2,417,005	2,035,476

See accompanying notes to financial statements.

Exhibit C

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2020 and 2019

Assets	Ref.		2020	2019
Cash:				
Checking	C-2,C-3	$	6,246,553	5,932,286
Grants Receivable:				
Hudson County Open Space Grant	C-6		815,218	315,218
State of New Jersey - Dept. of Transportation	C-7		1,990,000	515,000
State of New Jersey - Department of Environmental Protection, Green Acres Program	C-8		64,172	64,172
State of New Jersey - Educational Facilities Construction Financing	C-9		182,587	182,587
Hudson County - Community Development	C-10		177,320	
Due from Board of Education	C-11		42,182	62,750
Deferred charges to future taxation:				
Funded	C-4		17,962,746	18,602,712
Unfunded	C-5		9,533,005	7,933,005
		$	37,013,783	33,607,730
Liabilities, Reserves and Fund Balance				
Serial Bonds	C-12		17,945,000	18,550,000
Green Acres Loans Payable	C-20		17,746	52,712
Bond Anticipation notes	C-21		7,450,000	5,545,000
Capital Improvement Fund	C-13		1,093,058	1,093,058
Due to Current Fund	C-14		259,111	210,152
Reserve for Bid Deposit	C-15		12,844	12,844
Reserve for Payment of Debt	C-16		2,990,906	3,058,406
Reserve for Grants Receivable	C-17		2,487,805	1,012,805
Reserve for Green Acres	C-18		1,014	100
Improvement authorizations:				
Funded	C-19		217,857	460,752
Unfunded	C-19		4,317,663	3,302,351
Fund Balance	C-1		220,779	309,550
		$	37,013,783	33,607,730

There were bonds and notes authorized but not issued at December 31, 2020 and December 31, 2019 of $2,083,005 and $2,388,005 respectively. See exhibit C-22.

See accompanying notes to financial statements.

Exhibit C-1

TOWN OF GUTTENBERG

Comparative Schedule of Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2020 and 2019

	2020	2019
Balance - December 31, 2019	$ 309,550	491,655
Increased by :		
Close out of Trustee Account		262
Premium received on Sale of Bond Anticipation Notes	111,229	17,633
	111,229	17,895
	420,779	509,550
Decreased by:		
Budget Revenue - Due to Current Fund	200,000	200,000
Balance - December 31, 2020	$ 220,779	309,550

See Accompanying Notes to Financial Statements

Exhibit F

TOWN OF GUTTENBERG

Comparative Balance Sheets-Regulatory Basis

Payroll Account

December 31, 2020 and 2019

		2020	2019
Assets			
Cash	$	2,317	1,073
	$	2,317	1,073
Liabilities			
Net Payroll Payable	$	2,317	1,041
Withholdings Payable			32
	$	2,317	1,073

See accompanying notes to the financial statements.

Exhibit G

TOWN OF GUTTENBERG

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

December 31, 2020 and 2019

		2020	2019
Land	$	1,875,506	1,817,400
Buildings		3,378,500	3,378,500
Vehicles and equipment		2,715,950	2,510,199
	$	7,969,956	7,706,099

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Town of Guttenberg have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 Town accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Town of Guttenberg (the "Town") operates under a Mayor/Council form of government. The Town's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Town do not include the Volunteer Fire Department or Housing Authority, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Town uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Town functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Town has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Town as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

> Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Town as a trustee or agent for individuals, private organizations, other governments and/or other funds.
>
> Animal License Fund - This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by NJS 4:19-15.11.

Unemployment Trust Fund - This fund is used to account for all employee deductions and budget appropriations and subsequent payment of unemployment compensation bills from the State of New Jersey.

Community Development Block Grant - This fund is used to account for the award and receipt of grant monies and subsequent expenditure of grants awarded through the Department of Housing and Urban Development passed through the County of Hudson as required by the grant agreements.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group - To account for all fixed assets of the Town. The Town's infrastructure is not reported in the group.

Payroll Account - This fund is used to account for the receipt and disbursement of net payroll and all deductions and withholdings.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting

A modified accrual basis of accounting is followed by the Town of Guttenberg. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Town. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the current year taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Town. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Town's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Town and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Town is not required to adopt budgets for the following funds:

General Capital Fund
Trust Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the years ended December 31, 2020 and 2019, the Mayor and Council approved additional revenues and appropriations of $1,082,009 and $62,090, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were also approved by the governing body in 2020 and 2019.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at June 30 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Inventories - 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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Town establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Town may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Town raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Town of Guttenberg has developed a fixed assets accounting and reporting system.

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 valued at historical cost or estimated historical cost if actual historical cost is not available.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates

The preparation of financial statements requires management of the Town to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Town adopted Government Accounting Standards Board GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.* This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. As a result of adopting this Statement, the Town was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Town.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

For the year ended December 31, 2019, the Town adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement.* The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

C. Basic Financial Statements

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

NOTE 2. PENSION PLANS

Description of Plans:

Town employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

NOTE 2. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS), (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Benefits Provided, (continued)

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

NOTE 2. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

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

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

NOTE 2. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Town's contribution to the various plans, equal to the required contributions for each year, were as follows.

Year	PERS	PFRS	DCRP
2020	$296,657	$509,845	$2,637
2019	253,490	577,802	2,328
2018	253,712	550,473	900

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At December 31, 2020, the Town had a liability of $4,145,964 for its proportionate share of the PERS net pension liability. 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 Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Town's proportion was .0254238412 percent, which was a decrease of .0050740864 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Town recognized pension expense of $296,657. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$75,491	$14,662
Changes of assumptions	134,500	1,735,954
Net difference between projected and actual earnings on pension plan investments	141,712	
Changes in proportion and differences between Town contributions and proportionate share of contributions	916,264	1,121,432
Total	$1,267,967	$2,872,048

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	$(520,243)
2022	(474,303)
2023	(271,052)
2024	(109,609)
2025	(23,706)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 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	16,435,616,426	18,018,482,972
Town's Proportion	.0254238412%	.0304979276%

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following 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 years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 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.

Mortality Rates

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 based on Scale MP-2020.

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

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

	June 30, 2020		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Town's proportionate share of the pension liability	$5,227,515	$4,145,964	$3,228,238

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2020, the Town had a liability of $7,728,994 for its proportionate share of the PFRS net pension liability. 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 Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Town's proportion was .0598158283 percent, which was an increase of .009341652 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Town recognized pension expense of $509,845. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in actual and expected experience	$77,921	$27,738
Changes of assumptions	19,450	2,072,097
Net difference between projected and actual earnings on pension plan investments	453,187	
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,403,913	1,136,900
Total	$1,954,471	$3,236,735

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	$(722,994)
2022	(487,934)
2023	(198,641)
2024	(75,040)
2025	(64,669)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 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	14,926,648,722	12,237,818,793
Town's Proportion	.0598158283%	.0504741760%

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. 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%

Mortality Rates

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 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 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.

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Long-Term Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Discount Rate

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

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

	June 30, 2020		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Town's proportionate share of the pension liability	$10,673,560	$7,728,994	$5,283,306

NOTE 2. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Town is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Town by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Town's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2020 and 2019, the State proportionate share of the net pension liability attributable to the Town for the PFRS special funding situation is $1,199,505 and $975,350, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to the Town for the PFRS special funding situation is $135,940 and $113,328, respectively, which is more than the actual contributions the State made on behalf of the Town of $92,301 and $65,718, respectively. The State's proportionate share attributable to the Town was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Town's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 3. LONG-TERM DEBT

Long-term debt as of December 31, 2020 consisted of the following:

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	$18,550,000	$	$605,000	$17,945,000	$605,000
Total Bonds Payable	18,550,000		605,000	17,945,000	605,000
Other Liabilities:					
Deferred PERS/PFRS Pension Contribution	116,684		22,407	94,277	24,388
Green Acres Loan Obligation Debt	52,712		34,966	17,746	17,746
Total Other Liabilities	169,396		57,373	112,023	42,134
	$18,719,396	$	$662,373	$18,057,023	$647,134

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	$19,150,000	$	$600,000	$18,550,000	$605,000
Total Bonds Payable	19,150,000		600,000	18,550,000	605,000
Other Liabilities:					
Deferred PERS/PFRS Pension Contribution	137,412		20,728	116,684	22,407
Green Acres Loan Obligation Debt	86,989		34,277	52,712	34,966
Total Other Liabilities	224,401		55,005	169,396	57,373
	$19,374,401	$	$655,005	$18,719,396	$662,373

NOTE 3. LONG-TERM DEBT, (continued)

Summary of Municipal Debt (Excluding Current Operating Debt)

	2020	2019	2018
Issued-general-bonds, loans and notes	$25,412,746	$24,147,712	$19,236,989
Authorized but not issued-general-bonds and notes	2,083,005	2,388,005	5,811,705
	27,495,751	26,535,717	25,048,694
Less funds on hand to pay debt and other deductions	2,990,906	3,058,406	2,213,870
Net bonds and notes issued and authorized but not issued	$24,504,845	$23,477,311	$22,834,824

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 2.107% for 2020.

	Gross Debt	Deductions	Net Debt
General debt	$27,495,751	$2,990,906	$24,504,845
School debt	-0-		-0-
	$27,495,751	$2,990,906	$24,504,845

Net debt of $24,504,845 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $1,163,051,240 equals 2.107%.

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 2.114% for 2019.

	Gross Debt	Deductions	Net Debt
General debt	$26,535,717	$3,058,406	$23,477,311
School debt	-0-	-0-	-0-
	$26,535,717	$3,058,406	$23,477,311

Net debt of $23,477,311 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $1,110,522,329 equals 2.114%.

NOTE 3. LONG-TERM DEBT, (continued)

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

	2020	2019
3 ½% of equalized valuation basis (municipal)	$40,706,793	$38,868,282
Net Debt	24,504,845	23,477,311
Remaining borrowing power	$16,201,948	$15,390,971

The Town's long-term debt consisted of the following at December 31, 2020 and 2019:

Paid by Current Fund:

	2020	2019
$19,150,000 General Obligation Bonds, due in annual installments of $600,000 to $1,190,000 through August 2042, interest at 3.00%-5.00%	$17,945,000	$18,550,000
	$17,945,000	$18,550,000

Aggregate bonded debt service requirements are as follows:

Year	Principal	Interest	Total
2021	$605,000	$786,625	$1,391,625
2022	605,000	756,375	1,361,375
2023	605,000	726,125	1,331,125
2024	605,000	695,875	1,300,875
2025	620,000	665,625	1,285,625
2026-30	3,410,000	2,855,025	6,265,025
2031-35	4,175,000	2,078,750	6,253,750
2036-40	4,995,000	1,261,475	6,256,475
2041-42	2,325,000	175,750	2,500,750
	$17,945,000	$10,001,625	$27,946,625

NOTE 3. LONG-TERM DEBT, (continued)

General capital serial bonds are direct obligations of the Town for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Town.

