

**CITY OF BRIGANTINE  
REPORT OF AUDIT  
FOR THE YEAR ENDED  
DECEMBER 31, 2020**



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**CITY OF BRIGANTINE**  
**PART I**  
**REPORT ON AUDIT OF**  
**FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2020**







## 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, 2020 and 2019, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the 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, 2020 and 2019, or changes in financial position for the years then ended.

***Opinion on Regulatory Basis of Accounting***

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

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2021 on our consideration of the City of Brigantine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Brigantine's internal control over financial reporting and compliance.

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

*Leon P. Costello*

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

**July 12, 2021**

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



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

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Cash Treasurer	\$ 13,141,737.48	11,863,446.41
Change and Petty Cash Funds	775.00	775.00
Total Cash	<u>13,142,512.48</u>	<u>11,864,221.41</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	458,076.04	499,851.77
Tax Title and Other Liens	24,731.84	20,864.63
Property Acquired for Taxes - at Assessed Valuation	308,862.00	308,862.00
Revenue Accounts Receivable	3,329.19	7,923.31
Interfund Receivable:		
Due from General Capital	346.93	10,753.06
Due from Animal Control	663.40	663.40
Total Receivables and Other Assets	<u>796,009.40</u>	<u>848,918.17</u>
Total Regular Fund	<u>13,938,521.88</u>	<u>12,713,139.58</u>
Federal and State Grant Fund:		
Cash	263,292.05	315,824.49
Federal and State Grants Receivable	1,157,553.88	933,684.00
Total Federal and State Grant Fund	<u>1,420,845.93</u>	<u>1,249,508.49</u>
Total Current Fund	<u>\$ 15,359,367.81</u>	<u>13,962,648.07</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2020</u>	<u>2019</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,572,044.23	989,402.22
Reserve for Encumbrances	433,212.67	325,424.37
Accounts Payable	75,847.50	12,217.50
Prepaid Taxes	1,225,482.08	1,124,342.00
Overpaid Taxes	57,790.40	54,314.18
Payroll Taxes Payable	209,751.42	194,902.88
County Tax Payable	72,410.18	66,547.91
Tourism Commission	1,310.00	1,310.00
Due to State:		
Marriage Licenses	350.00	225.00
Senior Citizens & Vets	32,198.51	31,548.90
Interfund Payable:		
Due Water-Sewer Utility Operating Fund	518.70	-
Other:		
Tax Appeals	501,500.00	501,000.00
Tax Map and Property Revaluation	300,019.00	300,019.00
Master Plan	20,065.02	20,065.02
Future Capital Projects - Insurance Proceeds	318,474.86	318,474.86
Reserve for Future Capital Projects	1,371,956.26	1,371,956.26
	<u>6,192,930.83</u>	<u>5,311,750.10</u>
Reserve for Receivables and Other Assets	796,009.40	848,918.17
Fund Balance	<u>6,949,581.65</u>	<u>6,552,471.31</u>
Total Regular Fund	<u>13,938,521.88</u>	<u>12,713,139.58</u>
Federal and State Grant Fund:		
Unappropriated Reserves	-	13,786.44
Appropriated Reserves	1,398,831.12	1,097,291.55
Encumbrances Payable	22,014.81	138,430.50
	<u>1,420,845.93</u>	<u>1,249,508.49</u>
Total Federal and State Grant Fund	<u>1,420,845.93</u>	<u>1,249,508.49</u>
Total Current Fund	<u>\$ 15,359,367.81</u>	<u>13,962,648.07</u>



