

**CITY OF BRIGANTINE**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**



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**CITY OF BRIGANTINE**  
**PART I**  
**REPORT ON AUDIT OF**  
**FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**







## Independent Auditor's Report

To the Honorable Mayor and  
Members of City Council  
City of Brigantine  
County of Atlantic, 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 City of Brigantine, as of December 31, 2018 and 2017, 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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 City of Brigantine 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 City of Brigantine as of December 31, 2018 and 2017, 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, 2018 and 2017, 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, 2018 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 City of Brigantine'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 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 the Uniform is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by the Uniform Guidance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2019 on our consideration of the City of Brigantine'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 City of Brigantine's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**July 25, 2019**

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**EXHIBIT - A**  
**CURRENT FUND**



**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 11,303,298.52	14,535,443.12
Change and Petty Cash Funds	300.00	700.00
Total Cash	<u>11,303,598.52</u>	<u>14,536,143.12</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	493,720.33	412,997.02
Tax Title and Other Liens	20,386.83	11,514.67
Property Acquired for Taxes - at Assessed Valuation	308,862.00	308,862.00
Revenue Accounts Receivable	9,028.22	7,132.91
Interfund Receivable:		
Trust Other Fund	53.00	1,521.31
Due Water-Sewer Utility Operating Fund	1,672.05	-
Due Golf Utility Operating Fund	4,256.38	753.69
Total Receivables and Other Assets	<u>837,978.81</u>	<u>742,781.60</u>
Deferred Charges:		
Special Emergency Authorizations (40A:4-53)	-	117,677.20
Total Deferred Charges	<u>-</u>	<u>117,677.20</u>
Total Regular Fund	<u>12,141,577.33</u>	<u>15,396,601.92</u>
Federal and State Grant Fund:		
Cash	295,460.02	123,803.35
Federal and State Grants Receivable	633,548.85	528,014.26
Due Water-Sewer Utility Operating Fund	-	121.94
Total Federal and State Grant Fund	<u>929,008.87</u>	<u>651,939.55</u>
Total Current Fund	<u>\$ 13,070,586.20</u>	<u>16,048,541.47</u>

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2018</u>	<u>2017</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,188,569.61	1,364,297.86
Reserve for Encumbrances	397,390.68	157,601.41
Accounts Payable	12,217.50	-
Prepaid Taxes	1,123,752.49	4,505,698.95
Overpaid Taxes	87,314.20	19,236.76
Payroll Taxes Payable	178,669.05	156,074.42
County Tax Payable	117,891.76	119,312.21
Tourism Commission	1,310.00	1,310.00
Due to State:		
Marriage Licenses	275.00	275.00
Senior Citizens & Vets	27,599.46	29,928.23
State Training Fees	8,061.00	6,129.00
Other:		
Tax Appeals	500,500.00	500,000.00
Tax Map and Property Revaluation	300,019.00	300,019.00
Master Plan	20,065.02	20,065.02
Future Capital Projects - Insurance Proceeds	318,474.86	318,474.86
Reserve for Future Capital Projects	800,000.00	800,000.00
	<u>5,082,109.63</u>	<u>8,298,422.72</u>
Reserve for Receivables and Other Assets	837,978.81	742,781.60
Fund Balance	<u>6,221,488.89</u>	<u>6,355,397.60</u>
Total Regular Fund	<u>12,141,577.33</u>	<u>15,396,601.92</u>
Federal and State Grant Fund:		
Unappropriated Reserves	-	2,108.40
Appropriated Reserves	846,707.16	559,331.84
Encumbrances Payable	82,301.71	90,499.31
	<u>929,008.87</u>	<u>651,939.55</u>
Total Federal and State Grant Fund	<u>929,008.87</u>	<u>651,939.55</u>
Total Current Fund	<u>\$ 13,070,586.20</u>	<u>16,048,541.47</u>



**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	2018	2017
Revenue and Other Income Realized		
Fund Balance	\$ 2,850,000.00	2,550,000.00
Miscellaneous Revenue Anticipated	4,983,301.94	5,675,753.21
Receipts from Delinquent Taxes	416,282.22	745,611.38
Receipts from Current Taxes	56,431,351.63	57,072,086.83
Non Budget Revenue	202,126.31	431,238.17
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,128,366.40	1,082,863.43
Grants Cancelled	124.93	-
Reserves Liquidated:		
Interfunds Returned	2,275.00	13,892.65
Total Income	<u>66,013,828.43</u>	<u>67,571,445.67</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	12,583,375.00	11,750,870.00
Other Expenses	7,408,030.00	8,070,830.00
Deferred Charges & Statutory Expenditures		
Appropriations Within "CAPS"	3,316,492.62	3,293,824.60
Operations Excluded from "CAPS"		
Salaries and Wages	295,000.00	252,000.00
Other Expenses	121,189.47	184,670.38
Capital Improvements - Excluded from "CAPS"	616,940.00	100,000.00
Municipal Debt Service - Excluded from "CAPS"	3,407,756.27	3,406,997.89
Deferred Charges and Statutory Expenditures		
Municipal Excluded from "CAPS"	167,677.20	242,241.00
Transferred to Board of Education for Use of Local Schools	1,154,039.61	2,505,910.83
Local District School Tax	15,888,114.00	15,888,114.00
Senior Citizens' Deductions Disallowed by Collector -		
Prior Year Taxes	5,250.00	3,288.86
County Tax	18,209,999.78	18,477,897.47
County Share of Added Tax	117,891.76	119,312.21
Creation of Reserve for :		
Interfunds Created	5,981.43	2,275.00
Cancellation of Grant Receivable	-	4,117.92
Refund of Prior Year Revenue	-	58,840.86
Total Expenditures	<u>63,297,737.14</u>	<u>64,361,191.02</u>
Excess in Revenue	<u>2,716,091.29</u>	<u>3,210,254.65</u>

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	<u>2,716,091.29</u>	<u>3,210,254.65</u>
Fund Balance January 1	<u>6,355,397.60</u>	<u>5,695,142.95</u>
	9,071,488.89	8,905,397.60
Decreased by:		
Utilization as Anticipated Revenue	<u>2,850,000.00</u>	<u>2,550,000.00</u>
Fund Balance December 31	<u>\$ 6,221,488.89</u>	<u>6,355,397.60</u>

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Anticipated			
	Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 2,850,000.00		2,850,000.00	-
Total Fund Balance Anticipated	2,850,000.00	-	2,850,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	11,500.00		12,000.00	500.00
Other	16,000.00		8,784.00	(7,216.00)
Fees and Permits	125,000.00		135,767.97	10,767.97
Fines and Costs:				
Municipal Court	140,000.00		116,595.34	(23,404.66)
Interest and Costs on Taxes	190,000.00		142,819.96	(47,180.04)
Interest and Investments and Deposits	55,000.00		190,947.59	135,947.59
Beach Fees	590,000.00		656,919.00	66,919.00
Beach Vehicles Permits	669,000.00		701,025.00	32,025.00
Cable Franchise	75,000.00		87,105.30	12,105.30
County Share of Library Costs	50,000.00		50,000.00	-
Emergency Medical Services	285,000.00		310,260.52	25,260.52
Lease of City Property	195,000.00		216,967.35	21,967.35
Total Section A: Local Revenues	2,401,500.00	-	2,629,192.03	227,692.03
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	657,130.00		657,130.00	-
Open Space Pilot Aid (Garden State Trust)	15,570.00		15,570.00	-
Type I School Debt Service Aid	171,014.00		173,149.00	2,135.00
Total Section B: State Aid Without Offsetting Appropriations	843,714.00	-	845,849.00	2,135.00

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	450,000.00		469,660.00	19,660.00
Total Section C: Uniform Construction Code Fees	450,000.00	-	469,660.00	19,660.00
Section D: Special Items of General Revenue Anticipated				
None	-		-	-
Total Section D: Special Items of General Revenue Anticipated	-	-	-	-
Section E: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services - Additional Revenues				
Fire Prevention Inspection Fees	275,000.00		352,990.00	77,990.00
Total Section E: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services - Additional Revenues	275,000.00	-	352,990.00	77,990.00
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
N.J. Transportation Trust Fund Authority Act	71,940.00		71,940.00	-
Safe and Secure Communities Program - P.L. 1994, Chapter 220	30,000.00		30,000.00	-
Bulletproof Vest Partnership Grant - 2017	2,108.40		2,108.40	-
DCA - Community Block Grants	30,732.00		30,732.00	-
Municipal Alliance on Alcoholism and Drug Abuse		16,319.00	16,319.00	-
Sustainable Jersey Small Grant		2,000.00	2,000.00	-
Clean Communities Program		41,450.07	41,450.07	-
Bulletproof Vest Partnership Grant - 2018		3,080.00	3,080.00	-
N.J. Transportation Trust Fund Authority Act - Bike Path		170,000.00	170,000.00	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	134,780.40	232,849.07	367,629.47	-

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section G: Other Special Items				
Reserve for Future Capital Project	175,000.00		175,000.00	-
Minature Golf Receipts	20,000.00		20,000.00	-
Reserve to Pay Bonds & Notes	75,000.00		75,000.00	-
Reserve to Pay Bonds & Notes - School Purpose	47,981.44		47,981.44	-
Total Section G: Other Special Items	317,981.44	-	317,981.44	-
Total Miscellaneous Revenues:	4,422,975.84	232,849.07	4,983,301.94	327,477.03
Receipts from Delinquent Taxes	418,000.00		416,282.22	(1,717.78)
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	21,694,216.94		22,715,566.27	1,021,349.33
Addition to Local District School Tax	935,105.56		935,105.56	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	22,629,322.50	-	23,650,671.83	1,021,349.33
Budget Totals	30,320,298.34	232,849.07	31,900,255.99	1,347,108.58
Non- Budget Revenues:				
Other Non- Budget Revenues:			202,126.31	202,126.31
	30,320,298.34	232,849.07	32,102,382.30	1,549,234.89

Total Miscellaneous Revenue Not Anticipated:	202,126.31
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**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
General Administration						
Salaries & Wages	\$ 80,200.00	67,700.00	66,481.90		1,218.10	-
Other Expenses	56,400.00	63,900.00	43,300.21	13,848.58	6,751.21	-
Mayor and Council						
Salaries & Wages	37,800.00	37,800.00	37,751.22		48.78	-
Other Expenses	15,000.00	15,000.00	11,704.88	3,136.80	158.32	-
Municipal Clerk						
Salaries & Wages	89,700.00	93,200.00	92,693.86		506.14	-
Other Expenses	31,800.00	28,300.00	18,464.87	728.85	9,106.28	-
Financial Administration						
Salaries & Wages	167,000.00	167,000.00	166,352.65		647.35	-
Other Expenses	52,700.00	52,700.00	48,708.03	1,302.48	2,689.49	-
Audit Services						
Other Expenses	45,000.00	45,000.00	40,296.00		4,704.00	-
Revenue Administration (Tax Collector)						
Salaries & Wages	124,500.00	125,500.00	124,596.16		903.84	-
Other Expenses	26,305.00	25,305.00	21,089.85	2,106.15	2,109.00	-
Tax Assessment Administration						
Salaries & Wages	203,000.00	203,000.00	161,667.66		41,332.34	-
Other Expenses	36,300.00	36,300.00	24,795.91	1,853.95	9,650.14	-
Legal Services						
Other Expenses	425,000.00	425,000.00	344,607.56		80,392.44	-
Emergency Medical Services - Billing						
Other Expenses	22,000.00	22,000.00	14,510.91	5,000.00	2,489.09	-
Engineering Services and Costs						
Salaries & Wages	16,000.00	4,500.00	3,061.20		1,438.80	-
Other Expenses	125,000.00	125,000.00	34,241.81	43,424.55	47,333.64	-
Ethics Board						
Other Expenses	100.00	100.00			100.00	-

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Municipal Court						
Salaries & Wages	130,500.00	130,500.00	130,279.19		220.81	-
Other Expenses	16,000.00	16,000.00	9,239.40	2,165.52	4,595.08	-
Public Defender						
Other Expenses	10,000.00	10,000.00	9,950.00		50.00	-
<b>LAND USE ADMINISTRATION</b>						
Planning Board						
Salaries & Wages	9,500.00	9,600.00	9,499.88		100.12	-
Other Expenses	43,000.00	44,500.00	43,932.43		567.57	-
<b>INSURANCE</b>						
General Liability and Other Insurance	245,500.00	195,500.00	174,001.63		21,498.37	-
Workers Compensation Insurance	411,000.00	411,000.00	394,258.23		16,741.77	-
Employee Group Health	2,225,000.00	2,168,000.00	1,973,046.65		194,953.35	-
Health Benefits Waiver						
Salaries & Wages	135,000.00	135,000.00	117,736.63		17,263.37	-
<b>PUBLIC SAFETY</b>						
Fire Department						
Salaries & Wages	3,523,000.00	3,503,000.00	3,489,927.96		13,072.04	-
Other Expenses	219,000.00	219,000.00	158,847.28	54,488.57	5,664.15	-
Police Department						
Salaries & Wages	4,400,000.00	4,369,000.00	4,348,698.51		20,301.49	-
Other Expenses	209,500.00	209,500.00	135,095.69	71,430.07	2,974.24	-
Office of Emergency Management						
Salaries & Wages	4,000.00	5,000.00	4,144.99		855.01	-
Other Expenses	15,000.00	15,000.00	748.63		14,251.37	-
<b>PUBLIC WORKS</b>						
Streets and Roads Maintenance						
Salaries & Wages	555,000.00	555,000.00	539,523.74		15,476.26	-
Other Expenses	90,500.00	105,500.00	88,998.14	1,081.01	15,420.85	-
Solid Waste Collection						
Other Expenses	1,330,000.00	1,330,000.00	1,180,603.67	72,553.63	76,842.70	-
Recycling Program						
Salaries & Wages	40,500.00	30,500.00	26,724.23		3,775.77	-
Other Expenses	13,500.00	13,500.00	255.00		13,245.00	-

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement



**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Department of Public Works						
Salaries & Wages	193,500.00	193,500.00	187,403.52		6,096.48	-
Other Expenses	14,000.00	14,000.00	8,502.18		5,497.82	-
Buildings and Grounds						
Salaries & Wages	649,375.00	642,375.00	627,413.14		14,961.86	-
Other Expenses	284,500.00	342,500.00	272,178.10	66,353.97	3,967.93	-
Demolition						
Other Expenses	75,000.00	75,000.00	16,172.00	3,100.00	55,728.00	-
Vehicle Maintenance						
Salaries & Wages	124,200.00	124,200.00	122,825.87		1,374.13	-
Other Expenses	199,000.00	186,000.00	144,787.72	22,128.63	19,083.65	-
<b>HEALTH AND HUMAN SERVICES</b>						
Dog Regulation						
Other Expenses	18,500.00	18,500.00	13,475.00		5,025.00	-
<b>PARKS AND RECREATION</b>						
Beach Patrol and Maintenance						
Salaries & Wages	798,000.00	783,000.00	771,001.90		11,998.10	-
Other Expenses	77,000.00	77,000.00	64,895.64		12,104.36	-
Beach Fee Program						
Salaries & Wages	167,000.00	137,000.00	133,450.00		3,550.00	-
Other Expenses	24,100.00	54,100.00	33,648.60	15,160.78	5,290.62	-
Parks and Playgrounds						
Salaries & Wages	280,000.00	280,000.00	278,228.87		1,771.13	-
Other Expenses	42,525.00	42,525.00	30,495.44	6,095.45	5,934.11	-
Cultural Arts						
Other Expenses	5,000.00	5,000.00	5,000.00		-	-
Grant Coordinator						
Other Expenses	45,000.00	45,000.00	15,885.00	3,060.00	26,055.00	-
<b>UNIFORM CONSTRUCTION CODE</b>						
Construction Official						
Salaries & Wages	337,000.00	337,000.00	320,906.35		16,093.65	-
Other Expenses	32,800.00	32,800.00	10,918.89	450.00	21,431.11	-