At December 31, 2020 and 2019, the Town had authorized but not issued debt as follows:

	2020	2019
General Capital Fund	$2,083,005	$2,388,005

NOTE 4. INTERGOVERNMENTAL LOAN PAYABLE

The Town has entered into a loan agreement with the State of New Jersey for the financing relating to the development of recreation facilities. Aggregate Green Acres Loan payment requirements is as follows:

Year	Total	Principal	Interest
2021	$17,924	$17,746	$178

NOTE 5. BOND ANTICIPATION NOTES

The Town issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally such notes must be paid no later than the tenth anniversary of the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

NOTE 5. BOND ANTICIPATION NOTES, (continued)

On December 31, 2020 and 2019, the Town had $7,450,000 and $5,545,000, respectively, in outstanding General Capital Fund bond anticipation notes.

	Balance Dec. 31, 2019	Additions	Reductions	Balance Dec. 31, 2020
General Capital Notes Payable				
TD Securities (USA) LLC	$5,545,000	$7,450,000	$5,545,000	$7,450,000
	$5,545,000	$7,450,000	$5,545,000	$7,450,000

	Balance Dec. 31, 2018	Additions	Reductions	Balance Dec. 31, 2019
General Capital Notes Payable				
TD Securities (USA) LLC	$0	$5,545,000	$0	$5,545,000
	$0	$5,545,000	$0	$5,545,000

NOTE 6. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2020 and 2019 which as been appropriated as revenue in the 2021 and 2020 budgets is as follows:

	2021	2020
Current Fund	$2,250,000	$2,100,000

NOTE 7. ACCRUED SICK AND VACATION BENEFITS

The Town no longer permits employees to accrue unused sick and vacation pay; therefore, there is no liability for unpaid compensation at December 31, 2020.

NOTE 8. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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 returned to it. The Town's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2020 and 2019, $-0- of the Town's bank balance of $20,253,494 and $16,591,116, respectively, was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Town 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, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the municipality or bonds or other obligations of the local unit or units within which the municipality is located: obligations of federal agencies not exceeding 397 days; 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 Town places no limit on the amount the Town may invest in any one issuer.

NOTE 9. FIXED ASSETS

The following is a summary of charges in the General Fixed Assets Account Group as of December 31, 2020 and 2019:

	Balance December 31, 2019	Additions	Retirements	Balance December 31, 2020
Land	$1,817,400	$58,106	$	$1,875,506
Building	3,378,500			3,378,500
Equipment & Vehicles	2,510,199	358,804	153,053	2,715,950
	$7,706,099	$416,910	$153,053	$7,969,956

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019
Land	$1,817,400	$	$	$1,817,400
Building	3,378,500			3,378,500
Equipment & Vehicles	2,321,736	356,151	167,688	2,510,199
	$7,517,636	$356,151	$167,688	$7,706,099

NOTE 10. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2020 consist of the following:

$769	Due to the Current Fund from the Animal License Trust Fund for the current years' statutory excess less interest transferred in error.
183	Due to the Current Fund from the Community Development Trust Fund for the balance of interest earned.
220	Due to the Unemployment Trust Fund from the Current Fund to reimburse the account for expenditures paid in error.
16,478	Due to the Redemption Trust Fund from the Current Fund to correct deposit errors less interest earned.
2,661	Due to the Other Trust Fund from the Current Fund to correct deposit errors less interest earned.
139	Due to the Current Fund from the Escrow Trust Fund for interest earned.
129	Due to the POAA Trust Fund from the Current Fund to correct the transfer of interest.
101	Due to the Alcohol Education and Rehabilitation Fund Trust from the Current Fund to correct interest transferred in error.
375	Due to the Fire Prevention Trust Fund from the Current fund to correct deposit errors.
259,111	Due to the Current Fund from the General Capital Fund for budget revenue realized but not paid over in cash less interest transferred in excess of that earned.
1,013,855	Due to the Current Fund from the Federal State Grant Fund for the reimbursement of expenses made and the balance of interest earned less grants received and matching.
46	Due to the POAA Trust Fund from the Other Trust Fund to correct deposit errors.
$1,294,067	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB)

In addition to the pension described in Note 2, the Town provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

General Information about the OPEB Plan

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

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

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

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

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

Total OPEB Liability

The following other post employment benefit information for special funding situation is as of June 30, 2019 which is the latest information available. This information is eighteen months prior to December 31, 2020. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current other post employment benefit information for special funding situation is available.

At December 31, 2019, the Town had a liability of $11,628,489 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2019 the Town's proportion was .085844000 percent which was a decrease of .003956000% from its proportion measured as of June 30, 2018.

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

For the year ended December 31, 2019, the Town recognized OPEB expense of $732,475. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$	$3,400,624
Changes of assumptions		4,120,878
Net difference between projected and actual earnings on OPEB plan investments	9,579	
Changes in proportion		3,627,371
Total	$9,579	$11,148,873

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	$(1,223,450)
2021	(1,223,450)
2022	(1,224,201)
2023	(1,225,415)
2024	(1,226,524)
Thereafter	(1,388,884)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for 2019, 2018 and 2017 amounts, respectively.

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2016 , which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected.. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less that the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net OPEB liability as of June 30, as well as what the Town's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease 2.50%	At Current Discount Rate 3.50%	1% Increase 4.50%
Town's proportionate share of Net OPEB liability	$13,445,492	$11,628,489	$10,151,935

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

The following presents the Town's proportionate share of the net OPEB liability as of June 30, as well as what the Town's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Town's proportionate share of Net OPEB liability	$9,813,012	$11,628,498	$13,944,436

NOTE 12. CONTINGENT LIABILITIES

A. Grants

The Town received financial assistance from the State of New Jersey and the U.S. Government in the form of grants and revenue sharing entitlements. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. During 2020, the Town is subject to the requirements of the Single Audit Act Amendments of 1996 which mandated that all Federal grant revenues and expenditures be audited in conjunction with a municipal audit. In addition, substantially all State grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors.

B. Other Litigation

The Town is involved in several other claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Town.

NOTE 13. ECONOMIC DEPENDENCY

The Town receives a substantial amount of its support from Federal and State governments. A significant reduction in the level of support, if this were to occur, may cause an increase in the local tax rate, and could also have a detrimental effect on the level of service that the Town would be able to provide.

NOTE 14. NORTH HUDSON REGIONAL FIRE AND RESCUE

Second Amended and Restated Consolidated Municipal Services Agreement for the Formation of a Joint Meeting Pursuant to N.J.S.A. 40:48B-1 et seq., known as North Hudson Regional Fire and Rescue (the "Agreement")

Background of the Agreement

On December 30, 1998, the Town adopted a resolution approving it to enter into a joint contract with the municipalities of North Bergen, Union City, Weehawken and West New York (the "Other Municipalities"), in order to form a joint meeting pursuant to the Consolidated Municipal Services Act, N.J.S.A. 40:48B-1 et seq. (the "Act"). The entity created by the formation of this joint meeting is known as the North Hudson Regional Fire

NOTE 14. NORTH HUDSON REGIONAL FIRE AND RESCUE, (continued)

and Rescue (the "NHRFR"), which is a public body, corporate and politic, constituting a political subdivision of the State of New Jersey, having all powers and authorities permitted by the Act. The purpose of the NHRFR is to provide for the joint operation of fire protection, rescue and emergency services, and other related governmental services.

The NHRFR was in effect from October 1, 1998, as the Other Municipalities had already formed the Agreement before the Town entered on December 30, 1998. The term of the Agreement expires September 30, 2023, but may be subject to earlier termination pursuant to the Act. The operations of the NHRFR commenced on January 1, 1999. The NHRFR is governed by a five member management committee, consisting of one representative from each municipality, and this committee may appoint one or two executive director(s), and other such officers, employees and counsel as it deems necessary. A municipality's admission to or withdrawal from the NJFRF requires four votes from the management committee.

Required Contributions by the Town

The Town adopted an ordinance on December 30, 1998, authorizing the sale, lease transfer, conveyance or other disposition of and improvement of real and personal property to the NHRFR, pursuant to New Jersey Statutes. The Town has agreed to convey two parcels of its real property, the value of which will be determined by a qualified appraiser. The Town had also agreed to convey four items of its personal property, which consist of vehicles with an aggregate minimum purchase price of $341,000. The estimated proceeds of all property conveyed, real and personal, was approximately $1,000,000.

The Town was required to contribute $1,500,000 annually to the NHRFR. This annual contribution is subject to an increase based on the percentage of increase of the total fire and rescue related appropriations over the base year (SFY 1998) of the Other Municipalities. The Agreement also contains provisions for cost and budget balance allocations, and a growth value adjustment to be made in calendar year 2001, but these provisions do not pertain to the Town. As of December 31, 2020, the town budgeted $3,000,000 and contributed $707,227.

NOTE 15. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two periods:

	Balance December 31, 2020	Balance December 31, 2019
Prepaid Taxes	$340,388	$214,802
Cash Liability for Taxes Collected in Advance	$340,388	$214,802

NOTE 16. RISK MANAGEMENT

The Town of Guttenberg is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained insurance coverage to guard against these events which will provide minimum exposure to the Town should they occur. During the year ended December 31, 2020, the Town did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Town of Guttenberg is a member of the New Jersey Intergovernmental Insurance Fund (the "NJIIF"). The NJIIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The Town of Guttenberg pays an annual assessment to the NJIIF and should it be determined that payments received by the NJIIF are deficient, additional assessments may be levied.

The NJIIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be sued to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The NJIIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program.

NOTE 16. **RISK MANAGEMENT, (continued)**

Financial statements for the Funds are available at the office of the Funds' Executive Director, New Jersey Intergovernmental Insurance Fund.

