

**CITY OF BRIGANTINE
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2019**

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CITY OF BRIGANTINE
PART I
REPORT ON AUDIT OF
FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED
DECEMBER 31, 2019



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, 2019 and 2018, 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, 2019, 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 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 the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020 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

June 26, 2020

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EXHIBIT - A
CURRENT FUND

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

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Cash Treasurer	\$ 11,863,446.41	11,303,298.52
Change and Petty Cash Funds	775.00	300.00
Total Cash	<u>11,864,221.41</u>	<u>11,303,598.52</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	499,851.77	493,720.33
Tax Title and Other Liens	20,864.63	20,386.83
Property Acquired for Taxes - at Assessed Valuation	308,862.00	308,862.00
Revenue Accounts Receivable	7,923.31	9,028.22
Interfund Receivable:		
Due from General Capital	10,753.06	-
Due from Animal Control	663.40	-
Trust Other Fund	-	53.00
Due Water-Sewer Utility Operating Fund	-	1,672.05
Due Golf Utility Operating Fund	-	4,256.38
Total Receivables and Other Assets	<u>848,918.17</u>	<u>837,978.81</u>
Total Regular Fund	<u>12,713,139.58</u>	<u>12,141,577.33</u>
Federal and State Grant Fund:		
Cash	315,824.49	295,460.02
Federal and State Grants Receivable	933,684.00	633,548.85
Total Federal and State Grant Fund	<u>1,249,508.49</u>	<u>929,008.87</u>
Total Current Fund	<u>\$ 13,962,648.07</u>	<u>13,070,586.20</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2019</u>	<u>2018</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 989,402.22	1,188,569.61
Reserve for Encumbrances	325,424.37	397,390.68
Accounts Payable	12,217.50	12,217.50
Prepaid Taxes	1,124,342.00	1,123,752.49
Overpaid Taxes	54,314.18	87,314.20
Payroll Taxes Payable	194,902.88	178,669.05
County Tax Payable	66,547.91	117,891.76
Tourism Commission	1,310.00	1,310.00
Due to State:		
Marriage Licenses	225.00	275.00
Senior Citizens & Vets	31,548.90	27,599.46
State Training Fees	-	8,061.00
Other:		
Tax Appeals	501,000.00	500,500.00
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	1,371,956.26	800,000.00
	<u>5,311,750.10</u>	<u>5,082,109.63</u>
Reserve for Receivables and Other Assets	848,918.17	837,978.81
Fund Balance	<u>6,552,471.31</u>	<u>6,221,488.89</u>
Total Regular Fund	<u>12,713,139.58</u>	<u>12,141,577.33</u>
Federal and State Grant Fund:		
Unappropriated Reserves	13,786.44	-
Appropriated Reserves	1,097,291.55	846,707.16
Encumbrances Payable	138,430.50	82,301.71
	<u>1,249,508.49</u>	<u>929,008.87</u>
Total Federal and State Grant Fund	<u>1,249,508.49</u>	<u>929,008.87</u>
Total Current Fund	<u>\$ 13,962,648.07</u>	<u>13,070,586.20</u>

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

	2019	2018
Revenue and Other Income Realized		
Fund Balance	\$ 2,850,000.00	2,850,000.00
Miscellaneous Revenue Anticipated	4,987,877.68	4,983,301.94
Receipts from Delinquent Taxes	493,373.25	416,282.22
Receipts from Current Taxes	55,740,293.11	56,431,351.63
Non Budget Revenue	743,537.34	202,126.31
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	958,930.27	1,128,366.40
Grants Cancelled	-	124.93
Reserves Liquidated:		
Other	475.00	-
Interfunds Returned	5,981.43	2,275.00
Total Income	<u>65,780,468.08</u>	<u>66,013,828.43</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	12,487,360.00	12,583,375.00
Other Expenses	7,211,399.00	7,408,030.00
Deferred Charges & Statutory Expenditures		
Appropriations Within "CAPS"	3,302,650.20	3,316,492.62
Operations Excluded from "CAPS"		
Salaries and Wages	325,000.00	295,000.00
Other Expenses	443,166.33	121,189.47
Capital Improvements - Excluded from "CAPS"	715,000.00	616,940.00
Municipal Debt Service - Excluded from "CAPS"	3,104,397.42	3,407,756.27
Deferred Charges and Statutory Expenditures		
Municipal Excluded from "CAPS"	20,942.00	167,677.20
Transferred to Board of Education for Use of Local Schools	1,109,000.00	1,154,039.61
Local District School Tax	15,888,114.00	15,888,114.00
Senior Citizens' Deductions Disallowed by Collector -		
Prior Year Taxes	2,792.60	5,250.00
County Tax	17,904,817.14	18,209,999.78
County Share of Added Tax	66,547.91	117,891.76
Creation of Reserve for :		
Interfunds Created	11,416.46	5,981.43
Grants Cancelled	6,882.60	-
Total Expenditures	<u>62,599,485.66</u>	<u>63,297,737.14</u>
Excess in Revenue	<u>3,180,982.42</u>	<u>2,716,091.29</u>

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

	<u>2019</u>	<u>2018</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>3,180,982.42</u>	<u>2,716,091.29</u>
Fund Balance January 1	<u>6,221,488.89</u>	<u>6,355,397.60</u>
	9,402,471.31	9,071,488.89
Decreased by:		
Utilization as Anticipated Revenue	<u>2,850,000.00</u>	<u>2,850,000.00</u>
Fund Balance December 31	<u>\$ 6,552,471.31</u>	<u>6,221,488.89</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	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		12,175.00	675.00
Other	8,500.00		14,513.00	6,013.00
Fees and Permits	125,000.00		145,372.20	20,372.20
Fines and Costs:				
Municipal Court	110,000.00		115,884.75	5,884.75
Interest and Costs on Taxes	135,000.00		145,367.65	10,367.65
Interest and Investments and Deposits	185,000.00		272,232.21	87,232.21
Beach Fees	645,000.00		693,298.00	48,298.00
Beach Vehicles Permits	685,000.00		744,170.00	59,170.00
Cable Franchise	73,000.00		73,004.48	4.48
County Share of Library Costs	50,000.00		50,000.00	-
Emergency Medical Services	295,000.00		323,789.07	28,789.07
Lease of City Property	195,000.00		203,827.01	8,827.01
Total Section A: Local Revenues	2,518,000.00	-	2,793,633.37	275,633.37
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	168,878.00		168,878.00	-
Total Section B: State Aid Without Offsetting Appropriations	841,578.00	-	841,578.00	-

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	410,000.00		460,026.17	50,026.17
Total Section C: Uniform Construction Code Fees	410,000.00	-	460,026.17	50,026.17
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	306,500.00		357,070.00	50,570.00
Total Section E: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services - Additional Revenues	306,500.00	-	357,070.00	50,570.00
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Recycling Tonnage Grant	13,786.44		13,786.44	-
Safe and Secure Communities Program - P.L. 1994, Chapter 220	30,000.00		30,000.00	-
Body Armor Grant	3,593.96		3,593.96	-
N.J. Transportation Trust Fund Authority Act		300,000.00	300,000.00	-
Municipal Alliance on Alcoholism and Drug Abuse		16,319.00	16,319.00	-
Clean Communities Program		46,259.62	46,259.62	-
Community Development Block Grant-ADA Curb Cuts		33,152.00	33,152.00	-
Bulletproof Vest Partnership Grant		3,055.31	3,055.31	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	47,380.40	398,785.93	446,166.33	-

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section G: Other Special Items				
Minature Golf Receipts	20,000.00		15,000.00	(5,000.00)
Reserve to Pay Bonds & Notes	74,403.81		74,403.81	-
Total Section G: Other Special Items	94,403.81	-	89,403.81	(5,000.00)
Total Miscellaneous Revenues:	4,217,862.21	398,785.93	4,987,877.68	371,229.54
Receipts from Delinquent Taxes	418,000.00		493,373.25	75,373.25
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	21,368,397.66		22,367,944.33	999,546.67
Addition to Local District School Tax	940,122.00		940,122.00	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	22,308,519.66	-	23,308,066.33	999,546.67
Budget Totals	29,794,381.87	398,785.93	31,639,317.26	1,446,149.46
Non- Budget Revenues:				
Other Non- Budget Revenues:	-		743,537.34	743,537.34
	29,794,381.87	398,785.93	32,382,854.60	2,189,686.80

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries & Wages	\$ 97,800.00	99,800.00	99,178.01		621.99	-
Other Expenses	75,000.00	73,000.00	48,685.56	2,264.43	22,050.01	-
Mayor and Council						
Salaries & Wages	38,700.00	38,700.00	37,582.36		1,117.64	-
Other Expenses	15,000.00	15,000.00	7,056.19	340.20	7,603.61	-
Municipal Clerk						
Salaries & Wages	91,500.00	93,500.00	93,013.54		486.46	-
Other Expenses	31,800.00	29,800.00	20,667.76	927.95	8,204.29	-
Financial Administration						
Salaries & Wages	168,600.00	168,600.00	166,806.47		1,793.53	-
Other Expenses	52,700.00	52,700.00	36,485.05	1,273.88	14,941.07	-
Audit Services						
Other Expenses	45,000.00	45,000.00	39,905.00		5,095.00	-
Revenue Administration (Tax Collector)						
Salaries & Wages	126,750.00	127,250.00	126,999.69		250.31	-
Other Expenses	26,305.00	25,805.00	24,126.70	391.00	1,287.30	-
Tax Assessment Administration						
Salaries & Wages	186,500.00	186,500.00	172,245.31		14,254.69	-
Other Expenses	36,300.00	36,300.00	15,989.54	17,084.00	3,226.46	-
Legal Services						
Other Expenses	425,000.00	345,000.00	218,921.17	500.00	125,578.83	-
Emergency Medical Services - Billing						
Other Expenses	22,000.00	22,000.00	14,096.07		7,903.93	-
Engineering Services and Costs						
Other Expenses	125,000.00	125,000.00	80,394.55	33,486.25	11,119.20	-
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, 2019

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Municipal Court						
Salaries & Wages	137,000.00	137,000.00	131,502.07		5,497.93	-
Other Expenses	16,000.00	16,000.00	10,902.28	655.35	4,442.37	-
Public Defender						
Other Expenses	12,000.00	12,000.00	9,150.00		2,850.00	-
LAND USE ADMINISTRATION						
Planning Board						
Salaries & Wages	9,500.00	9,600.00	9,499.88		100.12	-
Other Expenses	43,000.00	42,900.00	33,948.24	3,564.17	5,387.59	-
INSURANCE						
General Liability and Other Insurance	218,424.00	218,424.00	217,684.34		739.66	-
Workers Compensation Insurance	395,845.00	395,845.00	395,448.78		396.22	-
Employee Group Health	2,100,000.00	2,100,000.00	1,945,869.39		154,130.61	-
Health Benefits Waiver						
Salaries & Wages	135,000.00	142,000.00	140,674.86		1,325.14	-
PUBLIC SAFETY						
Fire Department						
Salaries & Wages	3,595,100.00	3,555,100.00	3,507,256.63		47,843.37	-
Other Expenses	219,000.00	219,000.00	156,908.45	48,388.19	13,703.36	-
Police Department						
Salaries & Wages	4,306,000.00	4,266,000.00	4,251,598.96		14,401.04	-
Other Expenses	221,500.00	221,500.00	180,506.38	19,715.94	21,277.68	-
Office of Emergency Management						
Salaries & Wages	6,000.00	6,500.00	6,230.60		269.40	-
Other Expenses	15,000.00	14,500.00		8,242.00	6,258.00	-
PUBLIC WORKS						
Streets and Roads Maintenance						
Salaries & Wages	565,000.00	555,000.00	531,478.11		23,521.89	-
Other Expenses	82,500.00	82,500.00	41,252.55	8,210.64	33,036.81	-
Solid Waste Collection						
Other Expenses	1,315,000.00	1,280,000.00	1,142,105.30	93,180.90	44,713.80	-
Recycling Program						
Salaries & Wages	31,500.00	31,500.00	27,687.33		3,812.67	-
Other Expenses	13,500.00	13,500.00			13,500.00	-