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>UNCLASSIFIED</b>						
Accumulated Leave Compensation	500,000.00	650,000.00	650,000.00	-	-	-
Maintenance Agreements - Contractual	100,000.00	100,000.00	100,000.00	-	-	-
Storm Reserve	100,000.00	107,000.00	96,999.37		10,000.63	-
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electric	200,000.00	205,000.00	192,058.22		12,941.78	-
Street Lighting	250,000.00	250,000.00	190,701.58		59,298.42	-
Telephone	105,000.00	122,000.00	119,519.68		2,480.32	-
Gas	45,000.00	50,000.00	49,034.40		965.60	-
Fuel	95,000.00	95,000.00	81,446.74	3,066.69	10,486.57	-
Cable	10,000.00	10,000.00	8,682.39		1,317.61	-
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>19,950,805.00</b>	<b>19,990,905.00</b>	<b>18,635,467.16</b>	<b>392,535.68</b>	<b>962,902.16</b>	<b>-</b>
Contingent	500.00	500.00			500.00	-
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>19,951,305.00</b>	<b>19,991,405.00</b>	<b>18,635,467.16</b>	<b>392,535.68</b>	<b>963,402.16</b>	<b>-</b>
Detail:						
Salaries & Wages	12,564,775.00	12,583,375.00	12,410,369.43	-	173,005.57	-
Other Expenses	7,386,530.00	7,408,030.00	6,225,097.73	392,535.68	790,396.59	-
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>						
Deferred Charges:						
Deficit - Golf Course Utility	415,000.00	415,000.00	367,743.62			47,256.38
<b>Statutory Expenditures:</b>						
Contributions to:						
Public Employees' Retirement System	417,739.00	417,739.00	417,739.00		-	-
Social Security System (O.A.S.I.)	930,000.00	889,900.00	878,384.81		11,515.19	-
Police and Firemen's Retirement System	1,576,110.00	1,576,110.00	1,576,110.00		-	-
Unemployment Compensation Insurance	40,000.00	40,000.00	16,779.85		23,220.15	-
Lifeguard Pension	20,000.00	20,000.00	20,000.00		-	-
Defined Contribution Retirement Program	5,000.00	5,000.00	2,887.62		2,112.38	-
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<b>3,403,849.00</b>	<b>3,363,749.00</b>	<b>3,279,644.90</b>	<b>-</b>	<b>36,847.72</b>	<b>47,256.38</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>23,355,154.00</b>	<b>23,355,154.00</b>	<b>21,915,112.06</b>	<b>392,535.68</b>	<b>1,000,249.88</b>	<b>47,256.38</b>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriations		Paid or		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Charged		Encumbered	Reserved	
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>							
(A) Operations - Excluded from "CAPS"							
Reserve for Tax Appeals	500.00	500.00	500.00			-	-
Fire Prevention Inspections							
Salaries & Wages	265,000.00	265,000.00	262,618.38			2,381.62	-
Other Expenses	10,000.00	10,000.00	5,126.89		4,855.00	18.11	-
	<u>275,500.00</u>	<u>275,500.00</u>	<u>268,245.27</u>		<u>4,855.00</u>	<u>2,399.73</u>	<u>-</u>
<b>(A) Public and Private Programs Off-Set by Revenues</b>							
Safe and Secure Communities Program							
Police							
Salaries & Wages	30,000.00	30,000.00	30,000.00			-	-
Bulletproof Best Partnership Grant	2,108.40	5,188.40	5,188.40			-	-
DCA - Community Development Block Grant	30,732.00	30,732.00	30,732.00			-	-
Matching Funds to Grants	15,000.00	10,920.00				10,920.00	-
Sustainable Jersey Small Grant		2,000.00	2,000.00			-	-
Clean Communities		41,450.07	41,450.07			-	-
Municipal Alliance-County		16,319.00	16,319.00			-	-
Municipal Alliance-Match		4,080.00	4,080.00			-	-
Total Public and Private Programs Off-Set by Revenues	<u>77,840.40</u>	<u>140,689.47</u>	<u>129,769.47</u>		<u>-</u>	<u>10,920.00</u>	<u>-</u>
<b>Total Operations - Excluded from "CAPS"</b>	<u>353,340.40</u>	<u>416,189.47</u>	<u>398,014.74</u>		<u>4,855.00</u>	<u>13,319.73</u>	<u>-</u>
Detail:							
Salaries & Wages	295,000.00	295,000.00	292,618.38		-	2,381.62	-
Other Expenses	58,340.40	121,189.47	105,396.36		4,855.00	10,938.11	-
<b>(C) Capital Improvements</b>							
Capital Improvement Fund	200,000.00	200,000.00	200,000.00			-	-
Acquisition of Property	175,000.00	175,000.00	-			175,000.00	-
NJ Transportation Trust Fund Authority Act	71,940.00	241,940.00	241,940.00			-	-
Total Capital Improvements	<u>446,940.00</u>	<u>616,940.00</u>	<u>441,940.00</u>		<u>-</u>	<u>175,000.00</u>	<u>-</u>
<b>(D) Debt Service</b>							
Payment of Bond Principal	2,790,000.00	2,790,000.00	2,790,000.00			-	-
Interest on Bonds	580,450.00	580,450.00	580,446.35				3.65
Green Trust Loan Program:							
Loan Repayments for Principal & Interest	37,310.00	37,310.00	37,309.92				0.08
Total Debt Service	<u>3,407,760.00</u>	<u>3,407,760.00</u>	<u>3,407,756.27</u>		<u>-</u>	<u>-</u>	<u>3.73</u>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
(E) Deferred Charges - Municipal - Excluded from "CAPS"					
Special Emergency Authorization- 5 Years	117,677.20	117,677.20	117,677.20	-	-
Deferred Charges to Future Taxation:					
Ordinance #12-17	45,000.00	45,000.00	45,000.00	-	-
Ordinance #15-17	5,000.00	5,000.00	5,000.00	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>167,677.20</u>	<u>167,677.20</u>	<u>167,677.20</u>	<u>-</u>	<u>-</u>
(I) Local School District Purposes - Excluded from "CAPS"					
Type I District School Debt Service					
Payment of Bond Principal	500,000.00	500,000.00	500,000.00	-	-
Payment of Bond Anticipation Notes	524,000.00	524,000.00	524,000.00	-	-
Interest on Bonds	108,000.00	108,000.00	108,000.00	-	-
Interest on Notes	22,101.00	22,101.00	22,039.61		61.39
(J) Deferred Charges and Statutory Expenditures - Excluded from "CAPS"					
None	-	-	-	-	-
(K) TOTAL MUNICIPAL APPROPRIATIONS FOR LOCAL SCHOOL DISTRICT PURPOSES EXCLUDED FROM "CAPS"	<u>1,154,101.00</u>	<u>1,154,101.00</u>	<u>1,154,039.61</u>	<u>-</u>	<u>61.39</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>5,529,818.60</u>	<u>5,762,667.67</u>	<u>5,569,427.82</u>	<u>4,855.00</u>	<u>65.12</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>28,884,972.60</u>	<u>29,117,821.67</u>	<u>27,484,539.88</u>	<u>397,390.68</u>	<u>47,321.50</u>
(M) Reserve for Uncollected Taxes	<u>1,435,325.74</u>	<u>1,435,325.74</u>	<u>1,435,325.74</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS	<u>\$ 30,320,298.34</u>	<u>30,553,147.41</u>	<u>28,919,865.62</u>	<u>397,390.68</u>	<u>47,321.50</u>
Budget					
Appropriations by 40A:4-87		30,320,298.34		Cancelled	47,321.50
		232,849.07		Overexpended	-
		<u>30,553,147.41</u>			<u>47,321.50</u>
Reserve for Uncollected Taxes			1,435,325.74		
Federal and State Grants			371,709.47		
Deferred Charges			167,677.20		
Reserve for Tax Appeals			500.00		
Disbursements			26,944,653.21		
			<u>28,919,865.62</u>		

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**EXHIBIT - B**  
**TRUST FUND**



**TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
<u>Animal Control Fund</u>		
Cash and Investments	\$ 1,604.20	876.40
	<u>1,604.20</u>	<u>876.40</u>
<u>Other Funds</u>		
Cash and Investments	3,713,291.89	3,534,528.65
Due Current Fund	397.00	-
Due from General Capital Fund	-	5,000.00
	<u>3,713,688.89</u>	<u>3,539,528.65</u>
	<u>\$ 3,715,293.09</u>	<u>3,540,405.05</u>

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
<u>Liabilities, Reserves and Fund Balance</u>		
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 1,603.00	872.20
Due State of New Jersey	1.20	4.20
	<u>1,604.20</u>	<u>876.40</u>
<u>Other Funds</u>		
Due to Current Fund	450.00	1,521.31
Reserve for Accumulated Absences	1,317,669.38	864,315.74
Reserve for Special Law Enforcement	47,781.14	53,724.74
Reserve for Police Special Detail Escrow	16,950.00	-
Reserve for POAA	2,074.00	1,962.00
Reserve for Engineering Escrow	157,554.77	201,500.59
Reserve for Lifeguard Pension	558,332.58	559,750.16
Reserve for Recreation	308,166.16	350,060.71
Reserve for Recreation Green Team	18,361.31	12,954.18
Reserve for COAH	506,184.30	565,241.19
Reserve for Health Insurance Trust	1.63	1.63
Reserve for Tax Title Lien Redemptions	6,299.78	36,676.61
Reserve for Tax Title Lien Premiums	360,404.00	550,104.00
Reserve for Due to Third Parties Eng Escrow	20,594.25	20,594.25
Reserve for Fire Prevention	2,272.00	1,875.00
Reserve for Storm Expenses	379,175.42	306,255.51
Reserve for Municipal Alliance Donations	11,418.17	12,991.03
	<u>3,713,688.89</u>	<u>3,539,528.65</u>
	<u>\$ 3,715,293.09</u>	<u>3,540,405.05</u>



**EXHIBIT - C**  
**GENERAL CAPITAL FUND**



**GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash	\$ 5,983,604.76	8,530,040.24
Deferred Charges to Future Taxation -		
Funded	20,430,845.55	23,751,882.88
Unfunded	14,076,942.00	8,280,987.00
Interfunds and Receivables		
Federal and State Grant Receivable	-	186,376.45
	<u>40,491,392.31</u>	<u>40,749,286.57</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Serial Bonds Payable	17,040,000.00	19,830,000.00
School Type I Bonds Payable	3,100,000.00	3,600,000.00
Green Trust Loan Payable	290,845.55	321,882.88
Bond Anticipation Notes	1,066,000.00	1,590,000.00
Due to Trust Other	-	5,000.00
Improvement Authorizations:		
Funded	2,912,011.63	7,734,692.99
Unfunded	9,048,042.52	6,088,378.96
Reserve for Encumbrances	6,241,886.23	556,243.92
Reserve for Bonds and Notes	254,403.81	329,403.81
Reserve for Future Capital Project	264,555.00	439,555.00
Reserve for Payment of School Debt	-	47,981.44
Capital Improvement Fund	153,000.00	85,500.00
Fund Balance	120,647.57	120,647.57
	<u>\$ 40,491,392.31</u>	<u>40,749,286.57</u>

There were bonds and notes authorized but not issued at December 31,

2017	6,690,987.00
2018	13,010,942.00

**GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
Beginning Balance January 1	\$ 120,647.57	245,647.57
Increased by:		
Bond Premium	-	-
Decreased by:		
Improvement Authorizations Funded	-	125,000.00
Ending Balance December 31	<u>\$ 120,647.57</u>	<u>120,647.57</u>

**EXHIBIT - D**  
**WATER AND SEWER UTILITY FUND**



**WATER AND SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 4,436,702.25	3,965,260.85
	<u>4,436,702.25</u>	<u>3,965,260.85</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	392,920.84	410,805.50
	<u>392,920.84</u>	<u>410,805.50</u>
Total Operating Fund	<u>4,829,623.09</u>	<u>4,376,066.35</u>
Capital Fund:		
Cash	2,978,074.60	2,889,841.12
New Jersey EIT Receivable	24,227.00	24,227.00
Fixed Capital	36,498,122.76	36,498,122.76
Fixed Capital - Authorized and Uncompleted	8,382,176.85	7,432,176.85
Total Capital Fund	<u>47,882,601.21</u>	<u>46,844,367.73</u>
	<u>\$ 52,712,224.30</u>	<u>51,220,434.08</u>

**WATER AND SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 280,403.20	527,999.49
Reserve for Encumbrances	278,002.98	75,361.82
Due to Current Fund	1,672.05	-
Due to Grant Fund	-	121.94
Overpaid Rents	1,024,271.63	953,799.51
Accrued Interest on Bonds and Notes	84,388.02	86,738.58
Reserve for Insurance Proceeds	5,500.00	5,500.00
	<u>1,674,237.88</u>	<u>1,649,521.34</u>
Reserve for Receivables	392,920.84	410,805.50
Fund Balance	2,762,464.37	2,315,739.51
	<u>4,829,623.09</u>	<u>4,376,066.35</u>
Total Operating Fund		
Capital Fund:		
Encumbrances Payable	26,769.69	48,586.85
Serial Bonds Payable	3,900,000.00	4,460,000.00
NJEIT Bonds & Loans	4,703,823.81	5,314,919.69
Improvement Authorizations:		
Funded	2,889,309.02	3,096,630.89
Unfunded	1,750,000.00	716,794.49
Reserve for Amortization	34,456,125.80	33,050,862.92
Reserve for Bonds and Notes	86,222.89	86,222.89
Deferred Reserve for Amortization	70,350.00	70,350.00
Fund Balance	-	-
	<u>47,882,601.21</u>	<u>46,844,367.73</u>
Total Capital Fund		
	<u>\$ 52,712,224.30</u>	<u>51,220,434.08</u>

There were bonds and notes authorized but not issued at December 31,

2017	1,034,167.00
2018	1,750,000.00



**WATER AND SEWER UTILITY FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 250,000.00	-
Water and Sewer Rents	5,863,028.55	5,931,680.50
Miscellaneous	143,732.37	148,978.54
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	519,693.38	516,795.72
Cancellation of Accounts Payable	-	-
Total Income	<u>6,776,454.30</u>	<u>6,597,454.76</u>
Expenditures		
Operations:		
Salaries and Wages	1,077,000.00	1,110,000.00
Other Expenses	3,301,400.00	3,201,000.00
Debt Service	1,348,662.44	1,179,453.92
Deferred Charges and Statutory Expenditures	352,667.00	220,150.00
Total Expenditures	<u>6,079,729.44</u>	<u>5,710,603.92</u>
Excess in Revenue	<u>696,724.86</u>	<u>886,850.84</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Excess in Operations	<u>696,724.86</u>	<u>886,850.84</u>
Fund Balance January 1	<u>2,315,739.51</u>	<u>1,428,888.67</u>
	3,012,464.37	2,315,739.51
Decreased by:		
Utilization as Anticipated Revenue	<u>250,000.00</u>	-
Fund Balance December 31	<u>\$ 2,762,464.37</u>	<u>2,315,739.51</u>

**WATER AND SEWER UTILITY CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
Beginning Balance January 1	\$ -	-
Increased by:		
None	-	-
Decreased by:		
None	-	-
Ending Balance December 31	\$ <u>-</u>	<u>-</u>

**WATER AND SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Anticipated Budget	Realized	Excess or (Deficit)
Anticipated Revenue:			
Surplus Anticipated	\$ 250,000.00	250,000.00	-
Water Rents	2,300,000.00	2,342,864.63	42,864.63
Sewer Rents	3,500,000.00	3,520,163.92	20,163.92
Miscellaneous	82,167.00	143,732.37	61,565.37
	<u>\$ 6,132,167.00</u>	<u>6,256,760.92</u>	<u>124,593.92</u>

Analysis of Realized Revenue:

Water and Sewer Rents		
Accounts Receivable	5,863,028.55	
Total Water & Sewer Rents		<u>5,863,028.55</u>
Miscellaneous Revenue		
Penalties and Interest	40,694.40	
Water/Sewer Connections	4,500.00	
Water Reading Fees	21,605.00	
Fire Sprinkler Fee	15,425.00	
Shut Off Notice Fee	12,150.00	
Meter Parts/Set Up	47,842.00	
Miscellaneous	1,515.97	
Total Miscellaneous		<u>143,732.37</u>