The Town of Guttenberg continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 17: **OTHER MATTERS**

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the State of Emergency and Public Health Emergency remains in effect. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Town of Guttenberg. The Town has identified several risks as a result of this pandemic, including possible delays in the collection of real estate taxes, revenue shortfalls in general permit revenue and cash flow shortages as a result of these delayed collections and increased health emergency costs. During 2020, the Town received reimbursement of health emergency costs associated with the pandemic from the Federal CARES Act funding provided to the State or County Governments.

In addition, during 2020 revenues of the Town were not materially affected.

NOTE 18. **SUBSEQUENT EVENT**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The estimated amount of federal aid available to the Town of Guttenberg is $1,092,440 which will be available for use until December 31, 2024. This amount will be distributed to the Town in two installments. The first installment within 120 days of the State receiving the funding from the Federal government and the second installment one year after the receipt of the first installment.

The Town has evaluated subsequent events through July 9, 2021, the date which the financial statements were available to be issued, and no other items were noted for disclosure.

SUPPLEMENTARY DATA

TOWN OF GUTTENBERG

Supplementary Data

Official in Office and Surety Bonds

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

Name	Title	Amount of bond	Name of corporate surety
Wayne Zitt	Mayor		
William Hokien	Councilman		
Richard Delafuente	Councilman		
Monica Fundora	Councilwoman		
Juana Malave	Councilwoman		
John D. Habermann	Councilman		
Michael Jimenez	Town Attorney		
Cosmo Cirillo	Town Administrator		
John Di Stefano	Director of Revenue & Finance	1,000,000	(A)
Vincent Buono	CFO/Tax Collector	1,000,000	(A)
Alberto Cabrera	Town Clerk		
Ann Setliff	Deputy Tax Collector		
Lilia Munoz	Municipal Court Judge	1,000,000	(A)
Charles Daglian	Municipal Court Judge	1,000,000	(A)
Ashley Mazure	Court Administrator	1,000,000	(A)
Bleydeliz Collado	Court Administrator		
Maria Rodriguez	Violations Clerk		
Martha Martinez	Violations Clerk		

(A) Coverage provided through the Garden State Municipal Joint Insurance Fund. Coverage is provided up to $1,000,000 per occurrence.

TOWN OF GUTTENBERG

Supplementary Data

Comparative Schedule of Tax Rate Information

	2020	2019	2018
Tax rate	3.861	3.830	3.727
Apportionment of tax rate:			
Local school	1.443	1.433	1.407
County	0.583	0.598	0.603
Municipal	1.835	1.799	1.717

Year Ended December 31,	Assessed Valuation
2020	$ 785,107,707
2019	790,403,519
2018	788,947,145

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 collection could be an indication of a probable increase in future tax levies.

Year Ended December 31,	Tax Levy	Cash Collections	Percentage of Collections
2019	$ 30,316,284	28,248,412	93.18%
2019	30,285,318	28,051,906	92.63%
2018	29,596,600	27,723,637	93.67%

TOWN OF GUTTENBERG

Supplementary Data

Delinquent Taxes and Tax Title Liens

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

Year Ended December 31,	Amount of tax title liens	Amount of delinquent taxes	Total delinquent	Percentage of tax levy
2020	321,532	1,811,225	2,132,757	7.04%
2019	266,235	2,038,911	2,305,146	7.61%
2018	116,456	2,000,145	2,116,601	7.15%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2020 by foreclosure or deed, as a result of liquidation of tax title liens.

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

Year		Amount
2020	$	None
2019		None
2018		None

Comparative Schedule of Fund Balances

	Year Ended December 31,		Year ended	Utilized in budget of succeding year
Current Fund:	2020	$	5,282,605	2,250,000
	2019		6,758,172	2,100,000
	2018		6,946,609	2,000,000
	2017		7,043,583	1,700,000
	2016		6,389,489	1,702,073

Exhibit A-4

TOWN OF GUTTENBERG

Schedule of Cash - Collector/Treasurer

Current Fund

Year Ended December 31, 2020

	Regular Fund	Federal and State Grant Fund
Balance - December 31, 2019	$ 8,560,073	118,079
Increased by receipts:		
Revenue accounts receivable	2,878,589	
Miscellaneous revenues not anticipated	346,465	
Taxes receivable	29,990,470	
Senior citizens and veterans deductions	13,260	
Prepaid Taxes	340,388	
Interfunds	251,592	
Tax Overpayments	133,311	
Various Reserves	11,125	
Grants Receivable		415,122
Due from Alcohol Education & Rehabilitation Trust Fund		988
Due to Current Fund		4,939
Deferred Charge - Due from Current		17,832
	33,965,200	438,881
	42,525,273	556,960
Decreased by disbursements:		
2020 budget appropriations	14,911,972	
2019 appropriation reserves	264,837	
Tax overpayment refunds	25,891	
Local district school tax	11,510,518	
County taxes	4,581,544	
County added taxes	2,012	
Various Reserves	189,729	
Interfunds	1,031,205	
Refunds	99,574	
Due to Current Fund		6,002
Appropriated Reserves		3,512
Transferred to Alcohol Education & Rehabilitation Trust		3,418
	32,617,282	12,932
Balance, December 31, 2020	$ 9,907,991	544,028

Exhibit A-5

TOWN OF GUTTENBERG

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2020

Year	Balance, Dec. 31,	2020 Levy	Added Taxes	Collected 2019	Collected 2020	Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2020
2018	$ 1,819				1,819				
2019	2,037,092		9,159		2,046,251				
	2,038,911		9,159		2,048,070				
2020		30,313,010	3,274	214,802	28,019,110	14,500	55,297	201,350	1,811,225
	$ 2,038,911	30,313,010	12,433	214,802	30,067,180	14,500	55,297	201,350	1,811,225

Overpayments Applied	76,710
Cash Receipts	29,990,470
	$ 30,067,180

Analysis of 2020 Tax Levy

Tax yield:	
General property tax	$ 30,313,010
Added tax (R.S.54:4-63.1 et seq.)	3,274
	$ 30,316,284
Tax levy:	
Local district school tax (abstract)	$ 11,321,822
County tax (abstract)	4,582,039
Local tax for municipal purpose (abstract)	14,402,444
Additional tax levies	9,979
	$ 30,316,284

Exhibit A-6

TOWN OF GUTTENBERG

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2020

		Balance, Dec. 31, 2019	Accrued in 2020	Collected	Balance, Dec. 31, 2020
Clerk:					
Licenses:					
Alcoholic beverages	$		41,250	41,250	
Other			134,622	134,622	
Fees and permits			90,230	90,230	
Construction Code Official-fees and permits			173,969	173,969	
Municipal Court fines and costs		46,606	590,588	599,859	37,335
Parking meters			271,928	271,928	
Interest and cost on taxes			342,467	342,467	
Interest on investments			270,812	270,812	
Board of Education - Shared Services			100,000	100,000	
Consolidated Municipal Property Tax Relief			104,973	104,973	
Energy Receipts Tax			653,802	653,802	
Time Warner			49,981	49,981	
Verizon			47,697	47,697	
Reserve for Payment of Debt			67,500	67,500	
Capital Fund Balance			200,000	200,000	
	$	46,606	3,139,819	3,149,090	37,335

Due from General Capital		267,500
Interest on Investments		3,001
Cash		2,878,589
	$	3,149,090

Exhibit A-7

TOWN OF GUTTENBERG

Schedule of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	29,607
Increased by:		
Senior citizens' and veterans' deductions per tax billings		14,500
		44,107
Decreased by:		
Cash received		13,260
Balance - December 31, 2020	$	30,847

Exhibit A-8

Schedule of (Prepaid) and Local District School Taxes Payable

Current Fund

Year Ended December 31, 2020

Increased by:		
2020 Levy	$	11,321,822
Decreased by:		
Cash Disbursed		11,510,518
Balance - December 31, 2020	$	(188,696)

Exhibit A-9

TOWN OF GUTTENBERG

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2020

Increased by:		
County Tax Levy	$	4,581,544
Decreased by:		
Cash Disbursed	$	4,581,544

Exhibit A-10

Schedule of Due County for Added and Omitted Taxes

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	2,012
Increased by:		
2020 Added Levy		495
		2,507
Decreased by:		
Cash Disbursed		2,012
Balance - December 31, 2020	$	495

Exhibit A-11

TOWN OF GUTTENBERG, N.J.

Schedule of 2019 Appropriation Reserves

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, 2019	Balance after Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS":				
Administrative and Executive	$ 4,081	4,081		4,081
Financial Administration	3,555	3,555		3,555
Collection of Taxes	5,166	5,166		5,166
Assessment of Taxes	2,877	2,877		2,877
Municipal Court	3,542	3,542		3,542
Planning Board	8,374	8,374		8,374
Police	17,844	24,944	21,935	3,009
Fire Inspector	7,419	7,419		7,419
Streets and Roads	22,352	9,442		9,442
Recreation	4,707	4,707		4,707
Senior Citizens Nutrition Program	4,478	4,478		4,478
Uniform Construction Code	8,777	8,777		8,777
License Inspector	871	871		871
Total Salaries and Wages Within "CAPS"	94,043	88,233	21,935	66,298
Other Expenses Within "CAPS":				
Administrative and Executive	11,972	17,730	17,645	85
Elections	3,552	3,552		3,552
Financial Administration	39,327	39,327	7,090	32,237
Collection of Taxes	2,251	2,251		2,251
Assessment of Taxes	9,313	9,313		9,313
Municipal Court	17,351	19,632	5,002	14,630
Legal Services	30,532	30,532	27,076	3,456
Public Buildings and Grounds	15,066	17,263	2,126	15,137
Engineering	11,471	11,471	6,213	5,258
Planning Board	3,490	3,490		3,490
Community Action Programs	500	500		500
Insurance - Other	3,151	3,271	399	2,872
Group Insurance for Employees	956	956		956
Police	21,962	29,216	15,238	13,978
Emergency Management	8	8		8
Fire Inspector	7,263	7,263	(164)	7,427
Streets and Roads	42,737	45,603	4,989	40,614
Recycling	4,475	4,475	1,598	2,877
Solid Waste & Garbage Removal	52,554	52,554	48,426	4,128
Snow Removal	34,625	34,625	4,382	30,243
Public Health Services	5,198	5,198		5,198
Recreation	15,641	15,843	1,218	14,625
Celebration of Public Events	4,632	5,320	681	4,639

Exhibit A-11

TOWN OF GUTTENBERG, N.J.