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, 2019

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Department of Public Works						
Salaries & Wages	199,250.00	201,750.00	200,052.14		1,697.86	-
Other Expenses	14,000.00	14,000.00	3,398.10	10.42	10,591.48	-
Buildings and Grounds						
Salaries & Wages	665,000.00	675,000.00	670,847.59		4,152.41	-
Other Expenses	359,300.00	359,300.00	290,942.33	39,495.36	28,862.31	-
Demolition						
Other Expenses	90,000.00	64,000.00	26,213.00		37,787.00	-
Vehicle Maintenance						
Salaries & Wages	124,560.00	116,560.00	102,877.01		13,682.99	
Other Expenses	199,000.00	184,000.00	157,745.14	14,300.25	11,954.61	
HEALTH AND HUMAN SERVICES						
Dog Regulation						
Other Expenses	18,500.00	18,500.00	13,475.00		5,025.00	-
PARKS AND RECREATION						
Beach Patrol and Maintenance						
Salaries & Wages	816,000.00	808,000.00	797,653.44		10,346.56	-
Other Expenses	78,500.00	78,500.00	68,617.37	7,946.00	1,936.63	-
Beach Fee Program						
Salaries & Wages	170,000.00	171,000.00	169,617.50		1,382.50	-
Other Expenses	24,700.00	31,700.00	15,066.36	15,868.65	764.99	-
Parks and Playgrounds						
Salaries & Wages	285,000.00	287,000.00	282,066.43		4,933.57	-
Other Expenses	49,525.00	42,025.00	31,651.66	995.77	9,377.57	-
Cultural Arts						
Other Expenses	5,000.00	5,000.00	5,000.00		-	-
Grant Coordinator						
Other Expenses	45,000.00	45,000.00	27,500.00	345.00	17,155.00	-
UNIFORM CONSTRUCTION CODE						
Construction Official						
Salaries & Wages	336,000.00	336,000.00	317,827.83		18,172.17	-
Other Expenses	22,000.00	22,000.00	9,826.25	2,889.64	9,284.11	-

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, 2019

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
UNCLASSIFIED						
Accumulated Leave Compensation	475,000.00	475,000.00	475,000.00		-	-
Maintenance Agreements - Contractual	110,000.00	115,000.00	109,663.46		5,336.54	-
Storm Reserve	100,000.00	100,000.00	100,000.00		-	-
UTILITY EXPENSES AND BULK PURCHASES						
Electric	210,000.00	227,000.00	205,616.69		21,383.31	-
Street Lighting	215,000.00	198,000.00	177,448.43		20,551.57	-
Telephone	130,000.00	130,000.00	104,859.81		25,140.19	-
Gas	60,000.00	60,000.00	46,949.86		13,050.14	-
Fuel	100,000.00	120,000.00	98,003.28	3,975.08	18,021.64	-
Cable	11,000.00	11,000.00	8,574.33		2,425.67	-
TOTAL OPERATIONS WITHIN "CAPS"	19,913,259.00	19,698,259.00	18,458,350.13	324,051.07	915,857.80	-
Contingent	500.00	500.00			500.00	-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	19,913,759.00	19,698,759.00	18,458,350.13	324,051.07	916,357.80	-
Detail:						
Salaries & Wages	12,565,760.00	12,487,360.00	12,317,695.76		169,664.24	-
Other Expenses	7,347,999.00	7,211,399.00	6,140,654.37	324,051.07	746,693.56	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges:						
Deficit - Golf Course Utility	47,000.00	47,000.00				47,000.00
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	446,874.20	446,874.20	446,874.20		-	-
Social Security System (O.A.S.I.)	950,000.00	950,000.00	918,212.40		31,787.60	-
Police and Firemen's Retirement System	1,840,776.00	1,840,776.00	1,840,776.00		-	-
Unemployment Compensation Insurance	40,000.00	40,000.00	16,211.76		23,788.24	-
Lifeguard Pension	20,000.00	20,000.00	20,000.00		-	-
Defined Contribution Retirement Program	5,000.00	5,000.00	3,519.17		1,480.83	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	3,349,650.20	3,349,650.20	3,245,593.53	-	57,066.67	47,000.00
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	23,263,409.20	23,048,409.20	21,703,943.66	324,051.07	973,414.47	47,000.00

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, 2019

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Reserve for Tax Appeals	500.00	500.00	500.00	-	-	-
Fire Prevention Inspections	295,000.00	295,000.00	295,000.00	-	-	-
Salaries & Wages	11,500.00	11,500.00	10,052.57	1,373.30	74.13	-
Other Expenses						
	307,000.00	307,000.00	305,552.57	1,373.30	74.13	-
(A) Public and Private Programs Off-Set by Revenues						
Recycling Tonnage Grant	13,786.44	13,786.44	13,786.44	-	-	-
Safe and Secure Communities Program						
Police						
Salaries & Wages	30,000.00	30,000.00	30,000.00	-	-	-
Body Armor Grant	3,593.96	3,593.96	3,593.96	-	-	-
Matching Funds to Grants	15,000.00	10,920.00			10,920.00	-
N.J. Transportation Trust Fund Authority Act		300,000.00	300,000.00	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - County		16,319.00	16,319.00	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - Match		4,080.00	4,080.00	-	-	-
Clean Communities Program		46,259.62	46,259.62	-	-	-
Community Development Block Grant-ADA Curb Cuts		33,152.00	33,152.00	-	-	-
Bulletproof Vest Partnership Grant		3,055.31	3,055.31	-	-	-
Total Public and Private Programs Off-Set by Revenues	62,380.40	461,166.33	450,246.33	-	10,920.00	-
Total Operations - Excluded from "CAPS"	369,380.40	768,166.33	755,798.90	1,373.30	10,994.13	-
Detail:						
Salaries & Wages	325,000.00	325,000.00	325,000.00	-	-	-
Other Expenses	44,380.40	443,166.33	430,798.90	1,373.30	10,994.13	-
(C) Capital Improvements						
Capital Improvement Fund	300,000.00	530,000.00	530,000.00	-	-	-
Vehicle & Equipment Purchases	200,000.00	185,000.00	180,006.38	-	4,993.62	-
Total Capital Improvements	500,000.00	715,000.00	710,006.38	-	4,993.62	-
(D) Debt Service						
Payment of Bond Principal	2,570,000.00	2,570,000.00	2,570,000.00	-	-	-
Interest on Bonds	497,088.00	497,088.00	497,087.50	-	-	0.50
Green Trust Loan Program:						
Loan Repayments for Principal & Interest	37,310.00	37,310.00	37,309.92	-	-	0.08
Total Debt Service	3,104,398.00	3,104,398.00	3,104,397.42	-	-	0.58

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(E) Deferred Charges - Municipal - Excluded from "CAPS"						
Deferred Charges to Future Taxation:						
Ordinance #12-15	1,552.00	1,552.00	1,552.00	-	-	-
Ordinance #18-17	9,435.00	9,435.00	9,435.00	-	-	-
Ordinance #24-18	2,455.00	2,455.00	2,455.00	-	-	-
Ordinance #7-18	7,500.00	7,500.00	7,500.00	-	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	20,942.00	20,942.00	20,942.00	-	-	-
(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	516,000.00	516,000.00	516,000.00	-	-	-
Interest on Bonds	93,000.00	93,000.00	93,000.00	-	-	-
(J) Deferred Charges and Statutory Expenditures - Excluded from "CAPS"						
None		-			-	-
(K) TOTAL MUNICIPAL APPROPRIATIONS FOR LOCAL SCHOOL DISTRICT PURPOSES EXCLUDED FROM "CAPS"	1,109,000.00	1,109,000.00	1,109,000.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	5,103,720.40	5,717,506.33	5,700,144.70	1,373.30	15,987.75	0.58
SUBTOTAL GENERAL APPROPRIATIONS	28,367,129.60	28,765,915.53	27,404,088.36	325,424.37	989,402.22	47,000.58
(M) Reserve for Uncollected Taxes	1,427,252.27	1,427,252.27	1,427,252.27		-	-
TOTAL GENERAL APPROPRIATIONS	\$ 29,794,381.87	30,193,167.80	28,831,340.63	325,424.37	989,402.22	47,000.58
Budget Appropriations by 40A:4-87		29,794,381.87			Cancelled Overexpended	47,000.58
		398,785.93				-
		<u>30,193,167.80</u>				<u>47,000.58</u>
Reserve for Uncollected Taxes		1,427,252.27				
Federal and State Grants		446,166.33				
Reserve for Tax Appeals		500.00				
Disbursements		26,957,422.03				
		<u>28,831,340.63</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>2019</u>	<u>2018</u>
<u>Assets</u>		
<u>Animal Control Fund</u>		
Cash and Investments	\$ 2,304.80	1,604.20
	<u>2,304.80</u>	<u>1,604.20</u>
<u>Other Funds</u>		
Cash and Investments	4,245,759.90	3,713,291.89
Due Current Fund	-	397.00
	<u>4,245,759.90</u>	<u>3,713,688.89</u>
	<u>\$ 4,248,064.70</u>	<u>3,715,293.09</u>

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

	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>		
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 1,641.40	1,603.00
Due to Current Fund	663.40	-
Due State of New Jersey	-	1.20
	<u>2,304.80</u>	<u>1,604.20</u>
<u>Other Funds</u>		
Due to Current Fund	-	450.00
Reserve for Accumulated Absences	1,393,066.23	1,317,669.38
Reserve for Special Law Enforcement	53,643.91	47,781.14
Reserve for Police Special Detail Escrow	1,000.00	16,950.00
Reserve for POAA	2,189.00	2,074.00
Reserve for Engineering Escrow	185,861.73	157,554.77
Reserve for Lifeguard Pension	560,122.95	558,332.58
Reserve for Recreation	206,844.08	308,166.16
Reserve for Recreation Green Team	27,075.99	18,361.31
Reserve for Garden Club	15,855.62	-
Reserve for COAH	814,805.79	506,184.30
Reserve for Health Insurance Trust	-	1.63
Reserve for Tax Title Lien Redemptions	10,584.03	6,299.78
Reserve for Tax Title Lien Premiums	477,904.00	360,404.00
Reserve for Due to Third Parties Eng Escrow	20,594.25	20,594.25
Reserve for Fire Prevention	2,934.00	2,272.00
Reserve for Storm Expenses	458,226.84	379,175.42
Reserve for Municipal Alliance Donations	15,051.48	11,418.17
	<u>4,245,759.90</u>	<u>3,713,688.89</u>
	<u>\$ 4,248,064.70</u>	<u>3,715,293.09</u>

EXHIBIT - C
GENERAL CAPITAL FUND

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

	2019	2018
<u>ASSETS</u>		
Cash	\$ 11,151,039.43	5,983,604.76
Grant Receivable - FEMA House Raising 2017	8,699,045.09	-
Deferred Charges to Future Taxation -		
Funded	29,439,184.38	20,430,845.55
Unfunded	7,792,779.72	14,076,942.00
	<u>57,082,048.62</u>	<u>40,491,392.31</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Serial Bonds Payable	26,580,000.00	17,040,000.00
School Type I Bonds Payable	2,600,000.00	3,100,000.00
Green Trust Loan Payable	259,184.38	290,845.55
Bond Anticipation Notes	550,000.00	1,066,000.00
Due to Current Fund	10,753.06	-
Improvement Authorizations:		
Funded	20,143,737.74	2,912,011.63
Unfunded	3,719,411.46	9,048,042.52
Reserve for Encumbrances	1,609,637.24	6,241,886.23
Reserve for Bonds and Notes	377,719.61	254,403.81
Reserve for Future Capital Project	264,555.00	264,555.00
Reserve for Payment of School Debt	576,152.56	-
Capital Improvement Fund	270,250.00	153,000.00
Fund Balance	120,647.57	120,647.57
	<u>\$ 57,082,048.62</u>	<u>40,491,392.31</u>

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

2018	13,010,942.00
2019	7,242,779.72

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

	<u>2019</u>	<u>2018</u>
Beginning Balance January 1	\$ 120,647.57	120,647.57
Increased by:		
None	-	-
Decreased by:		
None	-	-
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>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 5,166,634.35	4,436,702.25
Interfunds and Receivables:		
Due from Water Sewer Capital	10,331.37	-
	<u>5,176,965.72</u>	<u>4,436,702.25</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	368,238.57	392,920.84
	<u>368,238.57</u>	<u>392,920.84</u>
Total Operating Fund	<u>5,545,204.29</u>	<u>4,829,623.09</u>
Capital Fund:		
Cash	10,044,502.08	2,978,074.60
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	14,552,176.85	8,382,176.85
Total Capital Fund	<u>61,119,028.69</u>	<u>47,882,601.21</u>
	<u>\$ 66,664,232.98</u>	<u>52,712,224.30</u>