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

	2020	2019
Revenue and Other Income Realized		
Fund Balance	\$ 2,850,000.00	2,850,000.00
Miscellaneous Revenue Anticipated	6,782,200.66	4,987,877.68
Receipts from Delinquent Taxes	502,808.01	493,373.25
Receipts from Current Taxes	55,801,551.28	55,740,293.11
Non Budget Revenue	566,249.13	743,537.34
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	798,324.42	958,930.27
Reserves Liquidated:		
Dissolution of Golf Utility	15,641.63	-
Grants Cancelled	11,795.29	-
Other	-	475.00
Interfunds Returned	10,753.06	5,981.43
Total Income	<u>67,339,323.48</u>	<u>65,780,468.08</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	12,524,710.00	12,487,360.00
Other Expenses	7,996,265.00	7,211,399.00
Deferred Charges & Statutory Expenditures		
Appropriations Within "CAPS"	3,382,682.00	3,302,650.20
Operations Excluded from "CAPS"		
Salaries and Wages	353,000.00	325,000.00
Other Expenses	428,693.88	443,166.33
Capital Improvements - Excluded from "CAPS"	75,000.00	715,000.00
Municipal Debt Service - Excluded from "CAPS"	3,576,283.79	3,104,397.42
Deferred Charges and Statutory Expenditures		
Municipal Excluded from "CAPS"	-	20,942.00
Transferred to Board of Education for Use of Local Schools	1,664,000.00	1,109,000.00
Local District School Tax	15,863,114.00	15,888,114.00
Senior Citizens' Deductions Disallowed by Collector -		
Prior Year Taxes	5,000.00	2,792.60
County Tax	18,150,707.36	17,904,817.14
County Share of Added Tax	72,410.18	66,547.91
Creation of Reserve for :		
Interfunds Created	346.93	11,416.46
Grants Cancelled	-	6,882.60
Total Expenditures	<u>64,092,213.14</u>	<u>62,599,485.66</u>
Excess in Revenue	<u>3,247,110.34</u>	<u>3,180,982.42</u>

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

	<u>2020</u>	<u>2019</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>3,247,110.34</u>	<u>3,180,982.42</u>
Fund Balance January 1	<u>6,552,471.31</u>	<u>6,221,488.89</u>
	9,799,581.65	9,402,471.31
Decreased by:		
Utilization as Anticipated Revenue	<u>2,850,000.00</u>	<u>2,850,000.00</u>
Fund Balance December 31	\$ <u><u>6,949,581.65</u></u>	<u><u>6,552,471.31</u></u>

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 2,850,000.00		2,850,000.00	-
Total Fund Balance Anticipated	2,850,000.00	-	2,850,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	11,500.00		12,000.00	500.00
Other	12,500.00		12,415.00	(85.00)
Fees and Permits	135,000.00		102,463.50	(32,536.50)
Fines and Costs:				
Municipal Court	110,000.00		121,227.49	11,227.49
Interest and Costs on Taxes	120,374.62		161,967.23	41,592.61
Interest and Investments and Deposits	210,000.00		121,277.42	(88,722.58)
Beach Fees	690,000.00		940,936.00	250,936.00
Beach Vehicles Permits	710,000.00		812,215.00	102,215.00
Cable Franchise	73,000.00		73,949.96	949.96
County Share of Library Costs	50,000.00		50,000.00	-
Emergency Medical Services	300,000.00		288,444.68	(11,555.32)
Lease of City Property	185,000.00		249,938.96	64,938.96
Total Section A: Local Revenues	2,607,374.62	-	2,946,835.24	339,460.62
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	657,130.00		657,130.00	-
Garden State Trust	24,018.00		15,570.00	(8,448.00)
Type I School Debt Service Aid	150,000.00		170,304.00	20,304.00
Total Section B: State Aid Without Offsetting Appropriations	831,148.00	-	843,004.00	11,856.00
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	420,000.00		465,870.00	45,870.00
Total Section C: Uniform Construction Code Fees	420,000.00	-	465,870.00	45,870.00