Schedule of 2019 Appropriation Reserves

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, 2019	Balance after Transfers	Paid or Charged	Balance Lapsed
Senior Citizens Nutrition Program	11,229	11,229		11,229
Senior Citizens Transportation	5,415	5,415	3,139	2,276
Senior Recreation Program	1,126	1,126		1,126
Uniform Construction Code	4,460	4,460		4,460
License Inspector	2,437	2,437		2,437
Electricity	8,765	8,765	7,531	1,234
Street Lighting	5,892	5,892		5,892
Telephone	4,454	4,949	2,196	2,753
Water	2,565	2,565		2,565
Fire Hydrant Service	17,344	17,344		17,344
Sewerage	16,579	16,579		16,579
Gasoline	10,529	10,529	6,636	3,893
Postage - All Departments	6,389	6,389	31	6,358
Technology	2,311	3,593	3,584	9
Contingent	6,125	6,125		6,125
Total Other expenses Within "CAPS"	443,647	466,790	165,036	301,754
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	4,562	4,562		4,562
DCRP	22	22		22
Total Deferred Charges and Statutory Expenditures Within "CAPS"	4,584	4,584		4,584
Total Reserves Within "CAPS"	542,274	559,607	186,971	372,636
Other Expenses Excluded From "CAPS":				
Tax Appeals			(1,655)	1,655
911 - Other Expenses	11	11		11
Stormwater Management	16,413	16,413		16,413
Guttenberg Board of Education				
Electric and Gas	7,341	7,341	4,521	2,820
Snow Removal	14,000	14,000		14,000
Security	34,626	34,626		34,626

Exhibit A-11

TOWN OF GUTTENBERG, N.J.

Schedule of 2019 Appropriation Reserves

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, 2019	Balance after Transfers	Paid or Charged	Balance Lapsed
North Hudson Regional Communication	156,600	156,600	75,000	81,600
North Hudson Regional Fire and Rescue	209,324	209,324		209,324
Library Services-North Bergen	2,227	2,227		2,227
Total Other Expenses Excluded from "CAPS"	440,542	440,542	77,866	362,676
Total Reserves Excluded from "CAPS"	440,542	440,542	77,866	362,676
Total Reserves	$ 982,816	1,000,149	264,837	735,312

Appropriation reserves	982,816
Encumbrances	17,333
	$ 1,000,149

Cash Disbursements	264,837
	$ 264,837

Exhibit A-12

TOWN OF GUTTENBERG

Schedule of Reserve for Encumbrances

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	17,333
Increased by:		
2020 Encumbrances		212,675
		230,008
Decreased by:		
Transferred to appropriation reserves		17,333
Balance - December 31, 2020	$	212,675

Exhibit A-13

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019			$	145,149
Increased by:				
Cash Receipts				133,311
				278,460
Decreased by:				
Cash Disbursements	$	25,891		
Liabilities Cancelled		36,241		
Overpayments Applied		76,710		
				138,842
Balance - December 31, 2020			$	139,618
		2019 Overpayments		36,576
		2020 Overpayments		103,042
			$	139,618

Exhibit A-14

TOWN OF GUTTENBERG

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	214,802
Increased by:		
Prepaid Taxes Collected		340,388
		555,190
Decreased by:		
Applied to 2020 Taxes		214,802
Balance - December 31, 2020	$	340,388

Exhibit A-15

Schedule of Amount Due to the Hudson County Treasurer - Court Fines and Costs

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	6,764
Balance - December 31, 2020	$	6,764

Exhibit A-16

TOWN OF GUTTENBERG

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2020

		Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
Trust Funds:					
Animal License Trust Fund	$	1,642	898	1,771	769
CDBG Trust Fund		197	183	197	183
Unemployment Compensation Trust				220	(220)
Other Trust Fund - Redemption Account		221	1,564	18,263	(16,478)
Other Trust Fund		(2,131)	27,821	28,351	(2,661)
Escrow Trust Fund		29	139	29	139
POAA Trust Fund		82		211	(129)
Alcohol Education & Rehabiliation Trust		5		106	(101)
Fire Prevention Trust Fund				375	(375)
General Capital Fund		210,152	359,467	310,508	259,111
Federal and State Grant Fund		(2,296)	1,027,261	11,110	1,013,855
	$	207,901	1,417,333	371,141	1,254,093

		Increased	Decreased
Interfunds Returned - Cash Receipts	$		212,324
Cash Receipts			38,768
Reimburse for expenses paid in error		3,232	3,452
Cash Disbursements		1,031,205	
Marriage License fees collected due Trust			500
Budget Appropriation - Matching Funds for Grants			2,426
Budgeted Revenue		267,500	
Statutory Excess		779	
Interest Earned		114,617	113,671
	$	1,417,333	371,141

Exhibit A-17

TOWN OF GUTTENBERG

Schedule of Due from/(to) Current Fund

Federal and State Grant Fund

Year Ended December 31, 2020

Balance - December 31, 2019			$	2,296
Increased by:				
Unappropriated Grants	$	2,682		
Cash Disbursements		2,584		
Deposit Error		3,418		
Matching Funds		2,426		
				11,110
				13,406
Decreased by:				
Grant Expenditures		1,022,322		
Cash Receipts		2,296		
Interest on Investments		2,643		
				1,027,261
Balance - December 31, 2020			$	(1,013,855)

Exhibit A-18

Schedule of Due from/(to) Alcohol Education & Rehabilitation Trust Fund

Federal and State Grant Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	988
Decreased by:		
Cash Receipts	$	988

Exhibit A-19

TOWN OF GUTTENBERG

Schedule of Various Reserves

Current Fund

Year Ended December 31, 2020

		Balance, Dec. 31, 2019	Increased	Decreased	Balance, Dec. 31, 2020
Reserve for:					
Pension Deferral	$	228,137			228,137
Revaluation		17,130			17,130
Library Contribution - North Bergen		20,554			20,554
State Library Aid		6,419	4,843		11,262
Tax Appeals		185,966	62,000	183,447	64,519
DCA Fees Payable			6,282	6,282	
	$	458,206	73,125	189,729	341,602

		Increased	Decreased
Cash Receipts		11,125	
Cash Disbursements			189,729
Transfer from 2020 Budget Appropriations		62,000	
	$	73,125	189,729

Exhibit A-20

TOWN OF GUTTENBERG

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	266,235
Increased by:		
Transferred from taxes receivable		55,297
Balance - December 31, 2020	$	321,532

Exhibit A-21

TOWN OF GUTTENBERG

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2020

Purpose		Balance, Dec. 31, 2019	2020 Budget Revenue Realized	Received	Balance, Dec. 31, 2020
Clean Communities	$	640	15,624	15,624	640
CARES Act			1,037,377	379,423	657,954
Drunk Driving Enforcement Fund		3,033			3,033
Urban Enterprise Zone - Remaining Balance		4,490			4,490
Municipal Alliance		9,655	9,704		19,359
Summer Food Program			36,657	27,722	8,935
Recreation Opportunities for Individuals with Disabiliti		33,332			33,332
National Endowment for the Arts - Promotion of the Arts Grant		25,000			25,000
ML Tarantino Community Policing Grant		4,747			4,747
Body Armor Replacement Grant			2,425	2,425	
Recycling Tonnage Grant			28,914	28,914	
Alcohol Education and Rehabilitation Grant			3,418	3,418	
Drive Sober or Get Pulled Over		125			125
	$	81,022	1,134,119	457,526	757,615

Unappropriated Grant Reserves		42,404
Cash Receipts		415,122
	$	457,526

Exhibit A-22

TOWN OF GUTTENBERG

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2020

Purpose		Balance, Dec. 31, 2019	Budget Appropriations	Expended	Balance, Dec. 31, 2020
Highway Safety Grant	$	390			390
Summer Food Program		512			512
Urban Enterprise Zone - Remaining Funds		449			449
Municipal Alliance			9,704		9,704
Municipal Alliance - Match			2,426		2,426
Municipal Alliance - Match		2,414			2,414
Municipal Alliance		1,677			1,677
Municipal Alliance - Match		2,414			2,414
Municipal Alliance - Match		1,757			1,757
CARES Act			1,037,377	1,037,377	
Summer Food Program			36,657		36,657
Body Armor Replacement Fund		373			373
Body Armor Replacement Fund			2,425		2,425
Drive Sober or Get Pulled Over		1,591		1,307	284
Body Armor Replacement Fund		1,760			1,760
Clean Communities Grant			15,624		15,624
Alcohol Education and Rehabilitation Grant			3,418	3,418	
National Endowment for the Arts - Promotion of the Arts Grant		3,373			3,373
ML Tarantino Policing Grant		4,747			4,747
Recreation Opportunities for Individuals with Disab		31,265			31,265
Clean Communities Grant		12,833		2,205	10,628
Municipal Alliance - 7/1/19-6/30/20		9,655			9,655
Municipal Alliance - Match		2,414			2,414
Summer Food Program		1,505			1,505
Body Armor Replacement Fund		2,684			2,684
FM Global Fire Prevention Grant		1,000			1,000
Recycling Tonnage Grant			28,914		28,914
	$	82,813	1,136,545	1,044,307	175,051

Adopted Budget		52,110
Matching Appropriations		2,426
Added by N.J.S.A. 40A:4-87		1,082,009
	$	1,136,545

Transferred to Alcohol Education & Rehabilitation Trust Fund		3,418
Encumbrances Payable		15,055
Due to Current		1,022,322
Cash Disbursements		3,512
	$	1,044,307

Exhibit A-23

TOWN OF GUTTENBERG

Schedule of Unappropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2020

Purpose		Balance, Dec. 31, 2019	Received	Appropriated in 2020 Budget	Balance, Dec. 31, 2020
Body Armor Replacement Fund	$	2,425	2,682	2,425	2,682
Recycling Tonnage Grant		28,913		28,913	
Summer Food Program		11,066		11,066	
	$	42,404	2,682	42,404	2,682

Due from Current Fund		2,682
	$	2,682

Exhibit B-1

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2020

	Animal License Fund	Unemployment Compensation Fund	Community Development Block Grant	Other Trust Funds
Balance - December 31, 2019	$ 6,271	45,113	11,037	1,746,424
Increased by:				
Employee payroll deductions		10,586		
Budget Appropriation		20,000		
Dog License Fees	1,527			
State Fees	178			1,375
Interest Earned on investments	119	882	183	22,937
Interfunds				6,587
Intrafund				46
Miscellaneous Reserves				1,526,995
	1,824	31,468	183	1,557,940
	8,095	76,581	11,220	3,304,364
Decreased by:				
State Fees	212			3,125
Interfunds	1,771	220	197	31,082
Animal license expenditures	436			
Unemployment Claims payable		5,863		
Miscellaneous Reserves				1,276,679
	2,419	6,083	197	1,310,886
Balance - December 31, 2020	$ 5,676	70,498	11,023	1,993,478