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

	2019	2018
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 608,024.63	280,403.20
Reserve for Encumbrances	299,112.08	278,002.98
Due to Current Fund	-	1,672.05
Overpaid Rents	1,123,175.83	1,024,271.63
Accrued Interest on Bonds and Notes	131,431.63	84,388.02
Reserve for Insurance Proceeds	5,500.00	5,500.00
	<u>2,167,244.17</u>	<u>1,674,237.88</u>
Reserve for Receivables	368,238.57	392,920.84
Fund Balance	3,009,721.55	2,762,464.37
	<u>5,545,204.29</u>	<u>4,829,623.09</u>
Total Operating Fund		
Capital Fund:		
Encumbrances Payable	270,452.44	26,769.69
Serial Bonds Payable	9,765,000.00	3,900,000.00
NJEIT Bonds & Loans	4,092,735.52	4,703,823.81
Improvement Authorizations:		
Funded	9,595,257.97	2,889,309.02
Unfunded	920,000.00	1,750,000.00
Due to Water Sewer Operating	10,331.37	-
Reserve for Amortization	36,202,214.09	34,456,125.80
Reserve for Bonds and Notes	192,687.30	86,222.89
Deferred Reserve for Amortization	70,350.00	70,350.00
Fund Balance	-	-
	<u>61,119,028.69</u>	<u>47,882,601.21</u>
Total Capital Fund		
	<u>\$ 66,664,232.98</u>	<u>52,712,224.30</u>

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

2018	1,750,000.00
2019	920,000.00

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

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 200,000.00	250,000.00
Water and Sewer Rents	5,788,101.91	5,863,028.55
Miscellaneous	160,036.06	143,732.37
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	342,373.57	519,693.38
Total Income	<u>6,490,511.54</u>	<u>6,776,454.30</u>
Expenditures		
Operations:		
Salaries and Wages	1,075,000.00	1,077,000.00
Other Expenses	3,419,700.00	3,301,400.00
Debt Service	1,332,354.36	1,348,662.44
Deferred Charges and Statutory Expenditures	216,200.00	352,667.00
Total Expenditures	<u>6,043,254.36</u>	<u>6,079,729.44</u>
Excess in Revenue	<u>447,257.18</u>	<u>696,724.86</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>447,257.18</u>	<u>696,724.86</u>
Fund Balance January 1	<u>2,762,464.37</u>	<u>2,315,739.51</u>
	3,209,721.55	3,012,464.37
Decreased by:		
Utilization as Anticipated Revenue	<u>200,000.00</u>	<u>250,000.00</u>
Fund Balance December 31	<u>\$ 3,009,721.55</u>	<u>2,762,464.37</u>

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

	<u>2019</u>	<u>2018</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, 2019**

	Anticipated Budget	Realized	Excess or (Deficit)
Anticipated Revenue:			
Surplus Anticipated	\$ 200,000.00	200,000.00	-
Water Rents	2,300,000.00	2,270,157.15	(29,842.85)
Sewer Rents	3,500,000.00	3,517,944.76	17,944.76
Miscellaneous	94,000.00	160,036.06	66,036.06
	<u>\$ 6,094,000.00</u>	<u>6,148,137.97</u>	<u>54,137.97</u>

Analysis of Realized Revenue:

Water and Sewer Rents		
Accounts Receivable	5,788,101.91	
Total Water & Sewer Rents		<u>5,788,101.91</u>
Miscellaneous Revenue		
Penalties and Interest	31,653.72	
Water/Sewer Connections	4,500.00	
Water Reading Fees	22,380.00	
Fire Sprinkler Fee	15,700.00	
Shut Off Notice Fee	2,700.00	
Meter Parts/Set Up	59,204.00	
Interest on Investments	21,033.39	
Miscellaneous	2,864.95	
Total Miscellaneous		<u>160,036.06</u>

**WATER AND SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Operations:					
Salaries and Wages	\$ 1,075,000.00	1,075,000.00	990,108.14	84,891.86	
Other Expenses	3,419,700.00	3,419,700.00	2,619,698.56	299,112.08	500,889.36
	<u>4,494,700.00</u>	<u>4,494,700.00</u>	<u>3,609,806.70</u>	<u>299,112.08</u>	<u>585,781.22</u>
					-
Debt Service:					
Payment of Bond Principal	1,171,100.00	1,171,100.00	1,121,088.29	-	50,011.71
Interest on Bonds	212,000.00	212,000.00	211,266.07	(0.00)	733.93
	<u>1,383,100.00</u>	<u>1,383,100.00</u>	<u>1,332,354.36</u>	<u>(0.00)</u>	<u>50,745.64</u>
Deferred Charges and Statutory Expenditures:					
Contribution to: Public Employees Retirement System	124,200.00	124,200.00	124,200.00	-	
Social Security System (O.A.S.I.)	85,000.00	85,000.00	69,756.59	15,243.41	
Unemployment Compensation Insurance	7,000.00	7,000.00		7,000.00	
	<u>216,200.00</u>	<u>216,200.00</u>	<u>193,956.59</u>	<u>22,243.41</u>	<u>-</u>
	<u>6,094,000.00</u>	<u>6,094,000.00</u>	<u>5,136,117.65</u>	<u>299,112.08</u>	<u>50,745.64</u>
		Cash Disbursed \$	5,089,074.04	Cancelled	50,745.64
		Accrued Interest	47,043.61	Overexpended	-
			<u>5,136,117.65</u>		<u>50,745.64</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>2019</u>	<u>2018</u>
<u>Assets</u>		
Operating Fund:		
Cash and Investments	\$ 17,641.63	5,074.13
Total Operating Fund	<u>17,641.63</u>	<u>5,074.13</u>
Capital Fund:		
Cash and Investments	18.99	12,421.32
Fixed Capital:		
Completed	5,229,283.54	5,229,283.54
Authorized and Uncompleted	351,716.46	351,716.46
Total Capital Fund	<u>5,581,018.99</u>	<u>5,593,421.32</u>
	<u>\$ 5,598,660.62</u>	<u>5,598,495.45</u>

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

	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserves	\$ 2,000.00	407.47
Due Current Fund	-	4,256.38
	<u>2,000.00</u>	<u>4,663.85</u>
 Fund Balance	 <u>15,641.63</u>	 <u>410.28</u>
Total Operating Fund	<u>17,641.63</u>	<u>5,074.13</u>
 Capital Fund:		
Bond Anticipation Notes Payable	632,000.00	661,000.00
Improvement Authorizations:		
Funded	-	13,352.33
Unfunded	-	-
Reserve for Amortization	4,934,950.00	4,905,000.00
Reserve for Deferred Amortization	14,050.00	14,050.00
Fund Balance	18.99	18.99
 Total Capital Fund	 <u>5,581,018.99</u>	 <u>5,593,421.32</u>
	<u>\$ 5,598,660.62</u>	<u>5,598,495.45</u>

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

2018	950.00
2019	-

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

	2019	2018
Revenue and Other Income Realized		
Fund Balance Utilized	\$ -	7,000.00
Golf Course Charges	757,173.88	750,995.74
Golf Course Charges - F&B	21,600.00	22,200.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	407.47	500.00
Reserve for Payment of Debt	-	7.47
Deficit (General Budget)	-	367,743.62
Total Income	<u>779,181.35</u>	<u>1,148,446.83</u>
Expenditures:		
Operating	734,000.00	750,407.47
Debt Service	29,000.00	398,039.36
Deferred Charges and Statutory Expenditures	950.00	-
Total Expenditures	<u>763,950.00</u>	<u>1,148,446.83</u>
Excess/(Deficit) in Revenue	<u>15,231.35</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	15,231.35	-
Fund Balance January 1	<u>410.28</u>	<u>7,410.28</u>
Decreased By:		
Utilization as Anticipated Revenue	-	7,000.00
Balance December 31	<u>\$ 15,641.63</u>	<u>410.28</u>

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

	<u>2019</u>	<u>2018</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, 2019**

	Anticipated Budget	Realized	Excess or (Deficit)
Anticipated Revenue:			
Golf Course Charges	\$ 750,850.00	757,173.88	6,323.88
Golf Course Charges - F&B	22,100.00	21,600.00	(500.00)
Deficit (General Budget)	47,000.00		(47,000.00)
 Total Revenue	 \$ 819,950.00	 778,773.88	 (41,176.12)

**GOLF COURSE UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations:					
ACIA Contractual	\$ 790,000.00	790,000.00	732,000.00	2,000.00	56,000.00
	<u>790,000.00</u>	<u>790,000.00</u>	<u>732,000.00</u>	<u>2,000.00</u>	<u>56,000.00</u>
Debt Service:					
Payment of BANs & Capital Notes	29,000.00	29,000.00	29,000.00		-
	<u>29,000.00</u>	<u>29,000.00</u>	<u>29,000.00</u>	<u>-</u>	<u>-</u>
Deferred Charges					
Deferred Charges Unfunded-Ord 6-13	950.00	950.00	950.00		-
	<u>950.00</u>	<u>950.00</u>	<u>950.00</u>	<u>-</u>	<u>-</u>
	<u>819,950.00</u>	<u>819,950.00</u>	<u>761,950.00</u>	<u>2,000.00</u>	<u>56,000.00</u>
	<u>\$ 819,950.00</u>				
	Adopted Budget	819,950.00	761,950.00	Disbursed	
		<u>819,950.00</u>	<u>761,950.00</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>2019</u>	<u>2018</u>
General Fixed Assets:		
Land and Land Improvements	\$ 40,525,284.43	40,398,200.00
Buildings and Improvements	37,259,070.71	37,259,070.71
Machinery and Equipment	<u>8,953,267.20</u>	<u>8,053,217.17</u>
Total General Fixed Assets	<u><u>86,737,622.34</u></u>	<u><u>85,710,487.88</u></u>
 Investment in General Fixed Assets	 \$ <u><u>86,737,622.34</u></u>	 <u><u>85,710,487.88</u></u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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, 2019 AND 2018
(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, 2019 AND 2018
(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 1st. Sewer charges are billed semi-annually and due January and July 1st.

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, 2019 AND 2018
(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 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, may have an 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 an effect on the City's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91 "Conduit Debt Obligations". This statement, which is effective for fiscal periods beginning after December 15, 2020, will not have any an effect on the City's financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92 "Omnibus 2020". This statement, which is effective for fiscal periods beginning after June 15, 2020, will not have any an effect on the City's financial reporting.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(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 2019 and 2018 statutory budgets included a reserve for uncollected taxes in the amount of \$1,427,252.27 and \$1,435,325.74. To balance the budget, the City is required to show a budgeted fund balance. There was \$2,850,000.00 fund balance budgeted to balance both the 2019 and 2018 statutory budgets. 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 2019 and 2018 was \$200,000.00 and \$250,000.00. There was no fund balance budgeted to balance the 2019 golf course utility budget and \$7,000.00 budgeted in 2018.

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 2019 and 2018, the following budget insertions were approved:

<u>Budget Category</u>	<u>2019</u>	<u>2018</u>
Clean Communities Program	\$ 46,259.62	41,450.07
Municipal Alliance on Alcoholism and Drug Abuse	16,319.00	16,319.00
Community Development Block Program - ADA Curb Cuts	33,152.00	
NJ Transportation Municipal Aid Program - Sheridan Blvd	300,000.00	
Sustainable Jersey Small Grant		2,000.00
Federal Bullet Proof Vests	3,055.31	3,080.00
NJ Transportation Trust Fund Authority Act		170,000.00

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(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 2019 and 2018 calendar years:

<u>Budget Category</u>	<u>2019</u>	<u>2018</u>
<u>Current Fund:</u>		
Public Buildings & Grounds		
Other Expenses	\$	58,000.00
Insurance		
General Liability and Other Insurance		(50,000.00)
Employee Group Insurance		(57,000.00)
Beach Fee Program		
Salaries and Wages		(30,000.00)
Other Expenses		30,000.00
Legal Services		
Other Expenses	(80,000.00)	
Fire Department		
Salaries and Wages	(40,000.00)	
Police Department		
Salaries and Wages	(40,000.00)	(31,000.00)
Solid Waste Collection		
Other Expenses	(35,000.00)	
Accumulated Leave Compensation		150,000.00
Social Security System (O.A.S.I.)		(40,100.00)
Capital Improvement Fund	230,000.00	
<u>Water Sewer Utility Operating Fund:</u>	None	None
<u>Golf Course Utility Operating Fund:</u>	None	None

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, 2019, the City did not have any special emergency appropriations.