**WATER AND SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Operations:					
Salaries and Wages	\$ 1,077,000.00	1,077,000.00	941,155.85	135,844.15	
Other Expenses	3,301,400.00	3,301,400.00	2,904,263.65	119,133.37	
	<u>4,378,400.00</u>	<u>4,378,400.00</u>	<u>3,845,419.50</u>	<u>254,977.52</u>	<u>-</u>
Debt Service:					
Payment of Bond Principal	1,171,100.00	1,171,100.00	1,171,095.88	0.00	4.12
Interest on Bonds	230,000.00	230,000.00	177,566.56	-	52,433.44
	<u>1,401,100.00</u>	<u>1,401,100.00</u>	<u>1,348,662.44</u>	<u>0.00</u>	<u>52,437.56</u>
Deferred Charges and Statutory Expenditures:					
Deferred Charges Unfunded					
Ord #16-94, 25-08, 13-14	134,167.00	134,167.00	134,167.00	-	
Contribution to: Public Employees Retirement System	126,500.00	126,500.00	126,500.00	-	
Social Security System (O.A.S.I.)	85,000.00	85,000.00	66,574.32	18,425.68	
Unemployment Compensation Insurance	7,000.00	7,000.00		7,000.00	
	<u>352,667.00</u>	<u>352,667.00</u>	<u>327,241.32</u>	<u>25,425.68</u>	<u>-</u>
	<u>6,132,167.00</u>	<u>6,132,167.00</u>	<u>5,521,323.26</u>	<u>278,002.98</u>	<u>52,437.56</u>
	\$				
		Cash Disbursed \$ 5,523,673.82		Cancelled	52,437.56
		Accrued Interest (2,350.56)		Overexpended	-
		<u>5,521,323.26</u>			<u>52,437.56</u>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**EXHIBIT - E**  
**GOLF COURSE UTILITY FUND**



**GOLF COURSE UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Operating Fund:		
Cash and Investments	\$ 5,074.13	16,388.97
Total Operating Fund	<u>5,074.13</u>	<u>16,388.97</u>
Capital Fund:		
Cash and Investments	12,421.32	23,355.08
Fixed Capital:		
Completed	5,229,283.54	5,229,283.54
Authorized and Uncompleted	351,716.46	351,716.46
Total Capital Fund	<u>5,593,421.32</u>	<u>5,604,355.08</u>
	<u>\$ 5,598,495.45</u>	<u>5,620,744.05</u>

**GOLF COURSE UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	2018	2017
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserves	\$ 407.47	500.00
Accrued Interest on Bonds and Notes	-	7,725.00
Due Current Fund	4,256.38	753.69
	<u>4,663.85</u>	<u>8,978.69</u>
 Fund Balance	 410.28	 7,410.28
Total Operating Fund	<u>5,074.13</u>	<u>16,388.97</u>
 Capital Fund:		
Serial Bonds Payable	-	360,000.00
Bond Anticipation Notes Payable	661,000.00	690,000.00
Improvement Authorizations:		
Funded	13,352.33	23,328.62
Unfunded	-	950.00
Reserve for Amortization	4,905,000.00	4,516,000.00
Reserve for Deferred Amortization	14,050.00	14,050.00
Reserve for Payment of Debt Service	-	7.47
Fund Balance	18.99	18.99
 Total Capital Fund	 <u>5,593,421.32</u>	 <u>5,604,355.08</u>
	<u>\$ 5,598,495.45</u>	<u>5,620,744.05</u>

There were bonds and notes authorized but not issued at December 31

2017	950.00
2018	950.00



**GOLF COURSE UTILITY FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES**  
**IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2018	2017
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 7,000.00	-
Golf Course Charges	750,995.74	732,044.96
Golf Course Charges - F&B	22,200.00	24,200.00
Miscellaneous		-
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	500.00	4,775.46
Reserve for Payment of Debt	7.47	-
Deficit (General Budget)	367,743.62	386,246.31
Total Income	<u>1,148,446.83</u>	<u>1,147,266.73</u>
Expenditures:		
Operating	750,407.47	729,000.00
Debt Service	398,039.36	418,266.73
Total Expenditures	<u>1,148,446.83</u>	<u>1,147,266.73</u>
Excess/(Deficit) in Revenue	<u>-</u>	<u>-</u>
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Excess in Operations	-	-
Fund Balance January 1	<u>7,410.28</u>	<u>7,410.28</u>
Decreased By:		
Utilization as Anticipated Revenue	7,000.00	-
Balance December 31	<u>\$ 410.28</u>	<u>7,410.28</u>

**GOLF COURSE UTILITY CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
Beginning Balance January 1	\$ 18.99	18.99
Increased by:		
None	-	-
Decreased by:		
None	-	-
Ending Balance December 31	<u>\$ 18.99</u>	<u>18.99</u>

**GOLF COURSE UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Anticipated Budget	Realized	Excess or (Deficit)
Anticipated Revenue:			
Surplus Anticipated	\$ 7,000.00	7,000.00	-
Golf Course Charges	732,000.00	750,995.74	18,995.74
Golf Course Charges - F&B	24,000.00	22,200.00	(1,800.00)
Reserve for Payment of Debt	7.47	7.47	-
Deficit (General Budget)	415,000.00	367,743.62	(47,256.38)
Total Revenue	\$ <u>1,178,007.47</u>	<u>1,147,946.83</u>	<u>(30,060.64)</u>

**GOLF COURSE UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations:					
ACIA Contractual	\$ 778,407.47	778,407.47	750,000.00	407.47	28,000.00
	<u>778,407.47</u>	<u>778,407.47</u>	<u>750,000.00</u>	<u>407.47</u>	<u>28,000.00</u>
Debt Service:					
Payment on Bond Principal	360,000.00	360,000.00	360,000.00		-
Payment of BANs & Capital Notes	29,000.00	29,000.00	29,000.00		-
Interest on Bonds	600.00	600.00	600.00		-
Interest on Notes	10,000.00	10,000.00	8,439.36		1,560.64
	<u>399,600.00</u>	<u>399,600.00</u>	<u>398,039.36</u>	<u>-</u>	<u>1,560.64</u>
	<u>\$ 1,178,007.47</u>	<u>1,178,007.47</u>	<u>1,148,039.36</u>	<u>407.47</u>	<u>29,560.64</u>
Adopted Budget	1,178,007.47	1,178,007.47	1,155,764.36	Disbursed	
		<u>1,178,007.47</u>	(7,725.00)	Accrued Interest	
			<u>1,148,039.36</u>		

**EXHIBIT - F**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**



**CITY OF BRIGANTINE  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
General Fixed Assets:		
Land and Land Improvements	\$ 40,398,200.00	40,398,200.00
Buildings and Improvements	37,259,070.71	37,212,874.00
Machinery and Equipment	<u>8,053,217.17</u>	<u>7,964,900.00</u>
Total General Fixed Assets	<u><u>85,710,487.88</u></u>	<u><u>85,575,974.00</u></u>
 Investment in General Fixed Assets	 \$ <u><u>85,710,487.88</u></u>	 <u><u>85,575,974.00</u></u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Brigantine is an island community in the County of Atlantic, State of New Jersey. The City comprises an area of approximately 6.39 square miles with a population according to the 2010 census of 9,450.

The City is incorporated and operates under a Mayor - Council form of government. The Mayor is the chief officer of the City. The Council exercises the legislative power. The Manager oversees the day-to-day operation of the City. The Mayor and Council members are elected by the voters and the Manager is appointed by the Mayor and Council.

Except as noted below, the financial statements of the City of Brigantine include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the City of Brigantine, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City has no component units.

**B. Description of Funds**

The accounting policies of the City of Brigantine conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the City of Brigantine accounts for its financial transactions through the following separate funds:

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

General Capital Fund -- receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

Water and Sewer Operating and Capital Funds -- account for the operations of the water and sewer utility and acquisition of capital facilities of the municipally owned water and sewer utility.

Golf Course Utility Operating and Capital Funds -- account for the operations and acquisition of capital facilities of the municipally owned golf course.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.



**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

**C. Basis of Accounting**

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

A modified accrual basis of accounting is followed with minor exceptions.

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the City budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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 the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets -- The City has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by a Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

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

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

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

Levy of Utility Charges – The City operates a water and sewer utility fund. Rates are determined by ordinance and changed as necessary. Water and Sewer charges are based on flat fees and usage based on the type of City. Water charges are billed semi-annually and due June and December 1<sup>st</sup>. Sewer charges are billed semi-annually and due January and July 1<sup>st</sup>.

Interest on Delinquent Utility Charges – It is the policy of the City to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

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

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

**D. Required Financial Statements**

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

**E. Comparative Data**

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

**F. Recent Accounting Pronouncements Not Yet Effective**

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83 "Certain Asset Retirement Obligations". This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the City's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities". This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the City's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the City's financial reporting.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". This statement, which is effective for fiscal periods beginning after June 15, 2019, will not have any effect on the City's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the City's financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90 "Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61". This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the City's financial reporting.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

**NOTE 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the City is required to establish a reserve for uncollected taxes. The 2018 and 2017 statutory budgets included a reserve for uncollected taxes in the amount of \$1,435,325.74 and \$1,425,788.76. To balance the budget, the City is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2018 and 2017 statutory budgets was \$2,850,000.00 and \$2,550,000.00. In addition, the City operates a self-liquidating water and sewer utility and golf course utility. Under New Jersey Statutes a separate budget for each utility must be adopted concurrently with the operating budget of the City. The utility budgets must be a balanced cash basis budget with fund balance being used to balance the budget. The fund balance budgeted to balance the water and sewer utility budget in 2018 and 2017 was \$250,000.00 and \$0. The fund balance budgeted to balance the golf course utility budget in 2018 and 2017 was \$7,000.00 and \$0, respectively.

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2018 and 2017, the following budget insertions were approved:

<u>Budget Category</u>	<u>2018</u>	<u>2017</u>
Clean Communities Program	\$ 41,450.07	43,233.89
Municipal Alliance on Alcoholism and Drug Abuse	16,319.00	16,319.00
Drunk Driving Enforcement		2,156.27
Safe and Secure		30,000.00
Recycling Tonnage		26,149.40
Sustainable Jersey Small Grant	2,000.00	
Federal Bullet Proof Vests	3,080.00	
State Body Armor Replacement Fund		3,071.04
NJ Transportation Trust Fund Authority Act	170,000.00	

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by City Council. The following more significant budget transfers were approved in the 2018 and 2017 calendar years:

<u>Budget Category</u>	<u>2018</u>	<u>2017</u>
<u>Current Fund:</u>		
Public Buildings & Grounds		
Salaries and Wages	\$ -	35,000.00
Other Expenses	58,000.00	30,000.00
Insurance		
General Liability and Other Insurance	(50,000.00)	
Workers Compensation Insurance		(36,000.00)
Employee Group Insurance	(57,000.00)	(125,000.00)
Beach Fee Program		
Salaries and Wages	(30,000.00)	
Other Expenses	30,000.00	
Solid Waste Collection		
Other Expenses		(25,000.00)
Fire Department		
Salaries and Wages		(100,000.00)
Police Department		
Salaries and Wages	(31,000.00)	(100,000.00)
Accumulated Leave Compensation	150,000.00	200,000.00
Social Security System (O.A.S.I.)	(40,100.00)	
Maintenance Agreements - Contractual		30,000.00
Snow Storm Reserve		125,000.00
Utility Expenses and Bulk Purchases		
Fuel		(25,000.00)
Electric		(49,000.00)
Street Lighting		27,000.00
<u>Water Sewer Utility Operating Fund:</u>	None	None
<u>Golf Course Utility Operating Fund:</u>	None	None

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

The City may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. As of December 31, 2018, the City has two special emergency appropriations; \$1,850,000.00 for Hurricane Sandy approved December 5, 2012 and \$588,385.00 for Contractual Severance Liability approved November 6, 2013. There was no unfunded balance of these special emergencies as of December 31, 2018.

**NOTE 3: INVESTMENTS**

**Interest Rate Risk.** The City 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 allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: 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 City places no limit on the amount that they can invest in any one issuer.

**NOTE 4: 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 City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the 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. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the City in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2018 and 2017, \$224,199.30 and \$390,824.80 of the City's bank balance of \$27,022,420.79 and \$32,993,697.31 was exposed to custodial credit risk.

**New Jersey Cash Management Fund –** During the year, the City participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Funds are not subject to custodial credit risk as defined above. At December 31, 2018 the City's deposits with the New Jersey Cash Management Fund were \$3,871,046.79.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

**NOTE 5: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2018 and 2017:

	Balance 12/31/16	Additions	* Adjustments	Balance 12/31/17
Land, Building and Improvements	\$ 54,465,744.91		(54,465,744.91)	-
Land and Land Improvements	-		40,398,200.00	40,398,200.00
Buildings and Improvements	-		37,212,874.00	37,212,874.00
Equipment and Machinery	10,949,942.66	751,176.00	(3,736,218.66)	7,964,900.00
	<u>\$ 65,415,687.57</u>	<u>751,176.00</u>	<u>19,409,110.43</u>	<u>85,575,974.00</u>

\* In 2017, the City had an inventory of their fixed assets completed. Land, Buildings and Improvements that were previously presented as one amount were separated during the inventory.

	Balance 12/31/17	Additions	Adjustments	Balance 12/31/18
Land and Land Improvements	\$ 40,398,200.00			40,398,200.00
Buildings and Improvements	37,212,874.00	46,196.71		37,259,070.71
Equipment and Machinery	7,964,900.00	469,325.17	(381,008.00)	8,053,217.17
	<u>85,575,974.00</u>	<u>515,521.88</u>	<u>(381,008.00)</u>	<u>85,710,487.88</u>

**NOTE 6: SHORT-TERM OBLIGATIONS**

	Balance 12/31/16	Issued	Retired	Balance 12/31/17
Bond Anticipation				
Notes payable:				
General	\$ 3,771,000.00	1,590,000.00	3,771,000.00	1,590,000.00
Golf Course Utility	719,000.00	690,000.00	719,000.00	690,000.00
	<u>\$ 4,490,000.00</u>	<u>2,280,000.00</u>	<u>4,490,000.00</u>	<u>2,280,000.00</u>

	Balance 12/31/17	Issued	Retired	Balance 12/31/18
Bond Anticipation				
Notes payable:				
General	\$ 1,590,000.00	1,066,000.00	1,590,000.00	1,066,000.00
Golf Course Utility	690,000.00	661,000.00	690,000.00	661,000.00
	<u>\$ 2,280,000.00</u>	<u>1,727,000.00</u>	<u>2,280,000.00</u>	<u>1,727,000.00</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

The note was issued on December 3, 2015 and is due and payable on November 28, 2018 with interest at 1.39%. As of December 31, 2018 the City has authorized but not issued bonds in the amount of \$13,010,942.00, \$1,750,000.00, \$950.00 in the General Capital Fund, Water and Sewer Utility Capital Fund and Golf Course Utility Capital Fund respectively.