Exhibit B-2

TOWN OF GUTTENBERG

Schedule of Reserve for Expenditures

Animal License Fund

Year Ended December 31, 2020

Balance - December 31, 2019			$	4,574
Increased by:				
Dog License Fees				1,527
				6,101
Decreased by:				
Reserve Expenditures	$	436		
Statutory Excess		779		
				1,215
Balance - December 31, 2020			$	4,886

Dog License Fees Collected		
2018		2,308
2019		2,578
	$	4,886

Exhibit B-3

TOWN OF GUTTENBERG

Schedule of Due to State of New Jersey-
Animal License Fees

Animal License Trust Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	55
Increased by:		
2020 Fees Collected		178
		233
Decreased by:		
Paid to State Treasurer		212
Balance - December 31, 2020	$	21

Exhibit B-4

TOWN OF GUTTENBERG

Schedule of Community Development Block Grants Receivable

Community Development Block Grant Trust Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	224,500
Increased by:		
Grant Awarded		91,820
Balance - December 31, 2020	$	316,320

Analysis of Balance		
70th Street Improvements - 3-03K1-17		67,000
70th St. Sewer Improvements - 3-03K1-18		72,000
Traffic Signal Upgrades - 3-03K1-19		85,500
Traffic Signal Improvementss - 3-03K1-20		91,820
	$	316,320

Exhibit B-5

Schedule of Reserve for Community Development Block Grants Expenditures

Community Development Block Grant Trust Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	235,340
Increased by:		
Grant Awarded		91,820
Balance - December 31, 2020	$	327,160

Exhibit B-6

TOWN OF GUTTENBERG

Schedule of Amount Due to State of New Jersey

Other Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019			$	3,129
Increased by:				
Cash Receipts	$	1,375		
Due from Current Fund		500		
				1,875
				5,004
Decreased by:				
Cash Disbursements				3,125
Balance - December 31, 2020			$	1,879

Analysis of Balance		
Marriage License Fees - 1st Quarter of 2015		600
Marriage License Fees - 3rd Quarter of 2015		25
Marriage License Fees - 4th Quarter of 2015		525
Marriage License Fees - 2nd Quarter of 2020		25
Marriage License Fees - 4th Quarter of 2020		450
DCA Fees - 2012		254
	$	1,879

Exhibit B-7

TOWN OF GUTTENBERG

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2020

		Balance Due from/(to) Dec. 31, 2019	Increased	Decreased	Balance, from/(to) Dec. 31, 2020
Animal License Fund:					
Current Fund	$	(1,642)	898	1,771	(769)
Community Development Block Grant Fund:					
Current Fund		(197)	183	197	(183)
Unemployment Compensation Trust Fund:					
Current Fund				220	220
Other Trust Fund:					
Escrow Trust - Current Fund		(29)	139	29	(139)
Current Fund - Redemption Account		(221)	1,564	18,263	16,478
Current Fund		2,131	27,821	28,351	2,661
POAA Trust			46		(46)
Alcohol Education & Rehabilitation Trust Fund:					
Current Fund		(5)		106	101
Federal and State Grant Fund		(988)		988	
Fire Prevention Trust Fund:					
Current Fund				375	375
POAA Trust Fund:					
Other Trust				46	46
Current Fund		(82)		211	129
	$	(1,033)	30,651	50,557	18,873

		Increased	Decreased
Cash Receipts	$	6,633	
Cash Disbursements			33,270
Statutory Excess		779	
Due from Current - Deposit Error			16,741
Due from Other Trust - Deposit Error			46
Due from Current - Marriage License Fees			500
Interest on Investments		23,239	
	$	30,651	50,557

Exhibit B-8

TOWN OF GUTTENBERG

Schedule of Miscellaneous Reserves

Other Trust Funds

Year Ended December 31, 2020

	Balance, Dec. 31, 2019	Increased	Decreased	Balance, Dec. 31, 2020
Reserve for:				
Tax Redemptions	$ 51,059	393,091	409,891	34,259
Snow Removal	175,000			175,000
P.O.A.A.	37,967	4,966		42,933
Law Enforcement Trust	145,933	2,156	54,345	93,744
Alcohol Education Rehab	23,186	3,875		27,061
Recreation Trust	82,193	9,599	12,512	79,280
Annual Celebrations	13,213			13,213
Sewer Improvements	4,500			4,500
Fire Prevention	15,775	3,901	500	19,176
Builders Escrow Deposits	99,891	86,718	106,737	79,872
Police Special Detail	263,529	231,952	431,294	64,187
Public Defender	16,095	5,545		21,640
Asset Forfeitures - Equitable Sharing				
Justice	375	3,852		4,227
Treasury	399	7		406
Senior Citizens	6,986			6,986
Tax Sale Premiums	808,000	771,100	261,400	1,317,700
Food Pantry		500		500
Accumulated Leave		15,000		15,000
Performance Bond		11,520		11,520
	$ 1,744,101	1,543,782	1,276,679	2,011,204
Cash Receipts		1,526,995		
Cash Disbursements			1,276,679	
Intrafund		46		
Interfund		16,741		
		$ 1,543,782	1,276,679	

Exhibit B-9

TOWN OF GUTTENBERG

Schedule of Reserve for Unemployment Compensation Insurance

Unemployment Insurance Compensation Trust

Year Ended December 31, 2020

Balance - December 31, 2019			$	45,113
Increased by:				
Employee Payroll Deductions	$	10,586		
Interest earnings		882		
Budget Appropriation		20,000		
				31,468
				76,581
Decreased by:				
Payment of Unemployment Insurance Claims				5,863
Balance - December 31, 2020			$	70,718

Exhibit C-2

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019			$	5,932,286
Increased by receipts:				
Premium on Sale of Notes	$	111,229		
Deferred Charges - Unfunded		100,000		
Due to/(from) Current Fund		91,967		
Reserve for Green Acres		914		
Bond Anticipation Notes		7,450,000		
				7,754,110
				13,686,396
Decreased by disbursements:				
Due to/(from) Current Fund		310,508		
Bond Anticipation Notes		5,545,000		
Improvement Authorizations		1,584,335		
				7,439,843
Balance - December 31, 2020			$	6,246,553

Exhibit C-3

TOWN OF GUTTENBERG

Schedule of General Capital Fund Cash

General Capital Fund

Year Ended December 31, 2020

Capital Improvement Fund		$	1,093,058
Reserve for Payment of Debt			2,990,906
Grants Receivable - NJ Department of Transportation			(1,990,000)
Grant Receivable - Hudson County Open Space			(815,218)
Grant Receivable - State of NJ, Green Acres Program			(64,172)
Grant Receivable - State of NJ, Educational Facilities Construction			(182,587)
Grant Receivable - Hudson County Community Development			(177,320)
Reserve for Grants Receivable			2,487,805
Reserve for Bid Deposit			12,844
Due to Current Fund			259,111
Due from Board of Education			(42,182)
Reserve for Green Acres			1,014
Fund Balance			220,779
	Improvement description		
6-2008/18-2012/ 26-2013/16-2014	Improvements to Waterfront Park		(13,518)
08-2011	Various Capital Improvements		(161,016)
2-2012/8- 2018/28-2018	Construction of Building and Imps. to the Anna L. Klein School for Community, Recreational and Educational Purposes		341,150
17-2012/3-2013	Improvements to 68th Street, Sec. 4		45,778
25-2013	Various Street Improvements		60,149
27-2013	Sewer Repairs - Broadway & 70th Street		18,300
13-2014	Improvements to 69th Street		41,417
16-2015/26- 2017/24-2019	Various Capital Improvements		1,145,006
7-2016	Acquisition and Installation of a Generator		35,612
22-2017	70th Street Road and Related Sewer Imps.		17,057
20-2018	Renovation of Monument Park		12,445
21-2018/14-2019	Renovations to Veteran's Park		44,353
25-2018	Sewer Improvements		629,387
12-2019	Road Imps. to Broadway & Bellevue		58,182
31-2019	Acquisition and Imps. to 506 70th Street - Park Development		189,394
28-2020	Traffic Signal & Road Improvements		(11,181)
		$	6,246,553

Exhibit C-4

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019		$ 18,602,712
Decreased by:		
Budget appropriations:		
Serial Bonds	$ 605,000	
Green Acres Loan	34,966	
		639,966
Balance - December 31, 2020		$ 17,962,746

Exhibit C-5

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2020

Ordinance number	Improvement description	Balance, Dec. 31, 2019	2020 Authorizations	Decreased by:	Balance, Dec. 31, 2020	Analysis of Balance December 31, 2020 — Funded by Bond Anticipation Notes	Expenditures	Unexpended improvement authorization
03-2010	Improvements to 71st Street, Sec. 4	$ 27,438		27,438				
08-2011	Various Capital Improvements	210,263		49,247	161,016		161,016	
2-2012	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes	666			666			666
17-2012	Improvements to 68th Street, Section 4	125,519			125,519		16,601	108,918
16-2014	Improvements to Waterfront Park	111,667		23,315	88,352		13,518	74,834
26-2017	Various Capital Improvements	2			2			2
7-2016	Acquisition and Installation of a Generator							
22-2017	70th Street Road and Sewer Imps.	455,000			455,000	455,000		
08-2018	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes	1,425,000			1,425,000	1,425,000		
20-2018	Renovation of Monument Park	201,400			201,400	201,400		
21-2018	Renovations to Veteran's Park	902,500			902,500	897,600		4,900
25-2018	Sewer Improvements	1,900,000			1,900,000	1,900,000		
28-2018	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes	666,000			666,000	666,000		
12-2019	Road Imps. to Broadway & Bellevue	360,000			360,000	360,000		
24-2019	Various Capital Improvements	1,310,050			1,310,050	1,310,000		50
31-2019	Acquisition & Improvements to 506 70th Street - Park Development	237,500			237,500	235,000		2,500
28-2020	Traffic Signal and Road Improvements		1,700,000		1,700,000		11,181	1,688,819
		$ 7,933,005	1,700,000	100,000	9,533,005	7,450,000	202,316	1,880,689
	Budget Appropriation - Deferred Charges Unfunded			100,000				
				$ 100,000				