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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

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, 2019 and 2018, \$238,962.45 and \$224,199.30 of the City's bank balance of \$27,467,946.28 and \$27,022,420.79 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, 2019 the City's deposits with the New Jersey Cash Management Fund were \$3,957,836.94.

NOTE 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2019 and 2018:

	Balance 12/31/2017	Additions	Adjustments	Balance 12/31/2018
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>

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
Land and Land Improvements	\$ 40,398,200.00	127,084.43		40,525,284.43
Buildings and Improvements	37,259,070.71			37,259,070.71
Equipment and Machinery	8,053,217.17	933,355.03	(33,305.00)	8,953,267.20
	<u>85,710,487.88</u>	<u>1,060,439.46</u>	<u>(33,305.00)</u>	<u>86,737,622.34</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

NOTE 6: SHORT-TERM OBLIGATIONS

	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>
	Balance 12/31/18	Issued	Retired	Balance 12/31/19
Bond Anticipation				
Notes payable:				
General	\$ 1,066,000.00	550,000.00	1,066,000.00	550,000.00
Golf Course Utility	661,000.00	632,000.00	661,000.00	632,000.00
	<u>\$ 1,727,000.00</u>	<u>1,182,000.00</u>	<u>1,727,000.00</u>	<u>1,182,000.00</u>

The note is held by the Current Fund. As of December 31, 2019 the City has authorized but not issued bonds in the amount of \$7,242,779.72 and \$920,000.00 in the General Capital Fund and Water and Sewer Utility Capital Fund respectively.

NOTE 7: LONG TERM DEBT

Long-term debt as of December 31, 2019 and 2018 consisted of the following:

	Balance 12/31/2017	Issued	Retired	Balance 12/31/2018	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	<u>28,250,000.00</u>	<u>-</u>	<u>4,210,000.00</u>	<u>24,040,000.00</u>	<u>3,580,000.00</u>
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	<u>4,982,277.89</u>	<u>82,500.81</u>	<u>139,244.14</u>	<u>4,925,534.56</u>	
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, 2019 AND 2018
(CONTINUED)

	Balance 12/31/2018	Issued	Retired	Balance 12/31/2019	Amounts Due Within One Year
Bonds payable:					
General	\$ 20,140,000.00	12,110,000.00	3,070,000.00	29,180,000.00	2,610,000.00
Water Sewer Utility	3,900,000.00	6,375,000.00	510,000.00	9,765,000.00	770,000.00
Total	24,040,000.00	18,485,000.00	3,580,000.00	38,945,000.00	3,380,000.00
Other liabilities:					
Loans Payable:					
General	290,845.55		31,661.17	259,184.38	32,297.56
Water Sewer Utility	4,703,823.81		611,088.29	4,092,735.52	382,854.23
Compensated Absences Payable	4,925,534.56		336,365.32	4,589,169.24	
Total long-term liabilities	<u>\$ 33,960,203.92</u>	<u>18,485,000.00</u>	<u>4,559,114.78</u>	<u>47,886,089.14</u>	<u>3,795,151.79</u>

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

\$8,150,000 General Obligation Bonds dated March 15, 2008 due in annual installments through January 15, 2019 bearing interest at various rates. There is no balance remaining as of December 31, 2019.

\$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, 2019, is \$4,200,000.00.

\$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, 2019, is \$4,510,000.00.

\$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, 2019, is \$5,760,000.00.

\$13,000,000 General Obligation Bonds dated September 18, 2019 due in annual installments through October 1, 2031 bearing interest at various rates. The balance remaining as of December 31, 2019, is \$12,110,000.00.

\$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, 2019, is \$2,600,000.00.

\$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, 2019, 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, 2019, is \$258,651.97.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

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

\$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, 2019, is \$80,000.00.

\$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, 2019, is \$640,000.00.

\$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, 2019, is \$2,670,000.00.

\$7,000,000 Water and Sewer Utility Bond dated September 18, 2019 due in annual installments through October 15, 2030 bearing interest at various rates. The balance remaining as of December 31, 2019, is \$6,375,000.00.

\$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. There is no balance remaining as of December 31, 2019.

\$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. There is no balance remaining as of December 31, 2019.

\$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. There is no balance remaining as of December 31, 2019.

\$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. There is no balance remaining as of December 31, 2019.

\$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, 2019, is \$210,000.00.

\$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, 2019, is \$495,119.00.

\$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, 2019, is \$1,240,000.00.

\$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, 2019, is \$972,480.63.

\$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, 2019, is \$375,000.00.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

\$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, 2019, is \$800,135.89.

Schedule of Annual Debt Service for Principal and Interest for Serial Bonds and Green Trust Loans Issued and Outstanding

Year Ending December 31,	General Capital Bonds		Year Ending December 31,	General Capital Green Trust	
	Principal	Interest		Principal	Interest
2020	\$ 2,610,000.00	896,973.89	2020	\$ 32,829.97	5,012.36
2021	2,770,000.00	796,937.50	2021	32,946.74	4,363.18
2022	2,870,000.00	701,237.50	2022	33,608.96	3,700.96
2023	2,960,000.00	600,937.50	2023	34,284.52	3,025.40
2024	3,100,000.00	489,537.50	2024	34,973.63	2,336.29
2025-2029	9,365,000.00	1,309,500.00	2025-2029	90,540.56	2,734.24
2030-2031	2,905,000.00	127,200.00			
	<u>\$ 26,580,000.00</u>	<u>4,922,323.89</u>		<u>\$ 259,184.38</u>	<u>21,172.43</u>

Year Ending December 31,	Utility Capital Fund	
	Principal	Interest
2020	\$ 1,152,854.23	436,183.06
2021	1,157,854.23	398,987.50
2022	1,202,854.23	358,237.50
2023	1,252,854.23	315,137.50
2024	1,137,854.23	269,637.50
2025-2029	5,906,752.28	808,525.00
2029-2034	2,046,712.09	88,750.00
	<u>\$ 13,857,735.52</u>	<u>2,675,458.06</u>

As of December 31, 2019 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 \$590,087.50 and to the water and sewer utility budget was \$211,266.07.

Summary of Municipal Debt

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 29,989,184.38	\$ 21,496,845.55	\$ 25,341,882.88
Water/Sewer Utility - Bonds and Notes	13,857,735.52	8,603,823.81	9,774,919.69
Golf Course Utility - Bonds and Notes	632,000.00	661,000.00	1,050,000.00
Total Issued	<u>44,478,919.90</u>	<u>30,761,669.36</u>	<u>36,166,802.57</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	7,242,779.72	13,010,942.00	6,690,987.00
Water/Sewer Utility - Bonds and Notes	920,000.00	1,750,000.00	1,034,167.00
Beach Utility - Bonds and Notes	-	950.00	950.00
Total Authorized But Not Issued	<u>8,162,779.72</u>	<u>14,761,892.00</u>	<u>7,726,104.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 52,641,699.62</u>	<u>\$ 45,523,561.36</u>	<u>43,892,906.57</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.029%.

	Gross Debt	Deductions	Net Debt
Local School Debt	\$ 3,150,000.00	3,150,000.00	-
Utility Debt	15,409,735.52	15,409,735.52	-
General Debt	34,081,964.10		34,081,964.10
	<u>\$ 52,641,699.62</u>	<u>18,559,735.52</u>	<u>34,081,964.10</u>

Net Debt \$34,081,964.10 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,311,362,947.33 = 1.029%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$	115,897,703
Net Debt		34,081,964
Remaining Borrowing Power	<u>\$</u>	<u>81,815,739</u>

NOTE 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2019 and 2018, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2020 and 2019 were as follows:

	2020	2019
Current Fund	\$ 2,850,000.00	2,850,000.00
Water/Sewer Utility	324,000.00	200,000.00
Golf Course Utility	None	None

NOTE 9: SCHOOL TAXES

Local District School Tax in the amount of \$15,888,114.00 has been raised for the 2019 and 2018 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:

	Balance 12/31/19	Balance 12/31/18
Prepaid Taxes	\$ 1,124,342.00	1,123,752.49
Cash Liability for Taxes Collected in Advance	<u>\$ 1,124,342.00</u>	<u>1,123,752.49</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(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 45th birthday and after he has completed 20 years of service, the last 10 must have been completed immediately preceding his/her application.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(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 7.50% of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 13.69% of covered payroll. The City's contributions to PERS for the years ended December 31, 2019, 2018, and 2017 were \$571,074.20, \$544,238.92 and \$510,175.69.

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, 2019, 2018, and 2017 were \$1,840,776.00, \$1,576,110.00 and \$1,533,762.00.

The total payroll for the year ended December 31, 2019 was \$13,652,905.95. Payroll covered by PFRS was \$6,376,505.00 and PERS was \$4,128,267.00.

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, 2019, 2018, and 2017 was \$20,000.00, \$20,000.00 and \$20,000.00. The City's trust for the Lifeguard Pension at December 31, 2019 was \$560,122.95. Currently there are eight individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2019, 2018, and 2017 were \$61,383.96, \$61,383.96 and \$161,383.96.

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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(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 1/60th from 1/55th, 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 1/7th of the required amount, beginning in fiscal years 2012.

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

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.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

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, 2019:

Public Employees' Retirement System

The City has a liability of \$10,051,727.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 that was rolled forward to June 30, 2019. 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, 2019, the City's proportion would be 0.05578564490%, which would be an increase of 0.02% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the City would have recognized pension expense of \$220,756.00. At December 31, 2019, 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	\$ 180,415	\$ (44,404)
Changes of assumptions	1,003,702	(3,488,923)
Changes in proportion	128,700	(566,812)
Net difference between projected and actual earnings on pension plan investments		(158,670)
Total	<u>\$ 1,312,817</u>	<u>\$ (4,258,809)</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,	
2020	\$ (340,953)
2021	(1,106,044)
2022	(987,633)
2023	(463,745)
2024	(47,618)
Total	<u>\$ (2,945,992)</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

Actuarial Assumptions

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

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00% – 6.00% (based on years of service)
Thereafter	3.00% - 7.00% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 200 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

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NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
US equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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 6.28%, 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 (5.28%) or 1-percentage point higher (7.28%) than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
City's proportionate share of the net pension liability	\$ 12,063,739	\$ 10,051,727	\$ 8,358,292

Pension plan fiduciary net position.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

Police and Firemen's Retirement System

The City has a liability of \$23,169,130.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2018 that was rolled forward to June 30, 2019. 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, 2019, the City's proportion would be 0.18932402130%, which would be an increase of 0.55% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the City would have recognized pension expense of \$1,370,352.00. At December 31, 2019, 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	\$ 195,577	\$ (146,688)
Changes of assumptions	793,900	(7,488,050)
Changes in proportion	1,359,825	(1,366,509)
Net difference between projected and actual earnings on pension plan investments		(313,934)
Total	<u>\$ 2,349,302</u>	<u>\$ (9,315,181)</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,	
2020	\$ (1,215,823)
2021	(2,552,205)
2022	(1,807,496)
2023	(890,972)
2024	(499,383)
Total	<u>\$ (6,965,879)</u>

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

Actuarial Assumptions

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

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through all future years	3.25% - 15.25% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152% adjustment for males and 109/3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
US equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, 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, 2019, 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 (5.74%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
City's proportionate share of the net pension liability	30,351,752.00	23,169,130.00	17,225,042.42

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(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, 2019 State special funding situation net pension liability amount of \$1,932,374,825.00 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, 2019 State special funding situation pension expense of \$224,526,138.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2019. 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 2019, 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 0.18932402130% for 2019. The net pension liability amount allocated to the City was \$3,658,449.00. For the fiscal year ending June 30, 2019 State special funding situation pension expense of \$425,082.00 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, 2019 AND 2018
(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, 2019 were \$5,637,151,775 and \$8,182,092,807, 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, 2018 through June 30, 2019. 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, 2019 is as follows:

	June 30, 2019
	Collective Total
Total OPEB Liability	\$ 13,819,244,582
Plan Fiduciary Net Position	273,173,482
Net OPEB Liability	<u>\$ 13,546,071,100</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

At June 30, 2019, the State's proportionate share for the Special Funding Situation that is associated with the City is \$21,686,181.00. 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 an increase from the prior year of 18.30%.