**NOTE 7: LONG TERM DEBT**

Long-term debt as of December 31, 2018 and 2017 consisted of the following:

	Balance 12/31/16	Issued	Retired	Balance 12/31/17	Amounts Due Within One Year
Bonds payable:					
General	\$ 19,995,000.00	6,450,000.00	3,015,000.00	23,430,000.00	3,290,000.00
Water Sewer Utility	1,900,000.00	3,000,000.00	440,000.00	4,460,000.00	560,000.00
Golf Course Utility	720,000.00		360,000.00	360,000.00	360,000.00
Total	22,615,000.00	9,450,000.00	3,815,000.00	28,250,000.00	4,210,000.00
Other liabilities:					
Loans Payable:					
General	354,017.36		32,134.48	321,882.88	31,037.33
Water Sewer Utility	5,938,906.17		623,986.48	5,314,919.69	611,095.88
Compensated Absences Payable	3,802,559.24	1,189,370.42	9,651.77	4,982,277.89	153,937.94
Total long-term liabilities	<u>\$ 32,710,482.77</u>	<u>10,639,370.42</u>	<u>4,480,772.73</u>	<u>38,869,080.46</u>	<u>5,006,071.15</u>
	Balance 12/31/17	Issued	Retired	Balance 12/31/18	Amounts Due Within One Year
Bonds payable:					
General	\$ 23,430,000.00		3,290,000.00	20,140,000.00	3,070,000.00
Water Sewer Utility	4,460,000.00		560,000.00	3,900,000.00	510,000.00
Golf Course Utility	360,000.00		360,000.00	-	
Total	28,250,000.00	-	4,210,000.00	24,040,000.00	3,580,000.00
Other liabilities:					
Loans Payable:					
General	321,882.88		31,037.33	290,845.55	31,661.17
Water Sewer Utility	5,314,919.69		611,095.88	4,703,823.81	611,088.29
Compensated Absences Payable	4,982,277.89	82,500.81	139,244.14	4,925,534.56	
Total long-term liabilities	<u>\$ 38,869,080.46</u>	<u>82,500.81</u>	<u>4,991,377.35</u>	<u>33,960,203.92</u>	<u>4,222,749.46</u>



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017  
(CONTINUED)**

**Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the City:**

\$5,250,000 General Obligation Bonds dated January 15, 2006 due in annual installments through January 15, 2018 bearing interest at various rates. There is no balance remaining as of December 31, 2018.

\$8,150,000 General Obligation Bonds dated March 15, 2008 due in annual installments through January 15, 2019 bearing interest at various rates. The balance remaining as of December 31, 2018, is \$700,000.00.

\$9,000,000 General Obligation Bonds dated July 7, 2012 due in annual installments through July 15, 2024 bearing interest at various rates. The balance remaining as of December 31, 2018, is \$5,040,000.00.

\$6,850,000 General Obligation Bonds dated December 1, 2015 due in annual installments through December 1, 2024 bearing interest at various rates. The balance remaining as of December 31, 2018, is \$5,190,000.00.

\$6,450,000 General Obligation Bonds dated October 15, 2017 due in annual installments through October 15, 2030 bearing interest at various rates. The balance remaining as of December 31, 2018, is \$6,110,000.00.

\$5,850,000 Type I School Bond dated July 7, 2012, due in annual installments through July 15, 2024, bearing interest at various rates. The balance remaining as of December 31, 2018, is \$3,100,000.00.

\$72,803 Green Trust Loan dated 1997, due in annual installments through 2017, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2018, is \$532.41.

\$600,000 Green Trust Loan dated 2007, due in annual installments through March 16, 2027, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2018, is \$290,313.14.

**Outstanding bonds whose principal and interest are paid from the Water and Sewer Utility Operating Fund of the City:**

\$1,750,000 Water and Sewer Utility Bond dated January 15, 2005, due in annual installments through January 15, 2018, bearing interest at various rates. There was no balance remaining as of December 31, 2018.

\$1,800,000 Water and Sewer Utility Bond dated March 15, 2008, due in annual installments through January 15, 2020, bearing interest at various rates. The balance remaining as of December 31, 2018, is \$260,000.00.

\$1,400,000 Water and Sewer Utility Bond dated July 17, 2012, due in annual installments through July 15, 2023, bearing interest at various rates. The balance remaining as of December 31, 2018, is \$800,000.00.

\$3,000,000 Water and Sewer Utility Bond dated October 15, 2017 due in annual installments through October 15, 2030 bearing interest at various rates. The balance remaining as of December 31, 2018, is \$2,840,000.00.

\$480,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated November 5, 1999, due in annual installments through August 1, 2019, bearing interest at various rates. The balance remaining as of December 31, 2018, is \$40,000.00.

\$1,155,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated November 4, 2004, due in annual installments through August 1, 2019, bearing interest at various rates. The balance remaining as of December 31, 2018, is \$110,000.00.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

\$457,960 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated November 5, 1999, due in annual installments through August 1, 2019, bearing no interest rate. The balance remaining as of December 31, 2018, is \$24,808.94.

\$1,212,500 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated November 4, 2004, due in annual installments through August 1, 2019, bearing no interest rate. The balance remaining as of December 31, 2018, is \$68,425.12.

\$325,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated March 10, 2010, due in annual installments through August 1, 2029, bearing interest at various rates. The balance remaining as of December 31, 2018, is \$225,000.00.

\$931,500 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated March 10, 2010, due in annual installments through August 1, 2019, bearing no interest rate. The balance remaining as of December 31, 2018, is \$546,869.00.

\$2,335,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated February 2, 2010, due in annual installments through August 1, 2030, bearing interest at various rates. The balance remaining as of December 31, 2018, is \$1,345,000.00.

\$2,512,650 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated February 2, 2011, due in annual installments through August 1, 2030, bearing no interest rate. The balance remaining as of December 31, 2018, is \$1,100,242.48.

\$435,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated May 28, 2015, due in annual installments through August 1, 2034, bearing interest at various rates. The balance remaining as of December 31, 2018, is \$390,000.00.

\$1,049,067 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated May 28, 2015, due in annual installments through August 1, 2034, bearing no interest rate. The balance remaining as of December 31, 2018, is \$853,478.27.

**Outstanding bonds whose principal and interest are paid from the Golf Course Utility Fund of the City:**

\$4,000,000 Golf Course Utility Bond dated January 15, 2005, due in annual installments through January 15, 2018, bearing interest at various rates. There is no balance remaining as of December 31, 2018.

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

Year Ending December 31,	General Capital Fund	
	Principal	Interest
2019	3,070,000.00	590,087.50
2020	2,460,000.00	498,187.50
2021	2,520,000.00	413,387.50
2022	2,560,000.00	340,587.50
2023	2,590,000.00	266,187.50
2024-2027	5,220,000.00	427,225.00
2028-2030	1,720,000.00	91,212.50
	<u>\$ 20,140,000.00</u>	<u>2,626,875.00</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

Year Ending December 31,	Utility Capital Fund	
	Principal	Interest
2019	1,121,088.29	214,267.50
2020	802,854.23	184,787.50
2021	742,854.23	163,687.50
2022	757,854.23	143,687.50
2023	772,854.23	122,837.50
2024-2027	2,616,802.75	324,037.50
2028-2032	1,617,830.90	95,325.00
2033-2034	171,684.95	4,000.00
	<u>\$ 8,603,823.81</u>	<u>1,252,630.00</u>

As of December 31, 2018 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$130,039.61, to the water and sewer utility budget was \$177,566.56 and to the golf course utility budget was \$9,039.36.

<u>Summary of Municipal Debt</u>	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 21,496,845.55	\$ 25,341,882.88	24,120,017.36
Water/Sewer Utility - Bonds and Notes	8,603,823.81	9,774,919.69	7,838,906.17
Golf Course Utility - Bonds and Notes	661,000.00	1,050,000.00	1,439,000.00
Total Issued	<u>30,761,669.36</u>	<u>36,166,802.57</u>	<u>33,397,923.53</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	13,010,942.00	6,690,987.00	7,272,027.99
Water/Sewer Utility - Bonds and Notes	1,750,000.00	1,034,167.00	4,034,167.00
Beach Utility - Bonds and Notes	950.00	950.00	950.00
Total Authorized But Not Issued	<u>14,761,892.00</u>	<u>7,726,104.00</u>	<u>11,307,144.99</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 45,523,561.36</u>	<u>\$ 43,892,906.57</u>	<u>44,705,068.52</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.943%.

	Gross Debt	Deductions	Net Debt
Local School Debt	\$ 4,166,000.00	4,166,000.00	-
Utility Debt	11,015,773.81	10,353,823.81	661,950.00
General Debt	30,341,787.55		30,341,787.55
	<u>\$ 45,523,561.36</u>	<u>14,519,823.81</u>	<u>31,003,737.55</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

Net Debt \$31,003,737.55 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,288,198,885.67 = 0.943%.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$	115,086,961
Net Debt		31,003,738
Remaining Borrowing Power	\$	<u>84,083,223</u>

**NOTE 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2018 and 2017, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2019 and 2018 were as follows:

		<u>2019</u>	<u>2018</u>
Current Fund	\$	2,850,000.00	2,850,000.00
Water/Sewer Utility		200,000.00	250,000.00
Golf Course Utility		None	7,000.00

**NOTE 9: SCHOOL TAXES**

Local District School Tax in the amount of \$15,888,114.00 has been raised for the 2018 and 2017 calendar years and remitted to the school district.

**NOTE 10: 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 years:

	<u>Balance 12/31/18</u>	<u>Balance 12/31/17</u>
Prepaid Taxes	\$ 1,123,752.49	4,505,698.95
Cash Liability for Taxes Collected in Advance	<u>\$ 1,123,752.49</u>	<u>4,505,698.95</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

**NOTE 11: PENSION FUNDS**

*Description of Plans*

Substantially all of the City's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

*Public Employees' Retirement System*

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

*Defined Contribution Retirement Program (DCRP)*

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15c-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43: 15c-1 et seq. Currently there are seven individuals enrolled in DCRP.

*Police and Fireman's Retirement System*

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

*Pension Plan for Lifeguards*

The City of Brigantine has established a pension plan to provide retirement, disability, and survivor pension benefits for the individuals who serve on the City's lifeguard force. An eligible employee becomes a plan member upon employment. Employee contributions shall be withheld from the member's salary and contributed to plan for his benefit for his/her benefit. Retiree benefits are paid out of the current fund and charged to the current operating budget of the City. A plan member may retire with a pension only after his 45<sup>th</sup> birthday and after he has completed 20 years of service, the last 10 must have been completed immediately preceding his/her application.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

*Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.34% through June 30, 2017 and 7.50% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 14.11% of covered payroll. The City's contributions to PERS for the years ended December 31, 2018, 2017, and 2016 were \$544,238.92, \$510,175.69, and \$508,867.00.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The City's contributions to PFRS for the years ended December 31, 2018, 2017, and 2016 were \$1,576,110.00, \$1,533,762.00, and \$1,552,045.00.

The total payroll for the year ended December 31, 2018 was \$13,110,665.92. Payroll covered by PFRS was \$6,463,215.00 and PERS was \$4,031,621.00.

The Lifeguard Pension provides for employee contributions of 4.00% of employees' annual compensation. The City's contributions to the Lifeguard Pension for the year ended December 31, 2018, 2017, and 2016 was \$20,000.00, \$20,000.00 and \$20,000.00. The City's trust for the Lifeguard Pension at December 31, 2018 was \$558,332.58. Currently there are eight individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2018, 2017, and 2016 were \$61,383.96, \$161,383.96, and \$55,050.92.

*Significant Legislation*

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

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

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

**Note 12: PENSION LIABILITIES**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the City's pension liabilities. However, due to the fact that the City reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the City's pension liabilities as June 30, 2018:

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

**Public Employees' Retirement System**

The City has a liability of \$10,981,997.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 that was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the City's proportion would be 0.05577589960%, which would be a decrease of 4.34% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the City would have recognized pension expense of \$363,104.00. At December 31, 2018, the City would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 209,428	(56,627)
Changes of assumptions	1,809,651	(3,511,459)
Changes in proportion	178,093	(863,673)
Net difference between projected and actual earnings on pension plan investments		(103,012)
Total	<u>\$ 2,197,172</u>	<u>(4,534,771)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ (1,859,733)
2019	(2,701,914)
2020	(1,604,926)
2021	2,145,694
2022	1,683,280
Total	<u>\$ (2,337,599)</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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 experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

*Discount Rate*

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2043 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 5.66%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.66%) or 1-percentage point higher (6.66%) than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
City's proportionate share of the net pension liability	\$13,203,138.29	10,981,997.00	9,119,721.33

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**Police and Firemen's Retirement System**

The City has a liability of \$25,478,240.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2017 that was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the City's proportion would be 0.18828630100%, which would be an increase of 5.73% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the City would have recognized pension expense of \$1,248,791.00. At December 31, 2018, the City would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 259,208	\$ (105,435)
Changes of assumptions	2,186,964	(6,529,633)
Changes in proportion	1,581,140	(2,451,654)
Net difference between projected and actual earnings on pension plan investments		(139,389)
Total	<u>\$ 4,027,312</u>	<u>\$ (9,226,111)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ 229,167.79
2019	(901,889.01)
2020	(2,438,770.71)
2021	(1,581,375.90)
2022	(505,931.16)
Total	<u>\$ (5,198,799.00)</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	2.10% - 8.98% (based on age)
Thereafter	3.10% - 9.98% (based on age)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2018 are summarized in the following table:

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

*Discount Rate*

The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the City's proportionate share of the 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, 2018, 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:

	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
City's proportionate share of the net pension liability	\$ 33,189,010.71	25,478,240.00	19,119,534.91

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2017 State special funding situation net pension liability amount of \$1,838,050,687.00 is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2018 State special funding situation pension expense of \$217,714,180.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2018. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2017, the State contributed an amount less than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the City was 0.18828630100% for 2018. The net pension liability amount allocated to the City was \$3,460,798.00. For the fiscal year ending June 30, 2018 State special funding situation pension expense of \$409,926.00 is allocated to the City.

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

**NOTE 13 – OTHER POST-RETIREMENT BENEFITS**

*General Information about the Plan:*

The City offers Other Post-Retirement Benefits (OPEB) to its employees through the State Health Benefit Local Government Retired Employees Plan (the Plan) a cost-sharing multiple employer defined benefit other postemployment benefit plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. 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>.

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

*Allocation Methodology:*

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the City these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation as applicable, the Collective Total OPEB liabilities for the year ended June 30, 2018 were \$6,338,578,586 and \$9,642,524,641, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's non special funding situation during the measurement period July 1, 2017 through June 30, 2018. Employer and non-employer allocation percentages have been rounded for presentation purposes.

*Special Funding Situation:*

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

*Net OPEB Liability:*

*Components of Net OPEB Liability*

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2018 is as follows:

	<b>June 30, 2018</b>
	<b>Collective Total</b>
Total OPEB Liability	\$ 15,981,103,227
Plan Fiduciary Net Position	314,485,086
Net OPEB Liability	<u>\$ 15,666,618,141</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

At June 30, 2018, the State's proportionate share for the Special Funding Situation that is associated with the City is \$24,491,495. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was 0.394144% which was a decrease from the prior year of 2.91%.

For the Year ended June 30, 2018, the State of New Jersey realized Total OPEB Expense in the amount of \$741,386 for its proportionate share of Total OPEB Expense that is associated with the City.

The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, 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*:	
Through 2026	1.65% to 8.98%
Thereafter	2.65% to 9.98%

\* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

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

*Health Care Trend Assumptions*

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

*Discount Rate*

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



**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

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

The following presents the Net OPEB liability as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the Net OPEB 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:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Collective			
Net OPEB Liability \$	18,381,085,096	\$ 15,666,618,141	\$ 13,498,373,388

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

The following presents the net OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Collective			
Net OPEB Liability \$	13,068,471,450	\$ 15,666,618,141	\$ 19,029,006,023

*Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

	Collective Totals	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience \$		\$ (3,180,882,321)
Changes of assumptions		(3,974,042,874)
Net difference between projected and actual earnings on OPEB plan investments	8,279,239	
Changes in proportion and differences between contributions and proportionate share of contributions	2,106,728,269	(2,106,728,269)
Total	\$ 2,115,007,508	\$ (9,261,653,464)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired City employees' OPEB will be recognized in OPEB expense as follows:

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

Year ended June 30,		Collective Totals
2019	\$	(1,049,390,011)
2020		(1,049,390,011)
2021		(1,049,390,011)
2022		(1,050,264,681)
2023		(1,051,678,489)
Thereafter		(1,896,532,753)
Total	\$	<u>(7,146,645,956)</u>

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

*Collective OPEB Expenses reported by the State of New Jersey*

The components of allocable OPEB Expense related to specific liabilities of individual employers for the year ending June 30, 2018 are as follows:

Service cost	\$	896,235,148
Interest on Total OPEB Liability		764,082,232
Expected Investment Return		(9,389,460)
Administrative Expenses		8,200,113
Current Period Recognition (Amortization) of Deferred Inflow s/ Outflow s of Resources:		
Differences between Expected and Actual Experience		(445,501,726)
Changes in Assumptions		(606,176,763)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments		2,288,478
Total Collective OPEB Expense	\$	<u>609,738,022</u>

**NOTE 14: POST-RETIREMENT BENEFITS**

Retired members of the PBA and the fire department are entitled to an annual allowance of up to \$900.00 for dental work. During 2018, the City provided post-retirement dental coverage to fifty-four (54) retired employees. In accordance with GASB Statement 75 "Accounting and Financial Reporting For Post-employment Benefits Other Than Pensions" ("OPEB") and the State of New Jersey, the City obtained an actuarial valuation of the liability for providing these benefits.