Improvement Authorizations - Unfunded		4,317,663
Less: Unexpended note proceeds		
Ord. 2-2012/28-2018	363,830	
Ord. 22-2017	17,057	
Ord. 20-2018	12,445	
Ord. 21-2018/14-2019	44,353	
Ord. 25-2018	629,387	
Ord. 12-2019	58,182	
Ord. 24-2019	1,122,326	
Ord. 31-2019	189,394	
		2,436,974
		$ 1,880,689

Exhibit C-6

TOWN OF GUTTENBERG

Schedule of Grants Receivable
Hudson County Open Space Trust Fund

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	315,218
Increased by:		
Grant Awards		500,000
Balance - December 31, 2020	$	815,218

Analysis of Balance		
Ord. 24-2019		218,000
Ord. 31-2019		97,218
Ord. 35-2020		500,000
	$	815,218

Exhibit C-7

Schedule of Grants Receivable - State of New Jersey
Department of Transportation

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	515,000
Increased by:		
Grant Awards		1,475,000
Balance - December 31, 2020	$	1,990,000

Analysis of Balance		
Ord. 12-2019: Imps. to Broadway and Bellevue		240,000
Ord. 22-2017: 70th Street Road and related Sewer Imps.		275,000
Ord. 28-2020: Park Avenue Traffic Signal		775,000
Ord. 28-2020: Bergenline Traffic Signal		700,000
	$	1,990,000

Exhibit C-8

TOWN OF GUTTENBERG

Schedule of Grants Receivable - State of New Jersey
Green Acres Program

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	64,172
Balance - December 31, 2020	$	64,172

Analysis of Balance		
Ord. 6-2008/18-2012: Improvements to Waterfront Park	$	64,172

Exhibit C-9

Schedule of Grants Receivable - State of New Jersey
Section 15 Educational Facilities Construction
Financing Act Grant - Ord. 2-2012

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	182,587
Balance - December 31, 2020	$	182,587

Exhibit C-10

TOWN OF GUTTENBERG

Schedule of Grants Receivable - Hudson County Community Development Block Grant

General Capital Fund

Year Ended December 31, 2020

Increased by:		
Grant Awards	$	177,320
Balance - December 31, 2020	$	177,320
Analysis of Balance		
Ord. 36-2020 - Sewer Improvements		91,820
Ord. 36-2020 - Sewer Improvement		85,500
	$	177,320

Exhibit C-11

Schedule of Amount Due from the Guttenberg Board of Education

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	62,750
Decreased by:		
Charged to Improvement Authorizations		20,568
Balance - December 31, 2020	$	42,182

Exhibit C-12

TOWN OF GUTTENBERG

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2020

Purpose	Date of issue	Original issue	Maturities of bonds outstanding Date	Maturities of bonds outstanding Amount	Interest rate	Balance, Dec. 31, 2019	Decreased	Balance, Dec. 31, 2020
General Obligation Bonds	Jun. 7, 2018	19,150,000	Aug. 1, 2021	605,000	5.00%	$ 18,550,000	605,000	17,945,000
			Aug. 1, 2022	605,000	5.00%			
			Aug. 1, 2023	605,000	5.00%			
			Aug. 1, 2024	605,000	5.00%			
			Aug. 1, 2025	620,000	5.00%			
			Aug. 1, 2026	620,000	5.00%			
			Aug. 1, 2027	650,000	5.00%			
			Aug. 1, 2028	680,000	5.00%			
			Aug. 1, 2029	715,000	4.00%			
			Aug. 1, 2030	745,000	4.00%			
			Aug. 1, 2031	770,000	4.00%			
			Aug. 1, 2032	805,000	4.00%			
			Aug. 1, 2033	835,000	4.00%			
			Aug. 1, 2034	870,000	3.25%			
			Aug. 1, 2035	895,000	3.50%			
			Aug. 1, 2036	930,000	3.50%			
			Aug. 1, 2037	960,000	3.50%			
			Aug. 1, 2038	995,000	3.50%			
			Aug. 1, 2039	1,030,000	5.00%			
			Aug. 1, 2040	1,080,000	5.00%			
			Aug. 1, 2041	1,135,000	5.00%			
			Aug. 1, 2042	1,190,000	5.00%			
						$ 18,550,000	605,000	17,945,000

Exhibit C-13

TOWN OF GUTTENBERG

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	1,093,058
Balance - December 31, 2020	$	1,093,058

Exhibit C-14

Schedule of Interfund Payable - Due to Current Fund

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019			$	210,152
Increased by:				
Interest on Investments	$	88,735		
Budget Revenue due Current		267,500		
Unexpended Budget Appropriation - Interest on Bond Anticipation Notes		3,232		
				359,467
				569,619
Decreased by:				
Cash Disbursements				310,508
Balance - December 31, 2020			$	259,111

Exhibit C-15

TOWN OF GUTTENBERG

Schedule of Bid Bond Deposits

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	12,844
Balance - December 31, 2020	$	12,844

Exhibit C-16

Schedule of Reserve for Payment of Debt

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	3,058,406
Decreased by:		
Utilized as Budget Revenue		67,500
Balance - December 31, 2020	$	2,990,906

Ord. 7-2016 - Bonds	159,048
Ord. 17-2012 - Notes	21,366
l. 2-2012 - State Educational Facilities Construction Financing - Bonds	1,965,956
Ord. 22-2017 - Notes	180,000
Ord. 20-2018 - Notes	164,536
Ord. 21-2018 - Notes	500,000
	$ 2,990,906

Exhibit C-17

TOWN OF GUTTENBERG

Schedule of Reserve for Grants Receivable

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	1,012,805
Increased by:		
Grants Awarded not Appropriated		1,475,000
Balance - December 31, 2020	$	2,487,805

Ord. 24-2019: Hudson County Open Space		218,000
Ord. 31-2019: Hudson County Open Space		97,218
Ord. 22-2017: Department of Transportation		275,000
Ord. 12-2019: Department of Transportation		240,000
Ord. 28-2020: Department of Transportation		775,000
Ord. 28-2020: Department of Transportation		700,000
Ord. 2-2012: Sec. 15 Educational Facilities Construction Financing Grant		182,587
	$	2,487,805

Exhibit C-18

Schedule of Reserve for Green Acres

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	$	100
Increased by:		
Interest Earnings		914
Balance - December 31, 2020	$	1,014

Exhibit C-19

TOWN OF GUTTENBERG

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2020

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2019 Funded	Balance, Dec. 31, 2019 Unfunded	Authorized	Expended	Balance, Dec. 31, 2020 Funded	Balance, Dec. 31, 2020 Unfunded
6-2008/18-2012/26-2013/16-2014	Improvements to Waterfront Park	Mar. 24, 2008	450,000	$	88,352		13,518		74,834
2-2012/2-2018/28-2018	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreation and Educational Purposes	May 29, 2012 Mar. 28, 2018 Nov. 28, 2018	20,335,000 1,500,000 700,000		385,064		20,568		364,496
17-2012/3-2013	Imprs. to 68th Street, Section 4	Oct. 22, 2012 Feb. 25, 2013	250,000 120,000	62,379	108,918			62,379	108,918
25-2013	Various Street Improvements	Sept. 23, 2013	850,000	60,149				60,149	
27-2013/1-2015	Sewer Repairs - Broadway & 70th Street	Dec. 30, 2013 Feb. 23, 2015	744,680 400,000	17,758			(542)	18,300	
13-2014	Improvements to 69th Street	Oct. 14, 2014	470,000	42,832			1,415	41,417	
16-2015/20-2015/26-2017/24-2019/35-2020	Various Capital Improvements	Oct. 26, 2015, Nov. 27, 2017, Oct. 30, 2019, Dec. 28, 2020	4,676,500	229,522	1,310,050	500,000	917,194		1,122,378
7-2016	Acq. and Installation of a Generator	Apr. 25, 2016	180,000	35,612				35,612	
22-2017	70th Street Road and related Sewer Imps.	Oct. 23, 2017	650,000		89,074		72,017		17,057
20-2018	Renovations to Monument Park	Sept. 7, 2018	212,000		12,445				12,445
21-2018/14-2019	Renovations to Veteran's Park	Sept. 7, 2018, June. 24, 2019	725,000		106,305		57,052		49,253
25-2018/36-2020	Sewer Improvements	Oct. 29, 2018 Dec. 28, 2020	2,000,000		848,944	177,320	396,877		629,387
12-2019	Road Improvements to Broadway & Bellevue	Jun. 24, 2019	360,000		115,699		57,517		58,182
31-2019	Acquisition/Improvements to 506 70th Street - Park Development	Dec. 27, 2019	250,000	12,500	237,500		58,106		191,894
28-2020	Traffic Signal and Road Improvements	Dec. 28, 2020	1,700,000			1,700,000	11,181		1,688,819
				$ 460,752	3,302,351	2,377,320	1,604,903	217,857	4,317,663

Grants Receivable	677,320
Deferred Charges Unfunded	1,700,000
	$ 2,377,320

Cash Disbursements	1,584,335
Due to the Board of Education	20,568
	$ 1,604,903

Exhibit C-20

TOWN OF GUTTENBERG

Schedule of Green Acres Loans Payable

General Capital Fund

Year Ended December 31, 2020

Purpose	Date of issue	Original issue	Maturities of Loans Outstanding Date	Maturities of Loans Outstanding Amount	Interest rate	Balance, Dec. 31, 2019	Decreased	Balance, Dec. 31, 2020
Ball Field Project No. 0903-94-052	3/11/2005	475,200	1/11/2021	17,746	2.00%	$ 52,712	34,966	17,746
						$ 52,712	34,966	17,746