For the Year ended June 30, 2019, the State of New Jersey realized Total OPEB Expense in the amount of \$287,000.00 for its proportionate share of Total OPEB Expense that is associated with the City.

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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*:	
PERS: Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
PFRS:	
Rate for all fiscal years	3.25% to 15.25%

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

Mortality:	
PERS: Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019	
PFRS: Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019	

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

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

Health Care Trend Assumptions

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

Discount Rate

The discount rate for June 30, 2019 was 3.50%. 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.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability as of June 30, 2019, 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 (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Collective				
Net OPEB Liability	\$	15,662,704,137	\$ 13,546,071,100	\$ 11,826,026,995

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

The following presents the net OPEB liability as of June 30, 2019, 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	\$	11,431,214,644	\$ 13,546,071,100	\$ 16,243,926,531

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

At June 30, 2019, 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	\$	\$ (3,961,399,180)
Changes of assumptions		(4,800,426,301)
Net difference between projected and actual earnings on OPEB plan investments	11,158,226	
Changes in proportion and differences between contributions and proportionate share of contributions		
Total	\$ 11,158,226	\$ (8,761,825,481)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

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

Year ended June 30,	Collective Totals
2020	\$ (1,425,201,517)
2021	(1,425,201,517)
2022	(1,426,076,187)
2023	(1,427,489,995)
2024	(1,428,781,861)
Thereafter	(1,617,916,178)
Total	\$ <u>(8,750,667,255)</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, 2019 are as follows:

Service cost	\$	666,574,660
Interest on Total OPEB Liability		636,082,461
Expected Investment Return		(11,286,267)
Administrative Expenses		9,478,435
Changes of Benefit Terms		(1,903,958)
Current Period Recognition (Amortization) of Deferred Inflows/ Outflows of Resources:		
Differences between Expected and Actual Experience		(619,405,071)
Changes in Assumptions		(809,376,790)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments		3,580,344
Total Collective OPEB Expense	\$	<u>(126,256,186)</u>

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

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 2019, 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.

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, 2019 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 3.26%. In addition, the unfunded actuarial accrued liability is being amortized over the maximum acceptable period of 30 years.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

Other Post-employment Benefit Costs and Obligations

In the January 1, 2019 actuarial valuation, the Actuarially Determined Contribution for the year ending December 31, 2019 were projected as follows:

	<u>12/31/2019</u>
Service Cost	\$ 66,678.00
30 Year Amortization of NOL at 3.26	203,032.00
Actuarially Determined Contribution	<u>269,710.00</u>
Actual Contribution	30,376.00
Excess Contribution	<u>\$ (239,334.00)</u>
Covered Payroll	\$ 7,571,000.00
Actuarially Determined Contribution as a % of Covered Payroll	3.56%

The following reflects the change in the Total OPEB Liability as of the January 1, 2019 valuation date for the Year ended December 31, 2019.

	<u>12/31/2019</u>
OPEB Liability, Beginning of Year	\$ 2,849,357.00
Changes for the Year:	
Service Cost	66,678.00
Interest	103,164.00
Assumption Changes & Difference	
Between Actual & Expected Experience	58,024.00
Change in Actuarial Cost Method	-
Benefit Payments	(30,376.00)
OPEB Liability, End of Year	<u>\$ 3,046,847.00</u>
Covered payroll (for Covered Participants)	\$ 7,571,000.00
Total OPEB liability as a percentage of covered payroll	40.24%

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

The January 1, 2019 valuation was prepared using a discount rate of 3.26%. If the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability would increase to \$2,516,656.00 or by 4.26%. If the discount rate were 1% lower than was used in this valuation, the Total OPEB Liability would decrease to \$3,577,037.00 or by 2.26%.

	<u>Discount Rate</u>		
	<u>1% Decrease</u>	<u>Baseline 3.26%</u>	<u>1% Increase</u>
Total OPEB Liability \$	<u>3,577,037.00</u>	<u>\$ 3,046,847.00</u>	<u>\$ 2,516,656.00</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

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

The January 1, 2019 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 \$3,055,942.00 or by 9.00%. If the trend rate were 1% lower than was used in this valuation, the Total OPEB Liability would decrease to \$3,039,539.00 or by 7.00%.

Healthcare Cost Trend Rates			
	1% Decrease	Baseline 8.00%	1% Increase
Total OPEB Liability \$	<u>3,039,539.00</u>	<u>\$ 3,046,847.00</u>	<u>\$ 3,055,942.00</u>

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

For the year ended December 31, 2019, the City's Actuarially determined OPEB expense was \$161,164.00. At December 31, 2019, 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, 2019 OPEB Liability due to Actuarial experience different from expected and actuarial assumption changes	\$ 176,206.00	\$ 221,021.00
Total	<u>\$ 176,206.00</u>	<u>\$ 221,021.00</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,

2020	\$ (8,678.00)
2021	(8,678.00)
2022	(8,678.00)
2023	(8,678.00)
2024-2025	(8,678.00)
2026	7,253.00
	<u>\$ (36,137.00)</u>

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)**

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.

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, 2019, the City estimates this liability to be approximately \$4,589,169.24 based upon 2019 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, 2019 and 2018 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

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.

NOTE 20: INTERFUND BALANCES

During the most current calendar year ended December 31, 2019, the following interfunds were included on the balance sheets of the various funds of the City of Brigantine:

	Due From	Due To
Current Fund:		
General Capital	\$ 10,753.06	
Animal Control Fund	663.40	
Animal Control Fund		663.40
General Capital Fund		10,753.06
Water-Sewer Operating Fund	10,331.37	
Water-Sewer Capital Fund		10,331.37
	\$ <u>21,747.83</u>	<u>21,747.83</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 June, 26, 2020, the date which the financial statements were available to be issued. The following event was identified:

The City Council approved the elimination of the City's Golf Course Utility by Ordinance 22-2019. The operations of the Brigantine Golf Course will be managed by the City Administration in a department to which the Golf Course is assigned. All financial issues relating to the operation of the Golf Course will be handled in accordance with the general budgeting process of the City. The ordinance will take effect after final adoption and publication in accordance with law.

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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, 2019, 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 June 26, 2020, 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

June 26, 2020

**CITY OF BRIGANTINE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2019**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified Opinion issued on the Financial Statements – Regulatory Basis.**

Internal control over financial reporting:

- | | |
|----------------------------------|----------------------|
| 1) Material Weakness identified? | No |
| 2) Significant Deficiencies? | None Reported |

Non-Compliance material to Financial Statements – Regulatory Basis noted? **No**

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – REGULATORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements – regulatory basis that are required to be reported.

MANAGEMENT RESPONSES

Management is required to respond to any findings and recommendations in the audit report. A corrective action plan is required to be filed with the Division of Local Government Services, Department of Community Affairs, State of New Jersey within 45 days of the filing of this report.

A corrective action plan is not required for 2019.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year audit findings.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2018	\$ 11,303,298.52	295,460.02
Increased by Receipts:		
Tax Collector	56,358,720.29	
State of New Jersey - Veterans' and Senior Citizens' Deductions	98,000.00	
Miscellaneous Revenue Anticipated	4,396,343.70	
Miscellaneous Revenue Not Anticipated	695,360.50	
Reserve for Future Capital Projects	571,956.26	
Due to State of New Jersey - State Training Fees	22,870.00	
Due to State of New Jersey - Marriage Licenses	1,150.00	
Trust Other Fund	450.00	
Due Water-Sewer Utility Operating Fund	1,672.05	
Due Golf Utility Operating Fund	4,256.38	
Payroll Taxes Payable	16,233.83	
Federal and State Grant Fund:		
Federal and State Grants Receivable		120,445.82
Federal and State Unappropriated Reserves		13,786.44
Due Current Fund		6,882.60
	<u>62,167,013.01</u>	<u>141,114.86</u>
	73,470,311.53	436,574.88
Decreased by Disbursements:		
Current Year Appropriation	26,957,422.03	
Prior Year Appropriations	627,030.02	
County Taxes	17,904,817.14	
Local District School Taxes	15,888,114.00	
Due to County - Added and Omitted Taxes	117,891.76	
Due to State of New Jersey - Marriage License Fees	1,200.00	
Due to State of New Jersey - State Training Fees	30,931.00	
Refund of Tax Overpayments	61,426.51	
Due Trust Other	397.00	
Due General Capital	10,753.06	
Due Federal and State Grant Fund	6,882.60	
Federal and State Grant Fund:		
Federal and State Disbursements		120,750.39
	<u>61,606,865.12</u>	<u>120,750.39</u>
Balance December 31, 2019	\$ <u><u>11,863,446.41</u></u>	<u><u>315,824.49</u></u>

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

Balance December 31, 2018		\$	-
Increased by Receipts:			
Prepaid Taxes	1,124,342.00		
Taxes Receivable	55,037,170.00		
Interest on Taxes	145,367.65		
Tax Title Liens	4,327.20		
Miscellaneous Revenue	<u>47,513.44</u>		
			<u>56,358,720.29</u>
			56,358,720.29
Decreased By Disbursements:			
Payments to Treasurer	<u>56,358,720.29</u>		
			<u>56,358,720.29</u>
Balance December 31, 2019		\$	<u><u>-</u></u>

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

Year	Balance Dec. 31, 2018	Current Year Levy	Added Taxes	2018	2019	Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2019
Arrears \$	1.26							1.26
2017	250.00				250.00			-
2018	493,469.07				488,796.05	4,673.02		0.00
	493,720.33	-	-	-	489,046.05	4,673.02	-	1.26
2019	-	56,337,214.37	6,737.12	1,123,752.49	54,616,540.62	99,906.30	3,901.57	499,850.51
	493,720.33	56,337,214.37	6,737.12	1,123,752.49	55,105,586.67	104,579.32	3,901.57	499,851.77
Analysis of Current Year Tax Levy								
Tax Yield:								
General Property Tax								
Added Taxes (54:4-63.1 et. Seq.)								
					56,337,214.37			
					6,737.12			
						56,343,951.49		
Tax Levy:								
General County Taxes								
County Library Taxes								
County Health Service Taxes								
County Open Space Taxes								
County Added and Omitted Taxes								
Total County Taxes								
					15,943,939.36			
					1,176,352.14			
					742,713.60			
					41,812.04			
					66,547.91			
						17,971,365.05		
Local School District Tax								
Additional Local Open Space Tax								
						15,888,114.00		
Local Tax for Municipal Purposes								
Add: Additional Tax Levied								
					22,308,519.66			
					175,952.78			
						22,484,472.44		
								56,343,951.49

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2018		\$	20,386.83
Increased by:			
Adjustment	903.43		
Transfers from Taxes Receivable	3,901.57		
			<u>4,805.00</u>
			25,191.83
Decreased by:			
Collection	3,513.50		
Collected in Prior Year	813.70		
			<u>4,327.20</u>
Balance December 31, 2019		\$	<u><u>20,864.63</u></u>

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2018	Accrued in 2019	Collected by		Balance Dec. 31, 2019
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	\$ -	12,175.00		12,175.00	-
Other	-	14,513.00		14,513.00	-
Fees and Permits	-	145,372.20		145,372.20	-
Municipal Court					
Fines and Costs	9,028.22	114,779.84		115,884.75	7,923.31
Interest and Costs on Taxes	-	145,367.65	145,367.65		-
Interest and Investments and Deposits	-	272,232.21		272,232.21	-
Beach Fees	-	693,298.00		693,298.00	-
Beach Vehicles Permits	-	744,170.00		744,170.00	-
Cable Franchise	-	73,004.48		73,004.48	-
County Share of Library Costs	-	50,000.00		50,000.00	-
Emergency Medical Services	-	323,789.07		323,789.07	-
Lease of City Property	-	203,827.01		203,827.01	-
Uniform Construction Code Fees	-	460,026.17		460,026.17	-
Fire Prevention Inspection Fees	-	357,070.00		357,070.00	-
Minature Golf Receipts	-	15,000.00		15,000.00	-
Reserve to Pay Bonds & Notes	-	74,403.81		74,403.81	-
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	-	168,878.00		168,878.00	-
Miscellaneous Revenue Not Anticipated	-	743,537.34	47,513.44	696,023.90	-
	<u>\$ 9,028.22</u>	<u>5,284,143.78</u>	<u>192,881.09</u>	<u>5,092,367.60</u>	<u>7,923.31</u>