City employees are also eligible to participate in the single – employer OPEB Plan discussed below.

A retiree and their covered dependents may also receive City-paid dental and vision benefits for a period of 3 to 5 years in accordance with labor agreements if they meet any one of the following requirements:

- (1) Twenty-five (25) years or more of full-time service with the City and Twenty-five (25) years or more enrolled in the pension system; or

The Regulatory Basis of Accounting does not permit the accrual of Actuarially determined OPEB Expenses or Liabilities. The City reports all OPEB related costs on the "pay as you go" basis. The following information is for disclosure purposes only and has not been accrued in the Financial Statements of the City.

The actuarial determined valuation of these benefits has been reviewed and will be reviewed bi-annually for the purpose of estimating the present value of future benefits for active and retired employees and their dependents as required by GASB 75.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

The actuarial valuation report was based on 129 total participants including 54 retirees.

**Annual OPEB Cost and Net OPEB Liability**

The City's annual OPEB cost represents the accrued cost for post-employment benefits under GASB 75. The cumulative difference between the annual OPEB cost and the benefits paid during a year will result in a net OPEB obligation. The annual OPEB cost is equal to the annual required contribution (ARC) less adjustment if a net OPEB obligation exists. The ARC is equal to the normal cost and amortization of the Unfunded Actuarial Accrued Liability (UAAL) plus interest.

**Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrences of events far into the future, including future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the January 1, 2017 actuarial valuation, the "Entry-Age-Normal as a Percentage of Salary" method was used for all participants. The actuarial assumptions used to project future costs included a discount rate of 3.64%. In addition, the unfunded actuarial accrued liability is being amortized over the maximum acceptable period of 30 years.

**Other Post-employment Benefit Costs and Obligations**

In the January 1, 2018 actuarial valuation, the Actuarially Determined Contribution for the year ending December 31, 2018 were projected as follows:

	<u>12/31/2018</u>
Service Cost	\$ 68,659.00
30 Year Amortization of NOL at 3.64	201,335.00
Actuarially Determined Contribution	<u>269,994.00</u>
Actual Contribution	19,889.00
Excess Contribution	\$ <u><u>(250,105.00)</u></u>
Covered Payroll	\$ 7,720,474.00
Actuarially Determined Contribution as a % of Covered Payroll	3.50%

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

The following reflects the change in the Total OPEB Liability as of the January 1, 2018 valuation date for the Year ended December 31, 2018.

	<u>12/31/2018</u>
OPEB Liability, Beginning of Year	\$ 2,825,547.00
Changes for the Year:	
Service Cost	68,659.00
Interest	102,488.00
Assumption Changes & Difference	
Between Actual & Expected Experience	(127,448.00)
Change in Actuarial Cost Method	-
Benefit Payments	(19,889.00)
OPEB Liability, End of Year	\$ <u>2,849,357.00</u>
Covered payroll (for Covered Participants)	\$ 7,720,474.00
Total OPEB liability as a percentage of covered payroll	36.91%

**Sensitivity of the total OPEB liability to changes in the discount rate.**

The January 1, 2018 valuation was prepared using a discount rate of 3.64%. If the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability would decrease to \$2,324,329.00 or by 4.64%. If the discount rate were 1% lower than was used in this valuation, the Total OPEB Liability would increase to \$3,374,383.00 or by 2.64%.

	<u>Discount Rate</u>		
	<u>1% Decrease</u>	<u>Baseline 3.64%</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>3,374,383.00</u>	\$ <u>2,849,357.00</u>	\$ <u>2,324,329.00</u>

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.**

The January 1, 2018 valuation was prepared using an initial trend rate of 8.00%. If the trend rate were 1% higher than what was used in this valuation, the Total OPEB Liability would increase to \$3,433,778.00 or by 9.00%. If the trend rate were 1% lower than was used in this valuation, the Total OPEB Liability would decrease to \$2,359,779.00 or by 7.00%.

	<u>Healthcare Cost Trend Rates</u>		
	<u>1% Decrease</u>	<u>Baseline 8.00%</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>2,359,779.00</u>	\$ <u>2,849,357.00</u>	\$ <u>3,433,778.00</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2017, the City's Actuarially determined OPEB expense was \$30,108,254. At December 31, 2017, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Increase in January 1, 2017 OPEB Liability due to Actuarial experience different from expected and actuarial assumption changes	\$ -	\$ 111,517.00
Total	\$ <u>-</u>	\$ <u>111,517.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB would be recognized in OPEB expense as follows:

For the Year Ending December 31,

2018	\$ (15,931.00)
2019	(15,931.00)
2020	(15,931.00)
2021	(15,931.00)
2022	(15,931.00)
Thereafter	(31,862.00)
	\$ <u>(111,517.00)</u>

**NOTE 14: ACCRUED SICK AND VACATION BENEFITS**

The City has permitted employees to accrue unused vacation and sick time, which may be taken as time off or paid at a later date. Personal time accrued during the year must be used during that year and does not accrue.

Upon termination or retirement, unused earned vacation hours are paid out in total at the employees' current hourly rate, sick time payouts vary with the different bargaining units and are determined by contractual agreements and hire dates as follows:

- Hired prior to May 22, 2010 - The majority of the sick time liability lies within the police and fire departments. Police and Fire employees having more than \$50,000 in accrued sick time will be capped at 9 months of their salary as of January 1, 2015. All other employees with \$50,000 or less in accrued sick time will be capped at the greater of \$50,000 or the dollar value of the hours accrued.
- Hired after May 22, 2010 – Sick time payout for all employees is capped at a payout of \$15,000.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

The total monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. The City has been providing in the budget amounts to cover anticipated payouts during the budget year. At December 31, 2018, the City estimates this liability to be approximately \$4,925,534.56 based upon 2018 pay rates and compensated balances.

**NOTE 15: ECONOMIC DEPENDENCY**

The City of Brigantine is not economically dependent on any one business or industry as a major source of tax revenue for the City.

**NOTE 16: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The City maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2018 and 2017 the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The City is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The City is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The City has a general liability limit of \$100,000 under JIF, which increases to \$5,000,000 under MEL.

**NOTE 17: DEFERRED COMPENSATION**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. In 1998 the City of Brigantine amended the plan by resolution to comply with a private letter ruling of the Internal Revenue Service that requires assets of deferred compensation plans be held in trust under the beneficial ownership of the Trustee, (City of Brigantine) serving as Trustee, for the exclusive benefit of the plan participants and their beneficiaries, and that the assets shall not be diverted to any other purpose. The plan administrators are Hartford, Aflac and Valic.

**NOTE 18: CONTINGENT LIABILITIES**

From time to time, the City is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the City's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

**NOTE 19: FEDERAL AND STATE GRANTS**

In the normal course of operations, the City received grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as a result of these audits is not believed to be material.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(CONTINUED)**

**NOTE 20: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2018, the following interfunds were included on the balance sheets of the various funds of the City of Brigantine:

	Due From	Due To
Current Fund:		
Trusts Other	\$ 53.00	
Water-Sewer Utility Operating Fund	1,672.05	
Golf Utility Operating Fund	4,256.38	
Other Trusts:		
Current Fund	397.00	450.00
Water-Sewer Operating Fund:		
Current Fund		1,672.05
Grant Fund		
Golf Operating Fund:		
Current Fund		4,256.38
	\$ <u>6,378.43</u>	<u>6,378.43</u>

The balances are primarily the result of disbursements made from the various funds which were not reimbursed prior to year end.

**NOTE 21: SUBSEQUENT EVENTS**

The City has evaluated subsequent events through July 25, 2019, the date which the financial statements were available to be issued. The following event was identified:

Subsequent to December 31, the City of Brigantine authorized additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
General Capital:		
Bonds and Notes:		
Purchase of Ambulance & Related Equipment	Introduced: May 1, 2019 Adopted: May 15, 2019	\$ 285,000.00
Various Capital Improvements	Introduced: July 20, 2019	7,557,250.00
Water Sewer Capital:		
Bonds and Notes:		
Capital Improvements	Introduced: July 20, 2019	6,170,000.00
		<u>\$ 14,012,250.00</u>

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## **SUPPLEMENTARY INFORMATION**





### Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council  
City of Brigantine, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Brigantine's basic financial statements, and have issued our report thereon dated July 25, 2019, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

#### **Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**July 25, 2019**



## Independent Auditor's Report

The Honorable Mayor and  
Members of City Council  
City of Brigantine, New Jersey

### ***Report on Compliance for Each Major Federal Program***

We have audited the City of Brigantine's compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the City of Brigantine's major federal programs for the year ended December 31, 2018. The City of Brigantine's major federal 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 its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Brigantine's major federal 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). Those standards and the Uniform Guidance 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 federal program occurred. An audit includes examining, on a test basis, evidence about City of Brigantine'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 program. However, our audit does not provide a legal determination of the City of Brigantine's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City of Brigantine 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 major federal programs for the year ended December 31, 2018.

## ***Report on Internal Control Over Compliance***

Management of City of Brigantine 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 City of Brigantine's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Brigantine'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 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 program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**July 25, 2019**

**SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal FAIN Number	Grant Period		Program or Award Amount	Receipts or Revenue Recognized	Budgetary Expenditures			(MEMO) Passed Through to Sub-Recipients
			From	To			Pass Through	Source	Total	
<b>FEDERAL:</b>										
U.S. Department of Justice										
Passed thru New Jersey Department of Law and Public Safety	16.607	Unknown			Unknown	\$ -	1,320.00		1,320.00	-
Bulletproof Vest Partnership							1,320.00			
Total U.S. Department of Justice						-	1,320.00	-	1,320.00	-
U.S. Department of Housing and Urban Development										
Passed thru New Jersey Department of Community Affairs	14.269	B-13-DS-34-0001	05/13/2013	OPEN	1,379,435.00		1,379,435.00		1,379,435.00	-
Post Sandy Planning Assistance						-	1,379,435.00	-	1,379,435.00	-
Total Housing and Urban Development						-	1,380,755.00	-	1,380,755.00	-
Total Federal Assistance						\$ -				

See Accompanying Notes to Schedule of Federal Awards

**NOTES TO SCHEDULE EXPENDITURES OF  
FEDERAL AWARDS FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2018**

**Note 1: General**

The accompanying schedule of federal and state awards includes the federal and state grant activity of the City of Brigantine May, State of New Jersey and is presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining single audit threshold on major programs.

**Note 2: Relationship to General Purpose Financial Statements**

Amounts reported in the accompanying schedule do not agree with amounts reported in the City's financial statements. Receipts from Federal and State grants are realized as revenue when anticipated in the City's budget. Expenditures are recognized when they become payable. Following is a reconciliation of expenditures:

Expenditures per Schedule of Federal Awards	\$	1,380,755.00
General Capital Fund Grant		(1,379,435.00)
Reimbursement		(16,970.00)
State Grants		90,629.02
Local Grants		(9,882.60)
Expenditures reported on Schedule A-12	<u>\$</u>	<u>65,096.42</u>

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**CITY OF BRIGANTINE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

***Part I -- Summary of Auditor's Results***

**Financial Statement Section**

A)	Type of auditor's report issued:	<u>Adverse - GAAP Basis, Unmodified Regulatory Basis</u>		
B)	Internal control over financial reporting:			
	1) Material weakness(es) identified?	yes	<u>X</u>	no
	2) Were significant deficiencies identified that were not considered to be material weaknesses?	yes	<u>X</u>	no
C)	Noncompliance material to general-purpose financial statements noted?	yes	<u>X</u>	no

**Federal Awards Section**

D)	Dollar threshold used to determine Type A programs:	<u>\$ 750,000.00</u>				
E)	Auditee qualified as low-risk auditee?	<u>X</u>	yes	<u>          </u>	no	<u>          </u> n/a
F)	Type of auditor's report on compliance for major programs	<u>Unmodified</u>				
G)	Internal Control over compliance:					
	1) Material weakness(es) identified?	yes	<u>X</u>	no		
	2) Were significant deficiencies identified that were not considered to be material weaknesses?	yes	<u>X</u>	no		
H)	Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	yes	<u>X</u>	no		
I)	Identification of major programs:					

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>14.269</u>	<u>Hurricane Sandy Community Development Block Grant Disaster Recovery Grant</u>

**CITY OF BRIGANTINE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

***Part I -- Summary of Auditor's Results***

**State Awards Section -**

**Not Applicable**

- J) Dollar threshold used to determine Type A programs: \_\_\_\_\_
- K) Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no \_\_\_\_\_ n/a
- L) Type of auditor's report on compliance for major programs \_\_\_\_\_
- M) Internal Control over compliance:
- 1) Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no
- 2) Were reportable condition(s) identified that were not considered to be material weaknesses? \_\_\_\_\_ yes \_\_\_\_\_ no
- N) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? \_\_\_\_\_ yes \_\_\_\_\_ no
- O) Identification of major programs:

GMIS Number(s)

Name of State Program

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***Part 2 - Schedule of Financial Statement Findings***

None

***Part 3 - Schedule of Federal Award Findings and Questioned Costs***

None

***STATUS OF PRIOR YEAR FINDINGS***

None

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2017	\$ 14,535,443.12	123,803.35
Increased by Receipts:		
Tax Collector	53,665,533.23	
State of New Jersey - Veterans' and Senior Citizens' Deductions	100,421.23	
Miscellaneous Revenue Anticipated	4,472,852.51	
Miscellaneous Revenue Not Anticipated	150,999.96	
Due Federal and State Grant Fund	124.93	
Due Trust Other	1,918.31	
Due Golf Utility	753.69	
Due to State of New Jersey - State Training Fees	24,171.00	
Due to State of New Jersey - Marriage Licenses	1,375.00	
Change and Petty Cash Funds	400.00	
Payroll Taxes Payable	22,594.63	
Federal and State Grant Fund:		
Federal and State Grants Receivable		240,873.68
Federal and State Unappropriated Reserves		-
Due Current Fund		4,080.00
Due Water/Sewer Operating Fund		121.94
	<u>58,441,144.49</u>	<u>245,075.62</u>
	72,976,587.61	368,878.97
Decreased by Disbursements:		
Current Year Appropriation	26,944,653.21	
Prior Year Appropriations	381,315.37	
County Taxes	18,209,999.78	
Local District School Taxes	15,888,114.00	
Due to County - Added and Omitted Taxes	119,312.21	
Due to State of New Jersey - Marriage License Fees	1,375.00	
Due to State of New Jersey - State Training Fees	22,239.00	
Refund of Tax Overpayments	45,822.09	
Due Trust Other	450.00	
Due General Capital	50,000.00	
Due Water-Sewer Utility Operating Fund	1,672.05	
Due Golf Utility Operating	4,256.38	
Due Federal and State Grant Fund	4,080.00	
Federal and State Grant Fund:		
Federal and State Disbursements		73,294.02
Due Current Fund		124.93
	<u>61,673,289.09</u>	<u>73,418.95</u>
Balance December 31, 2018	\$ <u><u>11,303,298.52</u></u>	<u><u>295,460.02</u></u>