Exhibit C-21

TOWN OF GUTTENBERG

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2020

Ord. Number	Purpose	Date of original issue	Original issue	Date of Maturity	Interest rate	Balance, Dec. 31, 2019	Increased	Decreased	Balance, Dec. 31, 2020
22-2017	70th Street Road and related Sewer Imps.	Oct. 24, 2019	455,000	Oct. 21, 2020	2.00%	455,000	455,000	455,000	455,000
8-2018	Amend 2-2012: Building Imps. - Anna L. Klein	Oct. 24, 2019	1,425,000	Oct. 21, 2020	2.00%	1,425,000	1,425,000	1,425,000	1,425,000
20-2018	Renovation of Monument Park	Oct. 24, 2019	201,400	Oct. 21, 2020	2.00%	201,400	201,400	201,400	201,400
21-2018/14-2019	Renovations to Veteran's Park	Oct. 24, 2019	897,600	Oct. 21, 2020	2.00%	897,600	897,600	897,600	897,600
25-2018	Sewer Improvements	Oct. 24, 2019	1,900,000	Oct. 21, 2020	2.00%	1,900,000	1,900,000	1,900,000	1,900,000
28-2018/2-2012	Amend 2-2012: Building Imps. - Anna L. Klein	Oct. 24, 2019	666,000	Oct. 21, 2020	2.00%	666,000	666,000	666,000	666,000
12-2019	Road Improvements to Broadway & Bellevue	Oct. 20, 2020	360,000	Oct. 21, 2020	2.00%		360,000		360,000
24-2019	Various Capital Improvements	Oct. 20, 2020	1,310,000	Oct. 21, 2020	2.00%		1,310,000		1,310,000
31-2019	Acquisition/Improvemens to 506 70th Street	Oct. 20, 2020	235,000	Oct. 21, 2020	2.00%		235,000		235,000
						$ 5,545,000	7,450,000	5,545,000	7,450,000
						Cash	1,905,000		
						Renewed	5,545,000	5,545,000	
							$ 7,450,000	5,545,000	

Exhibit C-22

TOWN OF GUTTENBERG

Schedule of Bonds and Notes Authorized Not Issued

General Capital Fund

Year Ended December 31, 2020

Ordinance number	Improvement description	Balance, Dec. 31, 2019	Authorized	Decreased by:	Balance, Dec. 31, 2020
03-2010	Improvements to 71st Street	$ 27,438		27,438	
08-2011	Various Capital Improvements	210,263		49,247	161,016
2-2012	Construction of Building and Imps. To the Anna L. Klein School for Community Recreational and Educational purposes	666			666
17-2012	Improvements to 68th Street, Sec. 4	125,519			125,519
16-2014	Supplemental Approp: Waterfront Park, Phase I	111,667		23,315	88,352
26-2017	Additional Appropriation: Ord. 16-2015	2			2
21-2018	Renovations to Veteran's Park	4,900			4,900
12-2019	Road Improvements to Broadway & Bellevue	360,000		360,000	
24-2019	Various Capital Improvements	1,310,050		1,310,000	50
31-2019	Acquisition/Improvements to 506 70th Street - Park Development	237,500		235,000	2,500
28-2020	Traffic Signal and Road Improvements		1,700,000		1,700,000
		$ 2,388,005	1,700,000	2,005,000	2,083,005

Budget Appropriation - Deferred Charges - Unfunded	100,000
Bond Anticipation Notes Issued	1,905,000
	$ 2,005,000

TOWN OF GUTTENBERG

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Town of Guttenberg in the County of Hudson as of and for the year ended December 31, 2020 and the related notes to the financial statements, and have issued our report thereon dated July 9, 2021, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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

Honorable Mayor and
Members of the Town Council
Page 2.

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.

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Town of Guttenberg in the accompany comments and recommendations section of this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Guttenberg's financial statements-regulatory basis are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 2020-001.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Town of Guttenberg in the accompanying comments and recommendations section of this report.

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 Town of Guttenberg internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Guttenberg internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

W&CO

July 9, 2021

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08

The Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Town of Guttenberg in the County of Hudson compliance with the types of compliance requirements described in the OMB Compliance Supplement and N.J. Office of Management and Budget (OMB) Circular 15-08 Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2020. The Town of Guttenberg's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Guttenberg's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit*

Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of Guttenberg's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the Town of Guttenberg's compliance.

Basis for Qualified Opinion on U.S. Department of the Treasury - Coronavirus Aid, Relief and Economic Security Act

As described in the accompanying schedule of findings and questioned costs, the Town of Guttenberg did not comply with requirements regarding the U.S. Department of the Treasury - Coronavirus Aid, Relief and Economic Security Act as described in finding 2020-002 for Activities Allowed/Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the Town of Guttenberg to comply with the requirements applicable to that program.

Qualified Opinion on U.S. Department of the Treasury - Coronavirus Aid, Relief and Economic Security Act

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Town of Guttenberg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the U.S. Department of the Treasury - Coronavirus Aid, Relief and Economic Security Act for the year ended December 31, 2020.

Unmodified Opinion on Each of the Other Major Federal and State Programs

In our opinion, the Town of Guttenberg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and N.J. OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as item 2020-002. Our opinion on each federal and state program is not modified with respect to these matters.

The Town of Guttenberg's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town of Guttenberg's response was not subjected to the auditing procedures applied in the audit of noncompliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness. Please note that other significant deficiencies and material weaknesses may exist that have not been identified.

W&CO

Honorable Mayor and
Members of the Town Council
Page 4.

The Town of Guttenberg's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Guttenberg's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and NJ OMB Circular 15-08

We have audited the financial statements of the Town of Guttenberg, New Jersey as of and for the year ended December 31, 2020, and have issued our report thereon dated July 9, 2021, which contained an unmodified opinion on those financial statements on a regulatory basis. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and the Uniform Guidance and NJ OMB Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and State financial assistance are fairly stated in all material respects in relation to the financial statements taken as a whole.

Steven D. Wielkotz
Registered Municipal Accountant
No. 413

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 9, 2021

TOWN OF GUTTENBERG

Schedule of Expenditures of Federal Awards

Year ended December 31, 2020 and 2019

Federal grantor	Program	CFDA number	FAIN number	Grant or State Project number	Grant period	Award Amount	Cash Received	Expenditures	Adjustment/ Cancelled	(MEMO) Cumulative Expenditures
Current Fund:										
Department of Transportation	State and Community Highway Safety									
	National Highway Traffic Safety Program									
	Alcohol Impaired Driving Countermeasures Incentive Grant									
	Drive Sober or Get Pulled Over	20.601			2015	5,000	$			5,000
	Drive Sober or Get Pulled Over	20.601			2016	5,000		1,307		4,716
	Drive Sober or Get Pulled Over	20.601			2016	5,000				5,000
(1) U.S. Department of the Treasury Coronavirus Aid, Relief and Economic Security Act	CARES Act	21.019			2020	1,037,377	379,423	1,037,377		1,037,377
National Endowment for the Arts	Promotion of the Arts Partnership Agreements	45.024			9/1/17-9/30/18	25,000				21,627
Department of Agriculture	Summer Food Program	10.559			2014	23,703				23,191
		10.559			2019	19,659				18,154
					2020	25,591	16,655			
	Total Federal and State Grant Fund						396,078	1,038,684		
Trust Funds:										
U.S. Department of Justice	Equitable Sharing Program	16.922			2020		3,835		15	
U.S. Department of Treasury	Equitable Sharing Program	21.016			2020				7	
	Total Trust Funds						3,835		22	
General Capital Fund:										
Community Development Block Grant Trust Fund:										
Department of Housing and Urban Development (passed through County of Hudson):	Community Development Block Grant:									
	3-03K1-20 Traffic Signal Improvements (Sewer)	14.218		Ord. 36-2020	2020	91,820				
	3-03K1-19 Traffic Signal Improvements (Sewer)	14.218		Ord. 36-2020	2019	85,500				
	3-03J1-18 Sewer Improvements	14.218			2018	72,000				
	3-03K1-17 70th Street Improvements	14.218		Ord. 22-2017	2017-18	67,000				
	Total Community Development Trust Fund									
Total Federal Financial Assistance							$ 399,913	1,038,684	22	

Note: This schedule was subject to an audit in accordance with the Uniform Guidance.

Schedule 2

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2020 and 2019

State grantor	Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	(MEMO) Cumulative Expenditures
Federal and State Grant Fund:							
Department of Commerce & Economic Development	Urban Enterprise Zone Assistance Fund		2011	$ 24,038			23,588
Department of Community Affairs Office of Recreation	Recreation Opportunities for Individuals with Disabilities		2019	16,666			
			2018	16,666			2,067
Office of the Attorney General	Community Policing Initiative - Tarantino Grant		2018	4,747			
Department of Environmental Protection	Recycling Tonnage Grant	042-4900-752-001	2019	14,535			
	Recycling Tonnage Grant	042-4900-752-001	2017	14,378			
	Clean Communities Program	042-4900-765-004	2020	15,624	15,624		
	Clean Communities Program	042-4900-765-004	2019	17,326		2,205	6,698
	Clean Communities Program	042-4900-765-004	2005-06	7,530			7,530
					15,624	2,205	
Department of Law and Public Safety	Body Armor Grant	066-1020-718-001	2020	2,682	2,682		
	Body Armor Grant	066-1020-718-001	2018	2,684			
	Body Armor Grant	066-1020-718-001	2017	2,428			668
	Body Armor Grant	066-1020-718-001	2016	2,425			
	Body Armor Grant	066-1020-718-001	2015	2,436			
	Highway Safety		2006-07	1,945			1,555
Department of Law and Public Safety	Drunk Driving Enforcement Fund	1110-448-031020-22	2012	6,899			3,866
County of Hudson (1)	Municipal Alliance		2020-2021	9,704			
			Match	2,426	2,426		
			2019-2020	9,655			
			2018-2019	9,655			7,978
			Match	2,414			
			Match	2,414			
			Match	2,414			
			Match	2,414			357
					2,426		
	Total State and Federal Grant Fund				18,050	2,205	

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2020 and 2019

State grantor	Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	(MEMO) Cumulative Expenditures
Trust Funds:							
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2020	3,418	3,418		
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2019	8,439			
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2018	6,078			
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2017	4,439			300
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2016	3,505			
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2015	2,711			
	Total Trust Funds				3,418		
					21,468	2,205	
General Capital Fund:							
Department of Transportation							
State Aid Highway Projects							
Highway Planning and Construction	Municipal Aid - Park Avenue Traffic Signal - Ord. 28-2020		2020	775,000			
	Municipal Aid - Bergenline Traffic Signal - Ord. 28-2020		2020	700,000			
	Municipal Aid - Broadway & Bellevue Ave - Ord. 12-2019		2019	240,000		42,824	240,000
	Municipal Aid - Broadway & Bellevue Ave - Ord. 22-2017		2017	240,000			240,000
	Municipal Aid - Broadway & Bellevue Ave - Ord. 22-2017		2016	215,000			215,000
						42,824	
Department of Environmental Protection	Green Acres Program - Waterfront Park Imp. - Ord. 18-2012		2012	62,263			62,263
	Green Acres Program - Waterfront Park Imp. - Ord. 6-2008		2007-08	155,000			155,000
Department of Education	Section 15 Educational Facilities Financing Act Grant Construction of Building & Imps. To the Anna L. Klein School for Community, Recreational and Educational Purposes	Ord. 2-2012	2012	3,651,737			3,651,737
	Total General Capital Fund					42,824	
Total State Financial Assistance					$ 21,468	45,029	

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2020 and 2019

State grantor	Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	(MEMO) Cumulative Expenditures
Other Financial Assistance:							
FM Global Fire Prevention Grant				1,000			
Hudson County Open Space	Acquisition/Imps. To All Access Park Property	Ord. 35-2020		500,000			
	Acquisition/Imps. To 506 70th Street Park Development	Ord. 31-2019		97,218		58,106	58,106
	Park Improvements	Ord. 24-2019		218,000		149,909	
	Total Other Financial Assistance					208,015	
Total State and Other Financial Assistance					$ 21,468	253,044	

Note: This schedule was not subject to an audit in accordance with N.J. OMB 2015-08.