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
General Administration					
Other Expenses	20,599.79	20,599.79	13,233.45	7,366.34	-
Mayor and Council					
Other Expenses	3,295.12	3,295.12	3,136.80	158.32	-
Municipal Clerk					
Other Expenses	9,835.13	9,835.13	587.61	9,247.52	-
Financial Administration					
Other Expenses	3,991.97	3,991.97	1,328.74	2,663.23	-
Audit Services					
Other Expenses	4,704.00	4,704.00	3,023.50	1,680.50	-
Revenue Administration (Tax Collector)					
Other Expenses	4,215.15	4,215.15	2,401.27	1,813.88	-
Tax Assessment Administration					
Other Expenses	11,504.09	11,504.09	1,721.71	9,782.38	-
Legal Services					
Other Expenses	80,392.44	80,392.44	3,902.50	76,489.94	-
Emergency Medical Services - Billing					
Other Expenses	7,489.09	7,489.09	5,419.52	2,069.57	-
Engineering Services and Costs					
Other Expenses	90,758.19	90,758.19	21,758.50	68,999.69	-
Municipal Court					
Other Expenses	6,760.60	6,760.60	2,077.90	4,682.70	-

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
PUBLIC SAFETY					
Fire Department					
Other Expenses	60,152.72	60,152.72	52,724.42	7,428.30	-
Police Department					
Other Expenses	74,404.31	74,404.31	71,148.72	3,255.59	-
PUBLIC WORKS					
Streets and Roads Maintenance					
Other Expenses	16,501.86	16,501.86	1,048.80	15,453.06	-
Solid Waste Collection					
Other Expenses	149,396.33	149,396.33	149,396.33	-	-
Public Buildings and Grounds					
Other Expenses	70,321.90	70,321.90	63,142.60	7,179.30	-
Demolition					
Other Expenses	58,828.00	58,828.00	2,687.00	56,141.00	-
Vehicle Maintenance					
Other Expenses	41,212.28	41,212.28	25,941.10	15,271.18	-
HEALTH AND HUMAN SERVICES					
Dog Regulation					
Other Expenses	5,025.00	5,025.00	1,225.00	3,800.00	-
PARKS AND RECREATION					
Beach Fee Program					
Other Expenses	20,451.40	20,451.40	15,160.78	5,290.62	-
Parks and Playgrounds					
Other Expenses	12,029.56	12,029.56	4,166.13	7,863.43	-
Grant Coordinator					
Other Expenses	29,115.00	29,115.00	2,175.00	26,940.00	-

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
UNCLASSIFIED					
Maintenance Agreements - Contractual	10,000.63	10,000.63	9,321.00	679.63	-
UTILITY EXPENSES AND BULK PURCHASES					
Electric	12,941.78	37,941.78	11,256.12	26,685.66	-
Street Lighting	59,298.42	17,298.42	262.86	17,035.56	-
Telephone	2,480.32	11,480.32	3,788.85	7,691.47	-
Gas	965.60	8,965.60	6,801.26	2,164.34	-
Fuel	13,553.26	13,553.26	5,523.59	8,029.67	-
STATUTORY EXPENDITURES					
Contribution to:					
Unemployment Compensation Insurance	23,220.15	23,220.15	7,389.53	15,830.62	-
OPERATIONS EXCLUDED FROM CAPS					
Fire Prevention Inspections					
Other Expenses	4,873.11	4,873.11	4,855.00	18.11	-
CAPITAL IMPROVEMENTS					
Acquisition of Property	175,000.00	175,000.00	130,424.43	44,575.57	-
All Other Accounts - No Change					
	502,643.09	502,643.09		502,643.09	-
	<u>\$ 1,585,960.29</u>	<u>1,585,960.29</u>	<u>627,030.02</u>	<u>958,930.27</u>	<u>-</u>

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Balance December 31, 2018		
School Tax Payable	\$ -	
School Tax Deferred	-	
	<u> </u>	\$ -
Increased by:		
Levy - School Year July 1, 2019 to June 30, 2020		<u>15,888,114.00</u>
		15,888,114.00
Decreased by:		
Payments		<u>15,888,114.00</u>
Balance December 31, 2019		
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, 2018	Transferred From 2019 Revenues	Received	Canceled	Balance Dec. 31, 2019
FEDERAL GRANTS:					
Small Cities Community Development Block Grant	\$ 18,245.32			18,245.32	-
Federal Body Armor Bullet Proof Vests	1,332.79				1,332.79
Federal Body Armor Bullet Proof Vests	-	3,055.31			3,055.31
DCA - Community Development Block Grant - ADA Curbs	30,732.00				30,732.00
Community Development Block Grant - ADA Curb Cuts	-	33,152.00			33,152.00
Total Federal	50,310.11	36,207.31	-	18,245.32	68,272.10
STATE GRANTS:					
Sustainable Jersey Small Grant - 2018	2,000.00			2,000.00	-
Municipal Alliance on Alcoholism and Drug Abuse - 2018	16,319.00			9,420.04	-
Municipal Alliance on Alcoholism and Drug Abuse - 2019	-	20,399.00	6,898.96		10,492.16
Recycling Tonnage Grant	-	13,786.44	9,906.84		-
Clean Communities Program - 2019	-	46,259.62	13,786.44		-
NJ Transportation Trust Fund Authority Act - ADA Ramps	71,940.00		46,259.62		-
NJ Transportation Trust Fund Authority Act - Bike Lane	170,000.00				71,940.00
NJ Transportation Trust Fund Authority Act - Sheridan Project	-	300,000.00			170,000.00
Body Armor Fund	-	3,593.96	3,593.96		300,000.00
Safe and Secure - 2018	30,000.00		30,000.00		-
Safe and Secure - 2019	-	30,000.00	10,000.00		20,000.00
Total State	290,259.00	414,039.02	120,445.82	11,420.04	572,432.16
OTHER GRANTS:					
County of Atlantic - Brigantine Blvd	292,979.74				292,979.74
Total Other	292,979.74	-	-	-	292,979.74
\$	633,548.85	450,246.33	120,445.82	29,665.36	933,684.00

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2018		2019	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2019
	Appropriated	Reserve for Encumbrances					
FEDERAL GRANTS:							
Small Cities Grant	\$ 126,272.26						129,603.05
Community Development Block Grant - Drainage 2005	9,237.88			(3,330.79)			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		33,152.00		30,732.00		-
Community Development Block Grant - ADA Curb Cuts	-				33,152.00		-
Bulletproof Vest Partnership - 2015	302.05			302.05			-
Bulletproof Vest Partnership - 2016	4,840.00			137.95			4,702.05
Bulletproof Vest Partnership - 2017	1,868.28			1,868.28			-
Bulletproof Vest Partnership - 2018	3,080.00			1,389.42			1,690.58
Bulletproof Vest Partnership - 2019	-		3,055.31				3,055.31
Total Federal	208,037.47	-	36,207.31	366.91	63,884.00	-	180,053.87
STATE GRANTS:							
Clean Communities Program - 2015	169.80						169.80
Clean Communities Program - 2017	400.00	125.00		525.00			-
Clean Communities Program - 2018	23,573.82	2,500.00		24,385.82			1,688.00
Clean Communities Program - 2019	-		46,259.62	15,866.48	514.00		29,879.14
Drunk Driving Enforcement Program - Prior	6,860.91			6,046.76			814.15
Drunk Driving Enforcement Program - 2017	34.24						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 2018-2019	20,399.00			10,228.96		10,170.04	-
Municipal Alliance on Alcoholism and Drug Abuse	-		20,399.00	8,964.72	2,092.50		9,341.78
Sustainable Jersey Small Grant - 2018	417.94	500.00		911.01			6.93
Recycling Tonnage - 2015	4,853.57			4,853.57			-
Recycling Tonnage - 2016	13,820.07			9,903.46			3,916.61
Recycling Tonnage - 2017	39,890.18						39,890.18
Recycling Tonnage	-		13,786.44			12,612.72	13,786.44
NJ Emergency Management	12,612.72						-
Safe and Secure	2,500.00			2,500.00			-
Safe and Secure - 2018	15,000.00			15,000.00			12,500.00
Safe and Secure - 2019-2020	-		30,000.00	17,500.00			-
Body Armor Fund - 2017	2,337.79		3,593.96	2,337.79			2,234.05
Body Armor Fund	-			1,359.91			-
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
NJ Transportation Trust Fund Authority Act - Sheridan Project	-		300,000.00				300,000.00
Total State	388,239.33	3,125.00	414,039.02	120,383.48	74,546.50	22,782.76	587,690.61
OTHER GRANTS:							
County of Atlantic - Brigantine Blvd	250,370.36	79,176.71					329,547.07
Total Other	250,370.36	79,176.71	-	-	-	-	329,547.07
	846,707.16	82,301.71	450,246.33	120,750.39	138,430.50	22,782.76	1,097,291.55

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

<u>Purpose</u>	<u>Balance Dec. 31, 2018</u>	<u>Transferred To 2019 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2019</u>
FEDERAL GRANTS:				
Recycling Tonnage	\$ -	-	13,786.44	13,786.44
Total Federal	-	-	13,786.44	13,786.44
	\$ -	-	13,786.44	13,786.44

TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2018		\$	1,604.20
Increased By Receipts:			
Dog Licenses Fees	\$	701.80	
State License Fees		169.20	
		<hr/>	<hr/>
			871.00
			<hr/>
			2,475.20
Decreased By Disbursements:			
Registration Fees Due to State of New Jersey		170.40	
		<hr/>	<hr/>
			170.40
			<hr/>
Balance December 31, 2019		\$	<u><u>2,304.80</u></u>

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Balance December 31, 2018		\$ 3,713,291.89
Increased By Receipts:		
Due Current Fund	\$ 397.00	
Reserve for Police Special Detail Escrow	268,550.00	
Reserve for Special Law Enforcement	5,862.77	
Reserve for POAA	115.00	
Reserve for Engineering Escrow	215,130.31	
Reserve for Lifeguard Pension	63,174.33	
Reserve for Recreation	218,681.00	
Reserve for Recreation Green Team	27,500.00	
Reserve for Garden Club	15,974.57	
Reserve for COAH	323,021.70	
Reserve for Accumulated Absences	475,000.00	
Reserve for Fire Prevention	662.00	
Reserve for Storm Expenses	100,000.00	
Reserve for Municipal Alliance Donations	3,633.31	
Reserve for Tax Title Lien Premiums	733,800.00	
Reserve for Tax Title Lien Redemptions	540,807.20	
	<hr/>	2,992,309.19
		6,705,601.08
Decreased By Disbursements:		
Due Current Fund	450.00	
Reserve for Police Special Detail Escrow	284,500.00	
Reserve for Engineering Escrow	186,823.35	
Reserve for Lifeguard Pension	61,383.96	
Reserve for Recreation	320,003.08	
Reserve for Garden Club	118.95	
Reserve for COAH	14,400.21	
Reserve for Recreation Green Team	18,785.32	
Reserve for Accumulated Absences	399,603.15	
Reserve for Storm Expenses	20,948.58	
Reserve for Amerihealth	1.63	
Reserve for Tax Title Lien Premiums	616,300.00	
Reserve for Tax Title Lien Redemptions	536,522.95	
	<hr/>	2,459,841.18
Balance December 31, 2019		\$ <u><u>4,245,759.90</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2018		\$ 1,603.00
Increased By:		
Dog Licenses Fees Collected	\$ 701.80	
	<hr/>	<hr/>
		701.80
		<hr/>
		2,304.80
Decreased By Disbursements:		
Due to Current - Statutory Excess	663.40	
	<hr/>	<hr/>
		663.40
		<hr/>
Balance December 31, 2019		\$ <u><u>1,641.40</u></u>

License Fees Collected

Year

2017	\$ 910.60
2018	<hr/>
	730.80
	<hr/>
	\$ <u><u>1,641.40</u></u>

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

Balance December 31, 2018	\$ -
Increased By:	
Due to Current - Statutory Excess	<u>663.40</u>
	663.40
Decreased By:	
None	<u>-</u>
Balance December 31, 2019	<u><u>\$ 663.40</u></u>

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

Balance December 31, 2018	\$ (1.20)
Increased by:	
Paid to State of New Jersey	<u>170.40</u>
	169.20
Decreased by:	
Licenses Issued in 2019	<u>169.20</u>
	169.20
Balance December 31, 2019	<u><u>\$ -</u></u>