**CURRENT FUND  
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2017		\$	-
Increased by Receipts:			
Prepaid Taxes	1,123,752.49		
Taxes Receivable	52,347,834.43		
Interest on Taxes	142,819.96		
Tax Title Liens	-		
Miscellaneous Revenue	<u>51,126.35</u>		
			<u>53,665,533.23</u>
			53,665,533.23
Decreased By Disbursements:			
Payments to Treasurer	<u>53,665,533.23</u>		
			<u>53,665,533.23</u>
Balance December 31, 2018		\$	<u><u>-</u></u>

**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance Dec. 31, 2017	Current Year Levy	Added Taxes	Collections by Cash 2017	2018	Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2018
Arrears	\$ -							-
2016	698.43				1,697.17	(1,000.00)		1.26
2017	412,298.59		860.94		414,585.05	(4,947.23)	3,271.71	250.00
	412,997.02	-	860.94	-	416,282.22	(5,947.23)	3,271.71	251.26
2018	-	57,103,427.71	6,333.89	4,505,733.04	51,925,618.59	179,340.45	5,600.45	493,469.07
	412,997.02	57,103,427.71	7,194.83	4,505,733.04	52,341,900.81	173,393.22	8,872.16	493,720.33
	\$							
<b>Analysis of Current Year Tax Levy</b>								
Tax Yield:								
General Property Tax								
Added Taxes (54:4-63.1 et. Seq.)								
					57,103,427.71			
					6,333.89			
						57,109,761.60		
Tax Levy:								
General County Taxes								
County Library Taxes								
County Open Space Taxes								
County Health Taxes								
County Added and Omitted Taxes								
Total County Taxes								
					117,891.76			
						18,327,891.54		
Local School District Tax								
Additional Local Open Space Tax								
						15,888,114.00		
Local Tax for Municipal Purposes								
Add: Additional Tax Levied								
					22,629,322.50			
					264,433.56			
						22,893,756.06		
						57,109,761.60		

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2017		\$	11,514.67
Increased by:			
Transfers from Taxes Receivable	8,872.16		
	<hr/>		<hr/>
			8,872.16
			20,386.83
Decreased by:			
None	-		
	<hr/>		<hr/>
			-
Balance December 31, 2018		\$	<u><u>20,386.83</u></u>

**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2017	Accrued in 2018	Collected by		Balance Dec. 31, 2018
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	\$ -	12,000.00		12,000.00	-
Other	-	8,784.00		8,784.00	-
Fees and Permits	-	135,767.97		135,767.97	-
Municipal Court					
Fines and Costs	7,132.91	118,490.65		116,595.34	9,028.22
Interest and Costs on Taxes	-	142,819.96	142,819.96		-
Interest and Investments and Deposits	-	190,947.59		190,947.59	-
Beach Fees	-	656,919.00		656,919.00	-
Beach Vehicles Permits	-	701,025.00		701,025.00	-
Cable Franchise	-	87,105.30		87,105.30	-
County Share of Library Costs	-	50,000.00		50,000.00	-
Emergency Medical Services	-	310,260.52		310,260.52	-
Lease of City Property	-	216,967.35		216,967.35	-
Uniform Construction Code Fees	-	469,660.00		469,660.00	-
Fire Prevention Inspection Fees	-	352,990.00		352,990.00	-
Minature Golf Receipts	-	20,000.00		20,000.00	-
Reserve for Future Capital Project	-	175,000.00		175,000.00	-
Reserve to Pay Bonds & Notes	-	75,000.00		75,000.00	-
Reserve to Pay Bonds & Notes - School Purpose	-	47,981.44		47,981.44	-
Energy Receipts	-	657,130.00		657,130.00	-
Open Space Pilot Aid (Garden State Trust)	-	15,570.00		15,570.00	-
Type I School Debt Service Aid	-	173,149.00		173,149.00	-
Miscellaneous Revenue Not Anticipated	-	202,126.31	51,126.35	150,999.96	-
	<u>7,132.91</u>	<u>4,819,694.09</u>	<u>193,946.31</u>	<u>4,623,852.47</u>	<u>9,028.22</u>



**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>OPERATIONS WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT:</b>					
General Administration					
Other Expenses	\$ 11,193.22	11,193.22	1,980.38	9,212.84	-
Mayor and Council					
Other Expenses	11,264.05	11,264.05	52.47	11,211.58	-
Municipal Clerk					
Other Expenses	11,960.72	11,960.72	827.93	11,132.79	-
Financial Administration					
Other Expenses	18,766.10	18,766.10	5,263.95	13,502.15	-
Revenue Administration (Tax Collector)					
Other Expenses	1,592.06	1,592.06	151.00	1,441.06	-
Tax Assessment Administration					
Other Expenses	16,515.16	16,515.16	1,757.70	14,757.46	-
Legal Services					
Other Expenses	138,408.11	138,408.11	26,961.51	111,446.60	-
Engineering Services and Costs					
Other Expenses	74,639.83	74,639.83	22,885.50	51,754.33	-
Emergency Medical Services - Billing					
Other Expenses	8,229.57	8,229.57	5,517.77	2,711.80	-
Municipal Court					
Other Expenses	5,288.09	5,288.09	2,669.89	2,618.20	-
Public Defender					
Other Expenses	2,200.00	2,200.00	625.00	1,575.00	-

See Accompanying Auditor's Report

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>LAND USE ADMINISTRATION</b>					
Planning Board	10,973.00	10,973.00	2,921.26	8,051.74	-
Other Expenses					
<b>PUBLIC SAFETY</b>					
Fire Department	31,212.41	31,212.41	30,309.42	902.99	-
Other Expenses					
Police Department	54,267.12	54,267.12	14,070.40	40,196.72	-
Other Expenses					
<b>PUBLIC WORKS</b>					
Streets and Roads Maintenance	39,743.25	39,743.25	1,364.14	38,379.11	-
Other Expenses					
Solid Waste Collection	132,808.40	132,808.40	119,566.95	13,241.45	-
Other Expenses					
Public Buildings and Grounds	33,090.84	33,090.84	31,875.38	1,215.46	-
Other Expenses					
Vehicle Maintenance	54,065.49	54,065.49	33,562.66	20,502.83	-
Other Expenses					
<b>HEALTH AND HUMAN SERVICES</b>					
Dog Regulation	5,553.10	5,553.10	2,400.00	3,153.10	-
Other Expenses					
<b>PARKS AND RECREATION</b>					
Beach Patrol and Maintenance	12,299.12	12,299.12	2,059.54	10,239.58	-
Other Expenses					
Beach Fee Program	12,810.45	12,810.45	6,888.46	5,921.99	-
Other Expenses					

See Accompanying Auditor's Report

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Parks and Playgrounds Other Expenses	19,106.96	19,106.96	6,507.88	12,599.08	-
Grant Coordinator Other Expenses	15,414.02	15,414.02	2,350.00	13,064.02	-
<b>UNIFORM CONSTRUCTION CODE</b> Construction Official Other Expenses	5,263.94	5,263.94	687.70	4,576.24	-
<b>UNCLASSIFIED</b> Maintenance Agreements - Contractual	21,194.12	21,194.12	5,989.87	15,204.25	-
<b>UTILITY EXPENSES AND BULK PURCHASES</b> Electric	40,670.80	40,670.80	12,967.77	27,703.03	-
Street Lighting	22,534.85	22,534.85	17,764.99	4,769.86	-
Telephone	7,710.98	7,710.98	2,871.91	4,839.07	-
Gas	19,116.88	19,116.88	11,923.90	7,192.98	-
Fuel	27,447.22	27,447.22	5,529.35	21,917.87	-
Cable	1,472.04	1,472.04	621.17	850.87	-
<b>STATUTORY EXPENDITURES</b> Contribution to: Public Employees' Retirement System	1,290.60	1,290.60	1,290.60	-	-
Unemployment Compensation Insurance	25,775.40	25,775.40	10,822.75	14,952.65	-
<b>OPERATIONS EXCLUDED FROM CAPS</b> Fire Prevention Inspections Other Expenses	866.72	866.72	493.67	373.05	-
<b>All Other Accounts - No Change</b>	627,154.65	627,154.65		627,154.65	-
<b>\$</b>	<u>1,521,899.27</u>	<u>1,521,899.27</u>	<u>393,532.87</u>	<u>1,128,366.40</u>	<u>-</u>

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2017		
School Tax Payable	\$ -	
School Tax Deferred	-	
	<u>          </u>	\$ -
Increased by:		
Levy - School Year July 1, 2018 to June 30, 2019		<u>15,888,114.00</u>
		15,888,114.00
Decreased by:		
Payments		<u>15,888,114.00</u>
Balance December 31, 2018		
School Tax Payable	-	
School Tax Deferred	-	
	<u>          </u>	<u>-</u>
Current Year Liability for Local School District School Tax:		
Tax Paid		15,888,114.00
Tax Payable Ending		<u>-</u>
		15,888,114.00
Less: Tax Payable Beginning		<u>-</u>
Amount charged to Current Year Operations		<u><u>\$ 15,888,114.00</u></u>

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2017	Transferred From 2018 Revenues	Received	Canceled	Balance Dec. 31, 2018
<b>FEDERAL GRANTS:</b>					
Small Cities Community Development Block Grant	\$ 18,245.32				18,245.32
Federal Body Armor Bullet Proof Vests	(269.17)	3,080.00	1,478.04		1,332.79
DCA - Community Development Block Grant - ADA Curbs	-	30,732.00			30,732.00
Total Federal	17,976.15	33,812.00	1,478.04	-	50,310.11
<b>STATE GRANTS:</b>					
Sustainable Jersey Small Grant	2,000.00		2,000.00		-
Sustainable Jersey Small Grant - 2018	-	2,000.00			2,000.00
Municipal Alliance on Alcoholism and Drug Abuse - 2016	3,306.79		2,239.84	1,066.95	-
Municipal Alliance on Alcoholism and Drug Abuse	12,297.49		12,297.49		-
Municipal Alliance on Alcoholism and Drug Abuse - 2018	-	16,319.00			16,319.00
Statewide Livable Communities	17,762.00			17,762.00	-
Sustainable Jersey Small Grant - Lighting	5,000.00		4,716.15	283.85	-
NJDEP National Fish & Wildlife	125,000.00		125,000.00		-
NJEDA-Neighborhood Revitalization Boat Ramp Project	34,192.09		34,192.09		(0.00)
Clean Communities Program - 2018	-	41,450.07	41,450.07		-
NJ Transportation Trust Fund Authority Act - ADA Ramps	-	71,940.00			71,940.00
NJ Transportation Trust Fund Authority Act - Bike Lane	-	170,000.00			170,000.00
Safe and Secure	17,500.00		17,500.00		-
Safe and Secure - 2018	-	30,000.00			30,000.00
Total State	217,058.37	331,709.07	239,395.64	19,112.80	290,259.00
<b>OTHER GRANTS:</b>					
County of Atlantic - Brigantine Blvd	292,979.74				292,979.74
Total Other	292,979.74	-	-	-	292,979.74
\$	528,014.26	365,521.07	240,873.68	19,112.80	633,548.85

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2017		2018 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2018
	Appropriated	Reserve for Encumbrances					
<b>FEDERAL GRANTS:</b>							
Small Cities Grant	\$ 109,302.26						126,272.26
Community Development Block Grant - Drainage 2005	9,237.88			(16,970.00)			9,237.88
Small Cities Community Development Block Grant	31,765.00						31,765.00
DCA - Community Development Block Grant - ADA Curbs	-		30,732.00				30,732.00
Bulleproof Vest Partnership - 2008	732.84			732.84			-
Bulleproof Vest Partnership - 2009	347.04			347.04			(0.00)
Bulleproof Vest Partnership - 2015	302.05	880.00		880.00			302.05
Bulleproof Vest Partnership - 2016	4,840.00						4,840.00
Bulleproof Vest Partnership - 2017	-		2,108.40	240.12			1,868.28
Bulleproof Vest Partnership - 2018	-		3,080.00				3,080.00
<b>Total Federal</b>	<b>156,527.07</b>	<b>880.00</b>	<b>35,920.40</b>	<b>(14,770.00)</b>	<b>-</b>	<b>-</b>	<b>208,097.47</b>
<b>STATE GRANTS:</b>							
Clean Communities Program - 2015	169.80						169.80
Clean Communities Program - 2017	5,800.06	360.00		5,635.06	125.00		400.00
Clean Communities Program - 2018	-		41,450.07	15,376.25	2,500.00		23,573.82
Drunk Driving Enforcement Program - Prior	10,612.33			3,751.42			6,860.91
Drunk Driving Enforcement Program - 2016	34.85			34.85			(0.00)
Drunk Driving Enforcement Program - 2017	2,156.27			2,122.03			34.24
Alcohol Education and Rehabilitation Grant - 2006	878.88						878.88
Alcohol Education and Rehabilitation Grant - 2008	289.33						289.33
Alcohol Education and Rehabilitation Grant - 2009	246.09						246.09
Alcohol Education and Rehabilitation Grant - 2010	232.05						232.05
Alcohol Education and Rehabilitation Grant - 2011	703.82						703.82
Alcohol Education and Rehabilitation Grant - 2012	269.67						269.67
Alcohol Education and Rehabilitation Grant - 2013	809.45						809.45
Municipal Alliance on Alcoholism and Drug Abuse 2017-2018	16,754.28	200.00		16,062.35		891.93	(0.00)
Municipal Alliance on Alcoholism and Drug Abuse 2018-2019	-		20,399.00				20,399.00
Sustainable Jersey Small Grant - Lighting	283.85					283.85	-
Sustainable Jersey Small Grant - PSEG	299.95					299.95	-
Sustainable Jersey Small Grant - 2018	-		2,000.00	1,082.06	500.00		417.94
Recycling Tonnage - 2015	20,033.57			15,180.00			4,853.57
Recycling Tonnage - 2016	13,820.07						13,820.07
Recycling Tonnage - 2017	39,890.18						39,890.18
Statewide Livable Communities Grant	17,762.00					17,762.00	-
NJ Emergency Management	12,612.72						12,612.72
Safe and Secure	15,000.00			12,500.00			2,500.00
Safe and Secure - 2018	-		30,000.00	15,000.00			15,000.00

See Accompanying Auditor's Report

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2017		2018 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2018
	Appropriated	Reserve for Encumbrances					
Body Armor Fund - Prior	586.75			586.75			-
Body Armor Fund - 2017	3,071.04			733.25			2,337.79
NJ Transportation Trust Fund Authority Act - ADA Ramps	-		71,940.00				71,940.00
NJ Transportation Trust Fund Authority Act - Bike Lane	-		170,000.00				170,000.00
Total State	162,317.01	560.00	335,789.07	88,064.02	3,125.00	19,237.73	388,239.33
<b>OTHER GRANTS:</b>							
County of Atlantic - Brigantine Blvd	240,487.76	89,059.31			79,176.71		250,370.36
Total Other	240,487.76	89,059.31	-	-	79,176.71	-	250,370.36
	559,331.84	90,499.31	371,709.47	73,294.02	82,301.71	19,237.73	846,707.16

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

<u>Purpose</u>	<u>Balance Dec. 31, 2017</u>	<u>Transferred To 2018 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2018</u>
<b>FEDERAL GRANTS:</b>				
Bulletproof Vest Partnership	\$ 2,108.40	2,108.40		-
	<u>2,108.40</u>	<u>2,108.40</u>	<u>-</u>	<u>-</u>
Total Federal	\$ <u>2,108.40</u>	<u>2,108.40</u>	<u>-</u>	<u>-</u>



**TRUST FUND**  
**SCHEDULE OF ANIMAL CONTROL CASH - TREASURER**

Balance December 31, 2017		\$	876.40
Increased By Receipts:			
Dog Licenses Fees	\$	730.80	
State License Fees		166.20	
		<hr/>	<hr/>
			897.00
			<hr/>
			1,773.40
Decreased By Disbursements:			
Registration Fees Due to State of New Jersey		169.20	
		<hr/>	<hr/>
			169.20
			<hr/>
Balance December 31, 2018		\$	<u><u>1,604.20</u></u>