(1) - Passed through the State of New Jersey

TOWN OF GUTTENBERG
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Town of Guttenberg, County of Hudson. The Town is defined in Note 1A to the Town's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Town's financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules do not agree with amounts reported in the Town's financial statements because encumbrances are not reported in the accompanying schedules. Financial assistance awards are reported in the Town's financial statements on a basis of accounting described above as follows:

	Federal	State	Local	Total
Federal and State Grant Fund	$1,038,684	$2,205	$	$1,040,889
General Capital Fund		42,824	208,015	250,839
Total Current Fund	$1,038,684	$45,029	$208,015	$1,291,728

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of findings of noncompliance and questioned costs.

TOWN OF GUTTENBERG
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020
(continued)

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

The Town's federal and state loans outstanding at December 31, 2020, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

Loan Program	Total
State of New Jersey Green Acres Trust Loans	$17,746

NOTE 6. INDIRECT COST RATE

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

TOWN OF GUTTENBERG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	adverse - USGAAP unmodified - regulatory	
Internal control over financial reporting:		
1. Significant deficiencies identified that are not considered to be material weaknesses?	X yes	___ no
2. Material weakness(es) identified?	___ yes	X no
Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards Section

Dollar threshold used to determine type A programs:	$ 750,000	
Auditee qualified as low-risk auditee?	___ yes	X no
Type of auditors' report on compliance for major programs:	modified	
Internal Control over compliance:		
1. Significant deficiencies identified that are not considered to be material weaknesses?	___ yes	X none
2. Material weakness(es) identified?	X yes	___ no
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	X yes	___ no

Identification of major programs:

CFDA Number(s)		Name of Federal Program
21.019	(A)	Coronavirus Aid, Relief and Economic Security Act

(A) Tested as a major Type A Program

TOWN OF GUTTENBERG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020
(continued)

State Awards

Not Applicable

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

Finding 2020-001:

Our audit revealed that the tax collections posted to the general ledger were not in agreement with the collections posted to the tax system.

Criteria or specific requirement:

Statements on Auditing Standards No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended, suggests that a properly designed internal control environment consist of risk assessment by management, information and communication, monitoring and policies/procedures that help ensure that management directives are carried out and that necessary steps to address risk are taken. Furthermore, N.J.A.C. 5:31.7.2, mandates that the governing body is responsible for establishing and maintaining an internal control structure. An entity's internal control structure shall consist of policies and procedures established to provide reasonable assurance that specific entity objectives and proper conduct of the entity's business with full accountability for the resources made available, shall be achieved. In addition, N.J.A.C. 5-31.7.1, requires the accounting system to consist of methods and records established to identify, assemble, analyze, classify, record, and report an entity's transactions and to maintain accountability for the related assets and liabilities.

Condition:

Collections posted to the Town's tax system were not verified or reconciled to the collections posted in the general ledger resulting in tax collections in excess of that posted to the general ledger. Batch payments, especially those posted during high collection times, are not always segregated by batch number and in some instances did not agree to the actual deposit for a particular day.

Questioned Costs:

$124,597

Section II – Financial Statement Findings, continued,

Context:

There was a material difference between cash collections per the tax system and that of the general ledger.

Effect:

A reconciliation of tax collections per the tax system to that posted in the general ledger is not performed; therefore, the accuracy of postings cannot be determined and the taxes could not be proved.

Cause:

The tax collections are not reconciled to the actual cash deposits posted to the general ledger on a regular basis therefore discrepancies are not identified and investigated in a timely manner.

Recommendation:

Greater oversight of the tax department be maintained and polices be implemented to reconcile the daily tax postings to the those posted in the general ledger so that discrepancies can be identified and investigated in a timely manner.

Management Response:

Management will provide more oversight of the tax department, utilize additional staff to assist with the daily postings and reconcile the tax postings to those posted to the general ledger on a regular basis to ensure collections posted are in agreement with the cash deposited. Batch deposits will also be differentiated by number so that comparison to actual deposits posted to the general ledger can be identified.

TOWN OF GUTTENBERG

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

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

Finding 2020-002

Information on the Federal Program:
Coronavirus Aid, Relief and Economic Security Act, CFDA # 21.019, Grant Period 3/1/20 – 12/31/20.

Compliance/Internal Control over Compliance: Activities Allowed/Allowable Costs

Criteria or Specific Requirement:
Pursuant to section 601(a) of the Social Security Act, as added by section 5001 of the CARES Act, payments must be used to cover costs that are: 1) necessary expenditures incurred due to the public health emergency with respect to COVID–19; 2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or government; and 3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Condition:
A review of costs submitted for reimbursement through CARES Act funding revealed examples of expenses that were not eligible for reimbursement under the grant in accordance with the Uniform Guidance.

Questioned Costs:
$192,031

Context:
Per the Federal OMB Uniform Guidance Compliance Supplement eligible reimbursable costs under the CARES Act include, 1). Necessary expenditures due to the public health emergency, 2). Costs that were not accounted for in the government's most recently approved budget as of March 27, 2020 and 3). Costs that were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

Effect:
By failing to properly scrutinize expenditures submitted for reimbursement, the Town was reimbursed for some costs that did not meet the criteria for reimbursement under the grant.

Cause:
Controls were not in place to ensure that only eligible expenses were submitted to the County office for reimbursement.

TOWN OF GUTTENBERG

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020
(continued)

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

Finding 2020-002 (continued)

Management's Response: Management will, in the future, make it a priority to familiarize themselves with eligibility guidelines concerning the use of federal funds to ensure that only eligible costs are submitted for reimbursement.

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, be resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

Effective July 1, 2015, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is $17,500 and with a qualified purchasing agent the threshold may be up to $40,000. On July 1, 2020, this amount was increased to $44,000.

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 question arises as to whether any contract or agreement might result in violation of the statute, the Town Counsel's opinion should be sought before a commitment is made.

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

Waterfront Park Site Lighting Improvements
Various repairs at Waterfront Park Services
Recycling Collection & Disposal Services
FY 2019/2020 NJDOT Bergenline Ave Intersection Improvement & Park Ave Road Project
Combined Sewer Outlet Netting Chamber Rehabilitation
Construction of All Access Park

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 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 material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory 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 N.J.S. 40A:11-6.

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, Chapter 75 of the Public Laws of 1991 of the State of New Jersey authorizes the governing body of each municipality by resolution to fix the rate of interest to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent, and

WHEREAS, the provisions of said statute provides that the rate of interest to be so charged may be fixed at a rate not to exceed 8% per annum on the first $1,500 of delinquency, and a rate of 18% per annum on any amount in excess of $1,500.

WHEREAS, the statute further provides that the governing body may provide that no interest shall be charged if payment is made within the tenth calendar day following the date which the same became payable, and

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 28, 2020 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

	Number of Liens
Year Ended December 31, 2020	6
Year Ended December 31, 2019	6
Year Ended December 31, 2018	5

TOWN OF GUTTENBERG
DECEMBER 31, 2020

COMMENTS

FINANCE

1. Contracts awarded via resolution are not being encumbered against the designated budget appropriation and/or approved improvement authorization; bills are processed ratably as received in violation of Technical Accounting Directive No. 1.

PAYROLL

1. Calculation of employee health benefit waivers is not in compliance with N.J.S.A. 52:14-17.31a.

ADMINISTRATION

1. Not all cooperative contracts and emergency expenditures are being approved via resolution.
2. There was one instance in which a professional service contract was entered into with a vendor that was neither approved via resolution nor awarded in compliance with P.L. 2005, c.51
3. A review of costs submitted for reimbursement through CARES Act funding revealed examples of expenses that were not eligible for reimbursement under the grant in accordance with the Uniform Guidance. (Finding 2020-002)

TAX COLLECTOR

1. Adequate controls relating to tax office collections are not in place resulting in numerous posting errors. Our audit also revealed that the tax collections posted to the general ledger were not in agreement with the collections posted to the tax system. (Finding 2020-001)

MUNICIPAL COURT

1. *A review of the December monthly management report indicated the following:
   a. There is an excessive amount of tickets assigned over 180 days

TOWN OF GUTTENBERG
DECEMBER 31, 2020

RECOMMENDATIONS

FINANCE

1. All contracts awarded via resolution be encumbered for the contract amount against the designated budget appropriation and/or approved improvement authorization in accordance with Technical Accounting Directive No. 1.

PAYROLL

1. Employee health benefit waiver payments be calculated in accordance with N.J.S.A. 52:14-17.31a.

ADMINISTRATION

1. All contracts awarded under cooperative agreements and those awarded under emergency circumstances be supported by appropriate documentation and approved via resolution.
2. All professional service contracts be awarded in compliance with P.L. 2005, c.51.
3. Administration familiarize themselves with allowable grant expenditures under the federal funding guidelines prior to incurring and submitting ineligible expenses for reimbursement. (Finding 2020-002)

TAX COLLECTOR

1. Internal controls and policies regarding the processing of tax payments be updated and utilized to ensure the accuracy of interest calculations and collections posted to cash deposits. (Finding 2020-001)

MUNICIPAL COURT

1. *Tickets assigned over 180 days be recalled and either re-assigned or destroyed.

TOWN OF GUTTENBERG

Status of Prior Year Audit Findings/Recommendations

A review was performed on all prior year recommendations and corrective action was taken on all, with the exception of the comments preceded with an "*".

Acknowledgment

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

Respectfully submitted,

Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 9, 2021