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

Balance December 31, 2018		\$	5,983,604.76
Increased by:			
Capital Improvement Fund	530,000.00		
Serial Bonds Issued	13,000,000.00		
Due from Current	31,695.06		
Reimbursement	4,939.00		
Grant Receipts	589,470.28		
Reserve for Bonds and Notes	197,719.61		
Reserve for Payment of School Debt	576,152.56		
			<u>14,929,976.51</u>
			20,913,581.27
Decreased by:			
Improvement Authorizations	9,688,138.03		
Reserve for Bonds and Notes	74,403.81		
			<u>9,762,541.84</u>
Balance December 31, 2019		\$	<u><u>11,151,039.43</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2018	Receipts		Disbursements		Transfers		Balance Dec. 31, 2019
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance								
Capital Improvement Fund	\$ 120,647.57							120,647.57
Due to Current Fund	153,000.00	530,000.00				412,750.00		270,250.00
Grant Receivable - FEMA House Raising 2017	-	10,753.06						10,753.06
Reserve for Future Capital Project	-					8,699,045.09		(8,699,045.09)
Reserve for Payment of School Debt	264,555.00							264,555.00
Reserve for Bonds and Notes	254,403.81	576,152.56			74,403.81			576,152.56
Reserve for Encumbrances	6,241,886.23	197,719.61						377,719.61
						6,241,886.23	1,609,637.24	1,609,637.24
Improvement Authorizations								
12-97 School Facilities	706.82							706.82
17-07 Boat Ramp Renovations	46.90			46.90				-
18-09 Various Improvements	1,670.14			3,595.14			1,925.00	-
14-10 Various Improvements	76,570.50			26,581.88		2,300.70	3,328.70	51,016.62
27-10 Various Improvements	255,136.01			19,427.91		183,224.59	21,011.25	73,494.76
19-12 Beach Replenishment	114,954.73			13,905.48		31,832.29	37,910.09	107,127.05
10-13 Various Improvements	439,367.73			295,799.20		67,179.91	51,347.91	127,736.53
13-14 Various Improvements	1,719,589.02	4,939.00		2,966,118.36		806,105.62	3,767,284.98	1,719,589.02
8-15 School Improvements	79,734.24			79,734.24				-
12-15 Streetscape Project	(191,552.00)	1,552.00	190,000.00					-
5-17 Equipment for Police & Fire	4,391.28							4,391.28
12-17 Various Improvements	88,118.82			245,378.78		13,300.26	170,560.22	-
15-17 Various Improvements	(2,236,070.48)		5,070,000.00	1,297,721.77		93,376.95	807,288.08	2,250,118.88
18-17 Improvements to StormWater Stations	(1,379,435.00)	593,977.78		1,379,435.00			1,379,435.00	(785,457.22)
06-18 School Improvements	(148,142.00)			2,550,951.54				(2,699,093.54)
07-18 Beachfill Renourishment Project	11,725.44	7,500.00	230,000.00	6,905.00		33,390.00	1,795.00	(38,817.50)
24-18 Residential Structural Elevation Project	(7,700.00)	7,382.50				58,000.00		62,000.00
26-18 Streetscape Projects - Phase II & III	120,000.00							
9-19 Ambulance & Equipment	-		285,000.00	289,422.87		1,430.00	15,000.00	9,147.13
12-19 Various Improvements	-		7,225,000.00	513,113.96		319,496.92	397,750.00	6,790,139.12
21-19 FEMA House Raising	-						8,699,045.09	8,699,045.09
	\$ 5,983,604.76	1,929,976.51	13,000,000.00	9,688,138.03	74,403.81	16,963,318.56	16,963,318.56	11,151,039.43

See Accompanying Auditor's Report

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2018		\$	153,000.00
Increased by:			
Current Fund Budget Appropriations	530,000.00		
	<hr/>		<hr/>
			530,000.00
			683,000.00
Decreased by:			
Improvement Authorizations Funded	412,750.00		
	<hr/>		<hr/>
			412,750.00
Balance December 31, 2019		\$	<u><u>270,250.00</u></u>

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

Balance December 31, 2018		\$ 20,430,845.55
Increased by:		
General Serial Bond Issued	12,110,000.00	
	<hr/>	<hr/>
		12,110,000.00
		32,540,845.55
Decreased by:		
Serial Bonds Paid	2,570,000.00	
School Type I Bonds	500,000.00	
Green Trust Loans Paid	31,661.17	
	<hr/>	<hr/>
		3,101,661.17
Balance December 31, 2019		\$ <u><u>29,439,184.38</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Grant Reimbursements	Debt Issued	Raised in 2019 Budget	Balance Dec. 31, 2019	Analysis of Balance		
								Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
8-15	School Improvements	\$ 1,066,000.00				516,000.00	550,000.00	550,000.00		-
12-15	Streetscape Project	191,552.00			190,000.00	1,552.00	-			-
15-17	Various Improvements	5,070,000.00			5,070,000.00		-			-
18-17	Improvements to StormWater Stations	1,379,435.00				9,435.00	785,457.22		785,457.22	-
06-18	School Improvements	2,910,000.00		584,542.78			2,910,000.00		2,699,093.54	210,906.46
07-18	Beachfill Renourishment Project	237,500.00			230,000.00	7,500.00				-
24-18	Residential Structural Elevation Project	942,455.00		4,927.50		2,455.00	935,072.50		38,817.50	896,255.00
26-18	Streetscape Projects - Phase II & III	2,280,000.00					2,280,000.00			2,280,000.00
9-19	Ambulance & Equipment	-	285,000.00		285,000.00		-			-
12-19	Various Improvements	-	7,557,250.00		7,225,000.00		332,250.00			332,250.00
		<u>\$ 14,076,942.00</u>	<u>7,842,250.00</u>	<u>589,470.28</u>	<u>13,000,000.00</u>	<u>536,942.00</u>	<u>7,792,779.72</u>	<u>550,000.00</u>	<u>3,523,368.26</u>	<u>3,719,411.46</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Ord. Date	Amount	Authorizations				Paid or Charged	Balance December 31, 2019	
			Balance December 31, 2018	Other Funding	Deferred Charges to Future Taxation	Unfunded		Funded	Unfunded
12-97	08/20/97	2,800,000	\$ 706.82					706.82	
17-07	8/15/2007	630,000	46.90				46.90	-	
18-09	8/19/2009	1,000,000	1,670.14				1,670.14	-	
14-10	9/1/2010	1,500,000	76,570.50				25,553.88	51,016.62	
27-10	12/15/2010	500,000	255,136.01				181,641.25	73,494.76	
19-12	06/20/12	1,000,000	114,954.73				7,827.68	107,127.05	
10-13	09/18/13	4,000,000	439,367.73				311,631.20	127,736.53	
13-14	9/3/2014	6,200,000	1,719,589.02				-	1,719,589.02	
8-15	5/20/2015	3,817,609	79,734.24				79,734.24	-	
5-17	3/1/2017	125,000	4,391.28					4,391.28	
12-17	4/19/2017	374,606	88,118.82				88,118.82	-	
15-17	4/19/2017	5,343,000	2,833,929.52				583,810.64	2,250,118.88	
18-17	5/3/2017	1,379,435					-	-	
06-18	3/7/2018	2,910,000	2,761,858.00				2,550,951.54	210,906.46	
07-18	5/2/2018	250,000	237,500.00						
24-18	10/3/2018	942,455	934,755.00				38,500.00	249,225.44	
26-18	12/5/2018	2,400,000	120,000.00				58,000.00	62,000.00	
9-19	5/15/2019	300,000		15,000.00			290,852.87	9,147.13	
12-19	8/7/2019	7,955,000		397,750.00	285,000.00		832,610.88	6,790,139.12	
21-19	12/4/2019	8,699,045		8,699,045.09	7,557,250.00			8,699,045.09	
			\$ 2,912,011.63	9,111,795.09	7,842,250.00		5,050,950.04	20,143,737.74	3,719,411.46

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

Purpose	Date of Issue	Amount of Original Issue	Outstanding December 31, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
General Bonds of 2008	3/15/2008	8,150,000				\$ 700,000.00		700,000.00	-
General Bonds of 2012	7/7/2012	9,000,000	7/15/20-24	840,000.00	3.000%	5,040,000.00		840,000.00	4,200,000.00
General Bonds of 2015	12/1/2015	6,850,000	12/1/2020	720,000.00	4.000%	5,190,000.00		680,000.00	4,510,000.00
			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	12/1/2025	800,000.00	3.000%				
			10/15/2020	380,000.00	4.000%	6,110,000.00		350,000.00	5,760,000.00
			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%				
General Bonds of 2019	9/18/2019	13,000,000	10/1/2020	670,000.00	5.000%		12,110,000.00		12,110,000.00
			10/1/2021	770,000.00	5.000%				
			10/1/2022	830,000.00	5.000%				
			10/1/2023	890,000.00	5.000%				
			10/1/2024	940,000.00	4.000%				
			10/1/2025	1,045,000.00	4.000%				
			10/1/2026	1,105,000.00	4.000%				
			10/1/2027	1,105,000.00	4.000%				
			10/1/2028	1,100,000.00	4.000%				
			10/1/2029	1,160,000.00	3.000%				
			10/1/2030	1,160,000.00	3.000%				
			10/1/2031	1,335,000.00	3.000%				
						\$ 17,040,000.00	12,110,000.00	2,570,000.00	26,580,000.00

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		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
General Bonds of 2012	07/07/12	5,850,000	7/15/20-24	520,000.00	3.000%	3,100,000.00		500,000.00	2,600,000.00
						\$ 3,100,000.00	-	500,000.00	2,600,000.00

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
Municipal Boat Ramp	1997	72,803			2.000%	532.41			532.41
Municipal Boat Ramp	2007	600,000	2020	32,297.56	2.000%	290,313.14		31,661.17	258,651.97
			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					
						\$ 290,845.55	-	31,661.17	259,184.38

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
School Improvements	8-2015	12/3/2015	*	*	\$ *	1,066,000.00	550,000.00	1,066,000.00	-
* Note held by the Current Fund						<u>1,066,000.00</u>	<u>550,000.00</u>	<u>1,066,000.00</u>	<u>550,000.00</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Debt Issued	Grant Reimbursements	Budget Appropriation	Balance Dec. 31, 2019
12-15	Streetscape Project	\$ 191,552.00		190,000.00		1,552.00	-
15-17	Various Improvements	5,070,000.00		5,070,000.00			-
18-17	Various Improvements	1,379,435.00			584,542.78	9,435.00	785,457.22
06-18	School Improvements	2,910,000.00					2,910,000.00
07-18	Beachfill Renourishment Project	237,500.00		230,000.00		7,500.00	-
24-18	Residential Structural Elevation Project	942,455.00			4,927.50	2,455.00	935,072.50
26-18	Streetscape Projects - Phase II & III	2,280,000.00					2,280,000.00
9-19	Ambulance & Equipment	-	285,000.00	285,000.00			-
12-19	Various Improvements	-	7,557,250.00	7,225,000.00			332,250.00
		<u>\$ 13,010,942.00</u>	<u>7,842,250.00</u>	<u>13,000,000.00</u>	<u>589,470.28</u>	<u>20,942.00</u>	<u>7,242,779.72</u>

WATER AND SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Operating Fund	Capital Fund
Balance December 31, 2018	\$ 4,436,702.25	2,978,074.60
Increased by Receipts:		
Water and Sewer Rent Collected	5,891,776.11	
Serial Bonds Issued		7,000,000.00
Reserve for Bonds and Notes		106,464.41
Due to W/S Operating		10,331.37
Miscellaneous Revenue	149,704.69	
	<u>6,041,480.80</u>	<u>7,116,795.78</u>
	10,478,183.05	10,094,870.38
Decreased by Disbursements:		
Current Appropriations	5,089,074.04	
Appropriation Reserves	216,032.61	
Water Sewer Refunds	4,770.00	
Due to Current Fund	1,672.05	50,368.30
Improvement Authorizations		
	<u>5,311,548.70</u>	<u>50,368.30</u>
Balance December 31, 2019	\$ <u>5,166,634.35</u>	<u>10,044,502.08</u>