**TRUST FUND**  
**SCHEDULE OF OTHER TRUST CASH - TREASURER**

Balance December 31, 2017		\$ 3,534,528.65
Increased By Receipts:		
Due General Capital Fund	\$ 5,000.00	
Due Current Fund	450.00	
Reserve for Police Special Detail Escrow	18,850.00	
Reserve for POAA	112.00	
Reserve for Engineering Escrow	105,595.18	
Reserve for Lifeguard Pension	59,966.38	
Reserve for Recreation	191,418.00	
Reserve for Green Team	23,909.00	
Reserve for COAH	159,188.46	
Reserve for Health Insurance Trust	23,028.31	
Reserve for Accumulated Absences	650,000.00	
Reserve for Fire Prevention	397.00	
Reserve for Storm Expenses	100,000.00	
Reserve for Municipal Alliance Donations	1,402.87	
Reserve for Tax Title Lien Premiums	543,423.73	
Reserve for Tax Title Lien Redemptions	492,226.61	
	<hr/>	<hr/>
		2,374,967.54
		5,909,496.19
Decreased By Disbursements:		
Due Current Fund	1,918.31	
Reserve for Police Special Detail Escrow	1,900.00	
Reserve for Special Law Enforcement	5,943.60	
Reserve for Engineering Escrow	149,541.00	
Reserve for Lifeguard Pension	61,383.96	
Reserve for Recreation	233,312.55	
Reserve for Green Team	18,501.87	
Reserve for COAH	218,245.35	
Reserve for Health Insurance Trust	23,028.31	
Reserve for Accumulated Absences	196,646.36	
Reserve for Municipal Alliance Donations	2,975.73	
Reserve for Storm Expenses	27,080.09	
Reserve for Tax Title Lien Premiums	733,123.73	
Reserve for Tax Title Lien Redemptions	522,603.44	
	<hr/>	<hr/>
		2,196,204.30
Balance December 31, 2018		\$ <u><u>3,713,291.89</u></u>

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance December 31, 2017		\$ 872.20
Increased By:		
Dog Licenses Fees Collected	\$ 730.80	
	<hr/>	<hr/>
		730.80
		<hr/>
		1,603.00
Decreased By Disbursements:		
None	-	
	<hr/>	<hr/>
		-
		<hr/>
Balance December 31, 2018		\$ <u><u>1,603.00</u></u>

## License Fees Collected

Year

2016	\$ 1,063.20
2017	<hr/> 910.60
	<hr/> \$ <u><u>1,973.80</u></u>

**TRUST - OTHER FUND  
STATEMENT OF DUE TO CURRENT FUND**

Balance December 31, 2017	\$ -
Increased By:	
None	<u>          </u>
	-
Decreased By:	
None	<u>          </u>
	-
Balance December 31, 2018	\$ <u><u>          </u></u>

**TRUST - OTHER FUND  
STATEMENT OF DUE (TO)FROM STATE OF NEW JERSEY**

Balance December 31, 2017	\$ (4.20)
Increased by:	
Paid to State of New Jersey	<u>169.20</u>
	165.00
Decreased by:	
Licenses Issued in 2018	<u>166.20</u>
	166.20
Balance December 31, 2018	\$ <u><u>(1.20)</u></u>

**GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2017		\$	8,530,040.24
Increased by:			
Capital Improvement Fund	200,000.00		
Due from Current	50,000.00		
Reimbursement	229,750.71		
			<u>479,750.71</u>
			9,009,790.95
Decreased by:			
Improvement Authorizations	2,723,204.75		
Due to Trust Other	5,000.00		
Reserve for Future Capital Project	175,000.00		
Reserve for Bonds and Notes	75,000.00		
Reserve for Payment of School Debt	47,981.44		
			<u>3,026,186.19</u>
Balance December 31, 2018		\$	<u><u>5,983,604.76</u></u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2017	Receipts		Disbursements		Transfers		Balance Dec. 31, 2018
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
<b>\$</b>								
Fund Balance	120,647.57							120,647.57
Capital Improvement Fund	85,500.00							153,000.00
State Aid Receivable (school const.)	(186,376.45)	200,000.00				132,500.00	186,376.45	-
Due to Trust Other	5,000.00				5,000.00			-
Reserve for Payment of School Debt	47,981.44				47,981.44			-
Reserve for Future Capital Project	439,555.00				175,000.00			264,555.00
Reserve for Bonds and Notes	329,403.81				75,000.00			254,403.81
Reserve for Encumbrances	556,243.92					556,243.92	6,241,886.23	6,241,886.23
<b>Improvement Authorizations</b>								
12-97 School Facilities	706.82							706.82
14-04 School Renovations	186,376.45					186,376.45		-
21-06 Various Improvements	(45,000.00)	45,000.00		1,240.50			1,240.50	-
17-07 Boat Ramp Renovations	-						46.90	46.90
18-09 Various Improvements	1,670.14					1,925.00		1,670.14
14-10 Various Improvements	65,213.50					3,328.70	14,685.70	76,570.50
27-10 Various Improvements	254,847.26			3,015.00		21,011.25	24,315.00	255,136.01
19-12 Beach Replenishment	175,166.38			35,247.13		37,910.09	10,945.57	114,954.73
10-13 Various Improvements	644,603.83	2,000.00		486,534.27		51,347.91	104,895.37	439,367.73
13-14 Various Improvements	5,694,467.74	227,750.71		365,990.26		3,767,284.98	158,396.52	1,719,589.02
8-15 School Improvements	368,566.00			288,831.76				79,734.24
12-15 Streetscape Project	(191,552.00)							(191,552.00)
5-17 Equipment for Police & Fire	4,391.28			9,203.60			9,203.60	4,391.28
12-17 Various Improvements	338,683.59			98,741.61		170,560.22	18,737.06	88,118.82
15-17 Various Improvements	(366,056.04)	5,000.00		1,279,579.06		807,288.08	211,852.70	(2,236,070.48)
18-17 Improvements to Storm/Water Stations	-					1,379,435.00		(1,379,435.00)
06-18 School Improvements	-			148,142.00			12,500.00	(148,142.00)
07-18 Beachfill Renourishment Project	-			774.56				11,725.44
24-18 Residential Structural Elevation Project	-			5,905.00		1,795.00		(7,700.00)
26-18 Streetscape Projects - Phase II & III	-						120,000.00	120,000.00
<b>\$</b>	<b>8,530,040.24</b>	<b>479,750.71</b>	<b>-</b>	<b>2,723,204.75</b>	<b>302,981.44</b>	<b>7,117,006.60</b>	<b>7,117,006.60</b>	<b>5,983,604.76</b>

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**GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2017		\$	85,500.00
Increased by:			
Current Fund Budget Appropriations	200,000.00		
	<hr/>		<hr/>
			200,000.00
			285,500.00
Decreased by:			
Improvement Authorizations Funded	132,500.00		
	<hr/>		<hr/>
			132,500.00
Balance December 31, 2018		\$	<u><u>153,000.00</u></u>

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance December 31, 2017		\$	23,751,882.88
Increased by:			
None	-		
	<hr/>		<hr/>
			-
			<hr/>
			23,751,882.88
Decreased by:			
Serial Bonds Paid	2,790,000.00		
School Type I Bonds	500,000.00		
Green Trust Loans Paid	31,037.33		
	<hr/>		<hr/>
			3,321,037.33
			<hr/>
Balance December 31, 2018		\$	<u><u>20,430,845.55</u></u>



**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord #	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Raised in 2018 Budget	Balance Dec. 31, 2018	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
21-06	Various Improvements	\$ 45,000.00		45,000.00	-			-
8-15	School Improvements	1,590,000.00		524,000.00	1,066,000.00	1,066,000.00		-
12-15	Streetscape Project	191,552.00			191,552.00		191,552.00	-
15-17	Various Improvements	5,075,000.00		5,000.00	5,070,000.00		2,236,070.48	2,833,929.52
18-17	Improvements to StormWater Stations	1,379,435.00			1,379,435.00		1,379,435.00	-
06-18	School Improvements	-	2,910,000.00		2,910,000.00		148,142.00	2,761,858.00
07-18	Beachfill Renourishment Project	-	237,500.00		237,500.00			237,500.00
24-18	Residential Structural Elevation Project	-	942,455.00		942,455.00		7,700.00	934,755.00
26-18	Streetscape Projects - Phase II & III	-	2,280,000.00		2,280,000.00			2,280,000.00
		<u>\$ 8,280,987.00</u>	<u>6,369,955.00</u>	<u>574,000.00</u>	<u>14,076,942.00</u>	<u>1,066,000.00</u>	<u>3,962,899.48</u>	<u>9,048,042.52</u>

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Ord. Date	Amount	Authorizations				Balance December 31, 2018	
			Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation	Cancelled	Paid or Charged
12-97	08/20/97	2,800,000	\$ 706.82					
14-04	5/19/2005	925,311	186,376.45	-			(186,376.45)	
21-06	8/16/2007	4,000,000						
17-07	8/15/2007	630,000						
18-09	8/19/2009	1,000,000	1,670.14					
14-10	9/1/2010	1,500,000	65,213.50					
27-10	12/15/2010	500,000	254,847.26					
19-12	06/20/12	1,000,000	175,166.38					
10-13	09/18/13	4,000,000	644,603.83					
13-14	9/3/2014	6,200,000	5,694,467.74					
8-15	5/20/2015	3,817,609	368,566.00					
5-17	3/1/2017	125,000	4,391.28					
12-17	4/19/2017	374,606	338,683.59					
15-17	4/19/2017	5,343,000		4,708,943.96				
18-17	5/3/2017	1,379,435		1,379,435.00				
06-18	3/7/2018	2,910,000				2,910,000.00		
07-18	5/2/2018	250,000			12,500.00	237,500.00		
24-18	10/3/2018	942,455			120,000.00	942,455.00		
26-18	12/5/2018	2,400,000				2,280,000.00		
			\$ 7,734,692.99	6,088,376.96	132,500.00	6,369,955.00	(186,376.45)	
								8,179,096.35
								2,912,011.63
								9,048,042.52

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
STATEMENT OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Outstanding December 31, 2018		Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
			Date	Amount					
General Bonds of 2005	1/15/2005	5,250,000			\$	220,000.00		220,000.00	-
General Bonds of 2008	3/15/2008	8,150,000	1/15/2019	700,000.00	4.000%	1,450,000.00		750,000.00	700,000.00
General Bonds of 2012	7/7/2012	9,000,000	7/15/19-24	840,000.00	3.000%	5,880,000.00		840,000.00	5,040,000.00
General Bonds of 2015	12/1/2015	6,850,000	12/1/2019	680,000.00	4.000%	5,830,000.00		640,000.00	5,190,000.00
			12/1/2020	720,000.00	4.000%				
			12/1/2021	720,000.00	2.000%				
			12/1/2022	720,000.00	2.000%				
			12/1/2023	750,000.00	3.000%				
			12/1/2024	800,000.00	3.000%				
General Bonds of 2017	10/15/2017	6,450,000	10/15/2019	350,000.00	3.000%	6,450,000.00		340,000.00	6,110,000.00
			10/15/2020	380,000.00	4.000%				
			10/15/2021	440,000.00	4.000%				
			10/15/2022	480,000.00	4.000%				
			10/15/2023	480,000.00	4.000%				
			10/15/2024	520,000.00	2.000%				
			10/15/2025	540,000.00	2.000%				
			10/15/2026	580,000.00	2.125%				
			10/15/2027	620,000.00	2.250%				
			10/15/2028	670,000.00	2.375%				
			10/15/2029	640,000.00	3.000%				
			10/15/2030	410,000.00	3.000%				
						\$ 19,830,000.00	-	2,790,000.00	17,040,000.00

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
STATEMENT OF TYPE I SCHOOL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
			Date	Amount					
General Bonds of 2012	07/07/12	5,850,000	7/15/2019	500,000.00	3.000%	3,600,000.00		500,000.00	3,100,000.00
			7/15/20-24	520,000.00	3.000%				
						<u>\$ 3,600,000.00</u>	<u>-</u>	<u>500,000.00</u>	<u>3,100,000.00</u>

**GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
			Date	Amount					
Municipal Boat Ramp	1997	72,803			2.000%	532.41			532.41
Municipal Boat Ramp	2007	600,000	2019	31,661.17	2.000%	321,350.47		31,037.33	290,313.14
			2020	32,297.56					
			2021	32,946.74					
			2022	33,608.96					
			2023	34,284.52					
			2024	34,973.63					
			2025	35,676.60					
			2026	36,393.70					
	2027	18,470.26							
						\$ 321,882.88	-	31,037.33	290,845.55

See Accompanying Auditor's Report

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Debt Issued	Other	Balance Dec. 31, 2018
12-17	Various Improvements	\$ 45,000.00			45,000.00	-
12-15	Streetscape Project	191,552.00				191,552.00
15-17	Various Improvements	5,075,000.00			5,000.00	5,070,000.00
18-17	Various Improvements	1,379,435.00				1,379,435.00
06-18	School Improvements	-	2,910,000.00			2,910,000.00
07-18	Beachfill Renourishment Project	-	237,500.00			237,500.00
24-18	Residential Structural Elevation Project	-	942,455.00			942,455.00
26-18	Streetscape Projects - Phase II & III	-	2,280,000.00			2,280,000.00
		<u>\$ 6,690,987.00</u>	<u>6,369,955.00</u>	<u>-</u>	<u>50,000.00</u>	<u>13,010,942.00</u>

**WATER AND SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2017	\$ 3,965,260.85	2,889,841.12
Increased by Receipts:		
Water and Sewer Rent Collected	5,933,500.67	
Budget Appropriation		134,167.00
Grant Reimbursement		100,000.00
Miscellaneous Revenue	145,404.42	
	<u>6,078,905.09</u>	<u>234,167.00</u>
	10,044,165.94	3,124,008.12
Decreased by Disbursements:		
Current Appropriations	5,523,673.82	
Appropriation Reserves	83,667.93	
Due to Grant Fund	121.94	
Improvement Authorizations		145,933.52
	<u>5,607,463.69</u>	<u>145,933.52</u>
Balance December 31, 2018	\$ <u><u>4,436,702.25</u></u>	<u><u>2,978,074.60</u></u>



**WATER AND SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2017	Receipts		Disbursements		Transfers		Balance Dec. 31, 2018
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
New Jersey EIT Receivables	\$ (24,227.00)							(24,227.00)
Encumbrances Payable	48,586.85					48,586.85	26,769.69	26,769.69
Reserve for Bonds and Notes	86,222.89							86,222.89
Fund Balance	-							-
<u>Improvement Authorizations:</u>								
16-94 Various Improvements	(2,500.00)	2,500.00						-
25-08 Various Improvements	(75,000.00)	75,000.00						-
13-14 Various Improvements	2,697,288.79	156,667.00		24,318.26		26,769.69	48,586.85	2,851,454.69
13-17 Various Improvements	159,469.59			121,615.26				37,854.33
25-18 Sewer Main Replacements	-							-
	<u>\$ 2,889,841.12</u>	<u>234,167.00</u>	<u>-</u>	<u>145,933.52</u>	<u>-</u>	<u>75,356.54</u>	<u>75,356.54</u>	<u>2,978,074.60</u>

**WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2017		\$ 410,805.50
Increased by Receipts:		
Billings of User Charges	5,845,143.89	
Overpayments Created	1,024,271.63	
	<hr/>	<hr/>
		6,869,415.52
		7,280,221.02
Decreased by Disbursements:		
Collections	5,933,500.67	
Overpayments Applied	953,799.51	
	<hr/>	<hr/>
		6,887,300.18
Balance December 31, 2018		\$ <u><u>392,920.84</u></u>

**WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF UTILITY LIENS**

Balance December 31, 2017		\$ -
Increased by Receipts:		
None	-	
	<hr/>	<hr/>
		-
Decreased by Disbursements:		
None	-	
	<hr/>	<hr/>
		-
Balance December 31, 2018		\$ <u><u>-</u></u>

**WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	\$ 167,070.55	167,070.55		167,070.55	-
Other Expenses	405,121.02	405,121.02	83,667.93	321,453.09	-
Deferred Charges and Statutory Expenditures:					
Social Security System (O.A.S.I.)	23,669.74	23,669.74		23,669.74	-
Unemployment Compensation Insurance	7,500.00	7,500.00		7,500.00	-
	<u>603,361.31</u>	<u>603,361.31</u>	<u>83,667.93</u>	<u>519,693.38</u>	<u>-</u>
	\$				
Appropriation Reserves	527,999.49				
Encumbrances	<u>75,361.82</u>				
	<u>603,361.31</u>				

**WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
AND ANALYSIS OF BALANCE**

Balance December 31, 2017		\$ 86,738.58
Increased by:		
Budget Appropriations	84,388.02	
	<hr/>	<hr/>
		84,388.02
		171,126.60
Decreased By:		
Payments of Debt Service Interest	86,738.58	
	<hr/>	<hr/>
		86,738.58
Balance December 31, 2018		\$ <u><u>84,388.02</u></u>

Analysis of Accrued Interest December 31, 2018

Principal Outstanding December 31, 2018	Interest Rate	From	To	Days	Amount
260,000.00	Var.	7/15/2018	12/31/2018	169	4,583.33
800,000.00	Var.	7/15/2018	12/31/2018	169	13,658.33
2,840,000.00	Var.	10/15/2018	12/31/2018	77	24,029.69
40,000.00	Var.	8/1/2018	12/31/2018	152	950.00
110,000.00	Var.	8/1/2018	12/31/2018	152	2,291.67
225,000.00	Var.	8/1/2018	12/31/2018	152	3,687.50
1,345,000.00	Var.	8/1/2018	12/31/2018	152	28,020.83
390,000.00	Var.	8/1/2018	12/31/2018	152	7,166.67
<hr/>					<hr/>
<u><u>6,010,000.00</u></u>					<u><u>84,388.02</u></u>

## WATER AND SEWER UTILITY CAPITAL FUND SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Authorizations						
				Balance December 31, 2017		Other Funding	Deferred Charges to Future Taxation	Paid or Charged	Balance December 31, 2018	
				Funded	Unfunded				Funded	Unfunded
13-14	Various Improvements	9/3/2014	5,830,000.00	\$ 2,939,848.21	714,107.58			2,501.10	2,851,454.69	800,000.00
13-17	Various Improvements	4/19/2017	159,469.59	156,782.68	2,686.91			121,615.26	37,854.33	
25-18	Sewer Main Replacements	12/5/2018	950,000.00				950,000.00			950,000.00
				\$ 3,096,630.89	716,794.49	-	950,000.00	124,116.36	2,889,309.02	1,750,000.00

**WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018	
			Date	Amount						
General Obligation Bonds of 2006	01/15/06	1,750,000.00			\$	100,000.00		100,000.00	-	
General Obligation Bonds of 2008	3/15/2008	1,800,000	1/15/2019 1/15/2020	180,000.00 80,000.00	4.000% 4.000%	440,000.00		180,000.00	260,000.00	
General Obligation Bonds of 2012	7/17/2012	1,400,000	07/15/19 07/15/20 07/15/21 07/15/22 07/15/23	160,000.00 160,000.00 160,000.00 160,000.00 160,000.00	3.000% 3.000% 3.000% 3.000% 3.000%	920,000.00		120,000.00	800,000.00	
General Obligation Bonds of 2017	10/15/2017	3,000,000	10/15/2019 10/15/2020 10/15/2021 10/15/2022 10/15/2023 10/15/2024 10/15/2025 10/15/2026 10/15/2027 10/15/2028 10/15/2029 10/15/2030	170,000.00 180,000.00 190,000.00 200,000.00 210,000.00 220,000.00 240,000.00 250,000.00 260,000.00 300,000.00 300,000.00 320,000.00	3.000% 4.000% 4.000% 4.000% 4.000% 2.000% 2.000% 2.125% 2.250% 2.375% 3.000% 3.000%	3,000,000.00		160,000.00	2,840,000.00	
						\$	4,460,000.00	-	560,000.00	3,900,000.00

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF WATER AND SEWER LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
			Date	Amount					
State of New Jersey EIT Bonds	11/05/99	\$ 480,000	08/01/19	40,000.00	5.700% \$	75,000.00		35,000.00	40,000.00
State of New Jersey EIT Bonds	11/4/2004	1,155,000	08/01/19	110,000.00	5.000%	215,000.00		105,000.00	110,000.00
State of New Jersey EIT Loans	11/5/1999	457,960	08/01/19	24,808.94	0.000%	47,748.39		22,939.45	24,808.94
State of New Jersey EIT Loans	11/4/2004	1,212,500	08/01/19	68,425.12	0.000%	153,727.32		85,302.20	68,425.12
State of New Jersey EIT Bonds	3/10/2010	325,000	08/01/19 08/01/20 08/01/21 08/01/22 08/01/23 08/01/24 08/01/25 08/01/26 08/01/27 08/01/28 08/01/29	15,000.00 15,000.00 20,000.00 20,000.00 20,000.00 20,000.00 20,000.00 20,000.00 25,000.00 25,000.00 25,000.00	Various	240,000.00		15,000.00	225,000.00

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF WATER AND SEWER LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
			Date	Amount					
State of New Jersey EIT Loans	3/10/2010	931,500	08/01/19	51,750.00	0.000%	598,619.00		51,750.00	546,869.00
			08/01/20	51,750.00					
			08/01/21	51,750.00					
			08/01/22	51,750.00					
			08/01/23	51,750.00					
			08/01/24	51,750.00					
			08/01/25	51,750.00					
			08/01/26	51,750.00					
			08/01/27	51,750.00					
			08/01/28	51,750.00					
			08/01/29	29,369.00					
State of New Jersey EIT Bonds	2/2/2010	2,335,000	2/1/2019	105,000.00	Various	1,445,000.00		100,000.00	1,345,000.00
			2/1/2020	115,000.00					
			2/1/2021	120,000.00					
			2/1/2022	125,000.00					
			2/1/2023	130,000.00					
			2/1/2024	135,000.00					
			2/1/2025	145,000.00					
			2/1/2026	150,000.00					
			2/1/2027	160,000.00					
			2/1/2028	160,000.00					
State of New Jersey EIT Loans	2/2/2010	2,512,650	2/1/2019	127,761.85	0.000%	1,228,004.33		127,761.85	1,100,242.48
			2/1/2020	127,761.85					
			2/1/2021	127,761.85					
			2/1/2022	127,761.85					
			2/1/2023	127,761.85					
			2/1/2024	127,761.85					
			2/1/2025	127,761.85					
			2/1/2026	127,761.85					
			2/1/2027	78,147.68					

See Accompanying Auditor's Report



**WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF WATER AND SEWER LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
			Outstanding		Amount					
			Date	December 31, 2018						
State of New Jersey EIT Bonds	5/28/2015	435,000	08/01/19		15,000.00	Various	405,000.00		15,000.00	390,000.00
			08/01/20		20,000.00					
			08/01/21		20,000.00					
			08/01/22		20,000.00					
			08/01/23		20,000.00					
			08/01/24		20,000.00					
			08/01/25		20,000.00					
			08/01/26		25,000.00					
			08/01/27		25,000.00					
			08/01/28		25,000.00					
			08/01/29		25,000.00					
			08/01/30		30,000.00					
			08/01/31		30,000.00					
			08/01/32		30,000.00					
			08/01/33		30,000.00					
08/01/34		35,000.00								
State of New Jersey EIT Loans	5/28/2015	1,049,067	08/01/19		53,342.38	0.000%	906,820.65		53,342.38	853,478.27
			08/01/20		53,342.38					
			08/01/21		53,342.38					
			08/01/22		53,342.38					
			08/01/23		53,342.38					
			08/01/24		53,342.38					
			08/01/25		53,342.38					
			08/01/26		53,342.38					
			08/01/27		53,342.38					
			08/01/28		53,342.38					
			08/01/29		53,342.38					
			08/01/30		53,342.38					
			08/01/31		53,342.38					
			08/01/32		53,342.38					
			08/01/33		53,342.38					
08/01/34		53,342.57								
							\$ 5,314,919.69	-	611,095.88	4,703,823.81

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number		Balance Dec. 31, 2017	2018 Authorizations	Grant Reimbursement	Budget Appropriation	Balance Dec. 31, 2018
16-94	Various Improvements	\$ 2,500.00			2,500.00	-
25-08	Various Utility Improvements	75,000.00			75,000.00	-
13-14	Various Utility Improvements	956,667.00		100,000.00	56,667.00	800,000.00
25-18	Sewer Main Replacements	-	950,000.00			950,000.00
		<u>\$ 1,034,167.00</u>	<u>950,000.00</u>	<u>100,000.00</u>	<u>134,167.00</u>	<u>1,750,000.00</u>

**GOLF COURSE UTILITY FUND  
SCHEDULE OF CASH - TREASURER**

	Operating	Capital
Balance December 31, 2017	\$ 16,388.97	23,355.08
Increased by Receipts:		
Anticipated Revenues	1,140,946.83	
Due from Current Fund	4,256.38	
	<u>1,145,203.21</u>	<u>-</u>
Decreased by Disbursements:		
Current Appropriations	1,155,764.36	
Due to Current Fund	753.69	
Reserve for Payment of Debt Service		7.47
Improvement Authorizations		10,926.29
	<u>1,156,518.05</u>	<u>10,933.76</u>
Balance December 31, 2018	\$ <u><u>5,074.13</u></u>	<u><u>12,421.32</u></u>

**GOLF COURSE UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Receipts		Disbursements		Transfers		Balance Dec. 31, 2018
	Balance Dec. 31, 2017	Notes Issued	Misc.	Improvement Authorizations	Misc.	From      To	
Fund Balance	\$ 18.99						18.99
Reserve for Payment of Debt Service	7.47				7.47		-
<u>Improvement Authorizations</u>							
Ord.							
Number							
6-13 Golf Course Improvements	(950.00)			10,926.29			(950.00)
14-17 Golf Course Improvements	24,278.62						13,352.33
	<u>23,355.08</u>	<u>-</u>	<u>-</u>	<u>10,926.29</u>	<u>7.47</u>	<u>-</u>	<u>12,421.32</u>
\$							

**GOLF COURSE UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Operating:					
ACIA Contractual	\$ 500.00	500.00		500.00	
Deferred Charges and Statutory Expenditures:					
None	-	-		-	
<b>TOTALS</b>	<u>\$ 500.00</u>	<u>500.00</u>	<u>-</u>	<u>500.00</u>	<u>-</u>
Appropriation Reserves	500.00				
Encumbrances	<u>-</u>				
	<u>500.00</u>				

**GOLF COURSE UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS  
AND NOTES AND ANALYSIS OF BALANCE**

Balance December 31, 2017		\$	7,725.00
Increased By:			
Budget Appropriation:			
Interest on Bonds and Notes	-		
	<hr/>		<hr/>
			-
			<hr/>
			7,725.00
Decreased By:			
Interest Paid on Bonds and Notes	7,725.00		
	<hr/>		<hr/>
			7,725.00
Balance December 31, 2018		\$	<hr/> <hr/> -

**GOLF COURSE UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	2018 Authorizations				Balance December 31, 2018 Unfunded
				Balance December 31, 2017 Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue	Paid or Charged	Balance December 31, 2018 Funded
14-17	Golf Course Improvements	04/19/17	41,773.62	950.00			10,926.29	13,352.33
				<u>950.00</u>	<u>-</u>	<u>-</u>	<u>10,926.29</u>	<u>13,352.33</u>
			\$	<u>23,328.62</u>				<u>-</u>

**GOLF COURSE UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
			Date	Dec. 31, 2018	Amount					
General Obligation Bonds	1/15/2005	\$ 4,000,000				\$	360,000.00		360,000.00	-
						\$	360,000.00	-	360,000.00	-



**GOLF COURSE UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Ord. Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
6-13	Golf Course Improvements	12/12/13	11/29/2017	11/28/2018	1.390%	244,000.00	233,000.00	244,000.00	- 233,000.00
32-06	Golf Course Improvements	12/20/12	11/29/2017	11/28/2018	1.390%	446,000.00	428,000.00	446,000.00	- 428,000.00
						<u>\$ 690,000.00</u>	<u>661,000.00</u>	<u>690,000.00</u>	<u>661,000.00</u>

**GOLF COURSE UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Bonds, Notes or Grants Issued	Balance Dec. 31, 2018
6-13	Golf Course Improvements	\$ 950.00			950.00
		\$ 950.00	-	-	950.00

**CITY OF BRIGANTINE**

**PART II**

**GENERAL COMMENTS AND FINDINGS AND RESPONSES**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2018**



## **GENERAL COMMENTS**

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. Due to the City having a Qualified Purchasing Agent, pursuant to N.J.S.A. 40A:11-3(a), the maximum bid threshold is \$40,000.

The governing body of the City of Brigantine 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 a violation of the statute, the City Counsel's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

- Police and Fire Uniforms
- Road Reconstruction Program
- HVAC Maintenance Service and Repairs
- Brigantine Tourism and Marketing Plan
- Municipal Bulkhead Replacement
- Sodium Hypochlorite Solution
- Rock Salt
- Storm Water Pump Station at Hackney, Jenkins & 34<sup>th</sup> Street
- Maintenance, Service & Repairs of Water Wells, Sewer Lift Stations and Storm Pump Stations
- Water Works Materials
- Salt Storage Building
- Electrical Services
- Disaster Removal Services
- Disposal Service for Recycling and Solid Waste Containers
- East Evans Blvd. Pumping Station

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S. 40A:11-5.

### **Collection of Interest on Delinquent Taxes and Assessments**

The statutes provide 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 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**BE IT RESOLVED** by the City Council of the City of Brigantine, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the City of Brigantine, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

**BE IT FURTHER RESOLVED** by the City Council of the City of Brigantine, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2018.

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

#### **Delinquent Taxes and Tax Title Liens**

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<sup>st</sup> of the last three years:

<u>Year</u>	<u>Number</u>
2018	11
2017	7
2016	8

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

#### **Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent taxes and charges as well as current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2018 and 2019 Taxes	25
Delinquent Taxes	25
Payment of Water and Sewer Rents	25
Delinquent Water and Sewer Rents	25
Total	<u>100</u>

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

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### 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	Tax Levy	Currently	
		Cash Collections	Percentage of Collections
2018 \$	57,109,761.60	56,431,351.63	98.81%
2017	57,682,631.81	57,072,086.83	98.94%
2016	57,451,732.97	56,553,618.23	98.44%
2015	57,604,574.91	56,861,540.46	98.71%
2014	55,257,100.31	54,504,687.39	98.64%

### Comparative Schedule of Tax Rate Information

		<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	\$	1.737	1.765	1.764	1.773	1.707
Apportionment of Tax Rate:						
Municipal		0.665	0.677	0.699	0.710	0.711
County		0.557	0.571	0.545	0.541	0.475
Local School		0.515	0.517	0.520	0.522	0.521
Assessed Valuation		3,266,336,200	3,247,728,100	3,234,529,700	3,231,377,000	3,229,220,200
						R

R - Revalued

### Delinquent Taxes and Tax Title Liens

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2018 \$	20,386.83	493,720.33	514,107.16	0.90%
2017	11,514.67	412,997.02	424,511.69	0.74%
2016	77,916.52	675,351.95	753,268.47	1.31%
2015	55,720.96	478,064.21	533,785.17	0.93%
2014	35,947.35	607,409.73	643,357.08	1.16%

### Uniform Construction Code

The City of Brigantine's construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b) 2 and NJAC 5:23.4.17(b) 3.

## **Deposit of Municipal Funds**

N.J.S.A. 40A:5-15 states:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either:

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our examination revealed that municipal funds were deposited within the mandated time.

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## **RECOMMENDATIONS**

None

Should any questions arise as to my comments or recommendations, or should you desire assistance un implementing my recommendations, please do not hesitate to contact me.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**July 25, 2019**

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