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

	Balance Dec. 31, 2018	Receipts		Disbursements		Transfers		Balance Dec. 31, 2019
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
New Jersey EIT Receivables	\$ (24,227.00)							(24,227.00)
Encumbrances Payable	26,769.69					26,769.69	270,452.44	270,452.44
Reserve for Bonds and Notes	86,222.89	106,464.41						192,687.30
Due from W/S Operating	-	10,331.37						10,331.37
Fund Balance	-							-
<u>Improvement Authorizations:</u>								
13-14 Various Improvements	2,851,454.69		800,000.00	693.75		26,042.94	26,769.69	3,651,487.69
13-17 Various Improvements	37,854.33			13,462.50		14,437.50		9,954.33
25-18 Sewer Main Replacements	-		950,000.00					950,000.00
13-19 Various Improvements	-		5,250,000.00	36,212.05		229,972.00		4,983,815.95
	<u>\$ 2,978,074.60</u>	<u>116,795.78</u>	<u>7,000,000.00</u>	<u>50,368.30</u>	<u>-</u>	<u>297,222.13</u>	<u>297,222.13</u>	<u>10,044,502.08</u>

See Accompanying Auditor's Report

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

Balance December 31, 2018		\$	392,920.84
Increased by Receipts:			
Billings of User Charges	5,763,419.64		
Overpayments Created	1,127,945.83		
			<u>6,891,365.47</u>
			7,284,286.31
Decreased by Disbursements:			
Collections	5,891,776.11		
Overpayments Applied	1,024,271.63		
			<u>6,916,047.74</u>
Balance December 31, 2019		\$	<u><u>368,238.57</u></u>

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

Balance December 31, 2018		\$	-
Increased by Receipts:			
None	-		
			<u>-</u>
			-
Decreased by Disbursements:			
None	-		
			<u>-</u>
Balance December 31, 2019		\$	<u><u>-</u></u>

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

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	\$ 135,844.15	135,844.15		135,844.15	-
Other Expenses	397,136.35	397,136.35	216,032.61	181,103.74	-
Deferred Charges and Statutory Expenditures:					
Social Security System (O.A.S.I.)	18,425.68	18,425.68		18,425.68	-
Unemployment Compensation Insurance	7,000.00	7,000.00		7,000.00	-
	<u>\$ 558,406.18</u>	<u>558,406.18</u>	<u>216,032.61</u>	<u>342,373.57</u>	<u>-</u>
Appropriation Reserves	280,403.20				
Encumbrances	<u>278,002.98</u>				
	<u><u>558,406.18</u></u>				

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

Balance December 31, 2018		\$ 84,388.02
Increased by:		
Budget Appropriations	131,431.63	
	<hr/>	<hr/>
		131,431.63
		215,819.65
Decreased By:		
Payments of Debt Service Interest	84,388.02	
	<hr/>	<hr/>
		84,388.02
Balance December 31, 2019		\$ <u><u>131,431.63</u></u>

Analysis of Accrued Interest December 31, 2019

Principal Outstanding December 31, 2019	Interest Rate	From	To	Days	Amount
80,000.00	Var.	7/15/2019	12/31/2019	169	1,466.67
640,000.00	Var.	7/15/2019	12/31/2019	169	8,800.00
2,670,000.00	Var.	10/15/2019	12/31/2019	77	22,542.19
6,375,000.00	Var.	10/1/2019	12/31/2019	91	62,497.78
210,000.00	Var.	8/1/2019	12/31/2019	152	3,437.50
1,240,000.00	Var.	8/1/2019	12/31/2019	152	25,833.33
375,000.00	Var.	8/1/2019	12/31/2019	152	6,854.17
<hr/>					<hr/>
<u>11,590,000.00</u>					<u>131,431.63</u>

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

Ord #	Improvement Description	Ord. Date	Amount	Authorizations						
				Balance December 31, 2018		Other Funding	Deferred Charges to Future Taxation	Paid or Charged	Balance December 31, 2019	
				Funded	Unfunded				Funded	Unfunded
13-14	Various Improvements	9/3/2014	5,830,000.00	\$ 2,851,454.69	800,000.00			(33.00)	3,651,487.69	
13-17	Various Improvements	4/19/2017	159,469.59	37,854.33					37,854.33	
25-18	Sewer Main Replacements	12/5/2018	950,000.00		950,000.00			27,900.00	922,100.00	
13-19	Various Improvements	8/7/2019	6,170,000.00				6,170,000.00	266,184.05	4,983,815.95	920,000.00
				\$ 2,889,309.02	1,750,000.00	-	6,170,000.00	294,051.05	9,595,257.97	920,000.00

See Accompanying Auditor's Report

**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, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
General Obligation Bonds of 2008	3/15/2008	1,800,000	1/15/2020	80,000.00	4.000% \$	260,000.00		180,000.00	80,000.00
General Obligation Bonds of 2012	7/17/2012	1,400,000	07/15/20	160,000.00	3.000%	800,000.00		160,000.00	640,000.00
			07/15/21	160,000.00	3.000%				
			07/15/22	160,000.00	3.000%				
			07/15/23	160,000.00	3.000%				
General Obligation Bonds of 2017	10/15/2017	3,000,000	10/15/2020	180,000.00	4.000%	2,840,000.00		170,000.00	2,670,000.00
			10/15/2021	190,000.00	4.000%				
			10/15/2022	200,000.00	4.000%				
			10/15/2023	210,000.00	4.000%				
			10/15/2024	220,000.00	2.000%				
			10/15/2025	240,000.00	2.000%				
			10/15/2026	250,000.00	2.125%				
			10/15/2027	260,000.00	2.250%				
			10/15/2028	300,000.00	2.375%				
			10/15/2029	300,000.00	3.000%				
General Obligation Bonds of 2019	9/18/2019	7,000,000	10/1/2020	350,000.00	5.000%	-	6,375,000.00		6,375,000.00
			10/1/2021	415,000.00	5.000%				
			10/1/2022	445,000.00	5.000%				
			10/1/2023	480,000.00	5.000%				
			10/1/2024	510,000.00	4.000%				
			10/1/2025	540,000.00	4.000%				
			10/1/2026	575,000.00	4.000%				
			10/1/2027	575,000.00	4.000%				
			10/1/2028	575,000.00	4.000%				
			10/1/2029	605,000.00	3.000%				
			10/1/2030	605,000.00	3.000%				
			10/1/2031	700,000.00	3.000%				
						\$ 3,900,000.00	6,375,000.00	510,000.00	9,765,000.00

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, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
State of New Jersey EIT Bonds	11/05/99	\$ 480,000			\$	40,000.00		40,000.00	-
State of New Jersey EIT Bonds	11/4/2004	1,155,000				110,000.00		110,000.00	-
State of New Jersey EIT Loans	11/5/1999	457,960				24,808.94		24,808.94	-
State of New Jersey EIT Loans	11/4/2004	1,212,500				68,425.12		68,425.12	-
State of New Jersey EIT Bonds	3/10/2010	325,000	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 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	225,000.00		15,000.00	210,000.00

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, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
State of New Jersey EIT Loans	3/10/2010	931,500	08/01/20	51,750.00	0.000%	546,869.00		51,750.00	495,119.00
			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	2/1/2020	115,000.00	Various	1,345,000.00		105,000.00	1,240,000.00
			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	2/1/2020	127,761.85	0.000%	1,100,242.48		127,761.85	972,480.63
			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 Outstanding December 31, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
State of New Jersey EIT Bonds	5/28/2015	435,000	08/01/20	20,000.00	Various	390,000.00		15,000.00	375,000.00
			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	08/01/20	53,342.38	0.000%	853,478.27		53,342.38	800,135.89
			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					
					\$	4,703,823.81	-	611,088.29	4,092,735.52

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, 2018	2019 Authorizations	Debt Issued	Balance Dec. 31, 2019
13-14	Various Utility Improvements	\$ 800,000.00		800,000.00	-
25-18	Sewer Main Replacements	950,000.00		950,000.00	-
13-19	Various Improvements	-	6,170,000.00	5,250,000.00	920,000.00
		<u>\$ 1,750,000.00</u>	<u>6,170,000.00</u>	<u>7,000,000.00</u>	<u>920,000.00</u>

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

	Operating	Capital
Balance December 31, 2018	\$ 5,074.13	12,421.32
Increased by Receipts:		
Anticipated Revenues	778,773.88	
Due from Golf Operating		950.00
	<u>778,773.88</u>	<u>950.00</u>
	783,848.01	13,371.32
Decreased by Disbursements:		
Current Appropriations	761,950.00	
Due to Current Fund	4,256.38	
Improvement Authorizations		13,352.33
	<u>766,206.38</u>	<u>13,352.33</u>
Balance December 31, 2019	\$ <u><u>17,641.63</u></u>	<u><u>18.99</u></u>

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

	Balance Dec. 31, 2018	Receipts		Disbursements		Transfers		Balance Dec. 31, 2019
		Notes Issued	Misc.	Improvement Authorizations	Misc.	From	To	
Fund Balance	\$ 18.99							18.99
<u>Improvement Authorizations</u>								
Ord.								
Number								
6-13 Golf Course Improvements	(950.00)		950.00	13,352.33				-
14-17 Golf Course Improvements	13,352.33							-
	<u>12,421.32</u>	<u>-</u>	<u>950.00</u>	<u>13,352.33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18.99</u>
\$								

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

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Operating:					
ACIA Contractual	\$ 407.47	407.47	-	407.47	
Deferred Charges and Statutory Expenditures:					
None	-	-	-	-	
TOTALS	<u>\$ 407.47</u>	<u>407.47</u>	<u>-</u>	<u>407.47</u>	<u>-</u>
Appropriation Reserves	407.47				
Encumbrances	<u>-</u>				
	<u>407.47</u>				

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

Ord. Number	Improvement Description	Ord. Date	Amount	2019 Authorizations				Paid or Charged	Balance December 31, 2019 Funded	Unfunded
				Balance December 31, 2018 Funded	Capital Improvement Fund	Deferred Charges to Future Revenue				
14-17	Golf Course Improvements	04/19/17	41,773.62	13,352.33	-	-		13,352.33	-	-
				<u>\$ 13,352.33</u>	<u>-</u>	<u>-</u>		<u>13,352.33</u>	<u>-</u>	<u>-</u>

**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, 2018	Increased	Decreased	Balance Dec. 31, 2019
6-13	Golf Course Improvements	12/12/13	*	*	\$ *	233,000.00	222,000.00	233,000.00	- 222,000.00
32-06	Golf Course Improvements	12/20/12	*	*	\$ *	428,000.00	410,000.00	428,000.00	- 410,000.00
* Note held by the Current Fund						<u>\$ 661,000.00</u>	<u>632,000.00</u>	<u>661,000.00</u>	<u>632,000.00</u>

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

Ord. Number	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Budget Appropriation	Balance Dec. 31, 2019
6-13	Golf Course Improvements	\$ 950.00		950.00	-
		\$ 950.00	-	950.00	-

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CITY OF BRIGANTINE

PART II

GENERAL COMMENTS AND FINDINGS AND RESPONSES

FOR THE YEAR ENDED

DECEMBER 31, 2019

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:

- 2018 Miscellaneous Drainage Improvements Concrete Repairs
- Computer Network and Maintenance
- Golf Carts
- Sodium Hypochlorite Solution
- Lighthouse Circle Sewer Replacement
- Purchase of Rock Salt
- Maintenance, Service and Repairs of Water Wells, Sewer Lift Stations and Storm Pump Stations
- Diesel Single Turner Valve Maintenance Trailer
- CDBG Pedestrian Improvements to West Beach Avenue

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 2019.

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 31st of the last three years:

<u>Year</u>	<u>Number</u>
2019	8
2018	11
2017	7

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 2019 and 2020 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
2019 \$	56,343,951.49	55,740,293.11	98.93%
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%

Comparative Schedule of Tax Rate Information

		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	\$	1.703	1.737	1.765	1.764	1.773
Apportionment of Tax Rate:						
Municipal		0.648	0.665	0.677	0.699	0.710
County		0.545	0.557	0.571	0.545	0.541
Local School		0.510	0.515	0.517	0.520	0.522
Assessed Valuation		3,296,137,900	3,266,336,200	3,247,728,100	3,234,529,700	3,231,377,000

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
2019 \$	20,864.63	499,851.77	520,716.40	0.92%
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%

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

In accordance with the Division of Local Government Services Regulations, a corrective action plan must be prepared and filed by the City Council in response to comments, if any.

Should any questions arise as to my comments or recommendations, or should you desire assistance in 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

June 26, 2020

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