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
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	348,500.00		370,479.25	21,979.25
Total Section E: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services - Additional Revenues	348,500.00	-	370,479.25	21,979.25
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Safe and Secure Communities Program - P.L. 1994, Chapter 220	30,000.00		30,000.00	-
Body Armor Grant	3,353.77		3,353.77	-
N.J. Transportation Trust Fund Authority Act	305,000.00		305,000.00	-
Municipal Alliance on Alcoholism and Drug Abuse	11,280.00		11,280.00	-
Cops in Shops	4,400.00		4,400.00	-
Drunk Driving Enforcement Fund	5,467.17		5,467.17	-
U Drive U Text U Pay	2,475.00		2,475.00	-
Clean Communities Program		41,711.50	41,711.50	-
Recycling Tonnage Grant		13,786.44	13,786.44	-
Drive Sober or Get Pulled Over		2,400.00	2,400.00	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	361,975.94	57,897.94	419,873.88	-

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section G: Other Special Items				
Reserve to Pay Bonds & Notes	245,000.00		245,000.00	-
Reserve to Pay Bonds & Notes-School Debt	576,000.00		576,000.00	-
Minature Golf Receipts	15,000.00		24,000.00	9,000.00
Golf Course Receipts	775,000.00		891,138.29	116,138.29
Total Section G: Other Special Items	1,611,000.00	-	1,736,138.29	125,138.29
Total Miscellaneous Revenues:	6,179,998.56	57,897.94	6,782,200.66	544,304.16
Receipts from Delinquent Taxes	411,552.00		502,808.01	91,256.01
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	21,109,370.65		22,198,504.01	1,089,133.36
Addition to Local District School Tax	938,000.00		938,000.00	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	22,047,370.65	-	23,136,504.01	1,089,133.36
Budget Totals	31,488,921.21	57,897.94	33,271,512.68	1,724,693.53
Non- Budget Revenues:				
Other Non- Budget Revenues:	-		566,249.13	566,249.13
	31,488,921.21	57,897.94	33,837,761.81	2,290,942.66

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue from Collections	55,801,551.28
Less: Reserve for Tax Appeals Pending	<u>-</u>
Net Revenue from Collections	55,801,551.28
Allocated to:	
School, County and Other Taxes	<u>34,086,231.54</u>
Balance for Support of Municipal Budget Appropriations	21,715,319.74
Increased by:	
Appropriation "Reserved for Uncollected Taxes"	<u>1,421,184.27</u>
Amount for Support of Municipal Budget Appropriations	<u><u>23,136,504.01</u></u>

Receipts from Delinquent Taxes:	
Delinquent Tax Collection	<u>502,808.01</u>
Total Receipts from Delinquent Taxes	<u><u>502,808.01</u></u>

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:	
Tax Sale Costs	7,936.35
Administrative Fee - Senior Citizens and Veterans Deductions	1,682.99
Police Special Detail-City Portion	107,295.00
Trash Cans	2,200.00
Restitution	1,300.00
Zoning Fees	5,500.00
Street Opening Permits	91,350.00
Special Events Permits	1,525.00
Dune Maintenance Permits	4,800.00
Dog Park Permits	935.00
Horseback Riding Permits	600.00
Copy/Notary Fees	1,321.40
Bulkhead Permits	6,000.00
List of Owners	790.00
Ice Cream Proceeds	600.00
Community Center Lease	4,250.00
Foreclosed Property	7,900.00
NSF Fees	770.00
Sidewalk Permits	10,500.00
Insurance Proceeds	14,995.00
Insurance Prior Year Dividend	249,719.00
Walker Deed Restriction Release	25,000.00
Recycling Revenue	4,047.90
Property Maintenance	3,693.19
Miscellaneous Collector Receipts	8,672.42
Miscellaneous	<u>2,865.88</u>
Total Miscellaneous Revenue Not Anticipated:	<u><u>566,249.13</u></u>

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
General Administration						
Salaries & Wages	\$ 102,000.00	103,000.00	101,636.04		1,363.96	-
Other Expenses	110,000.00	109,000.00	31,098.11	11,459.79	34,442.10	32,000.00
Mayor and Council						
Salaries & Wages	38,700.00	38,700.00	37,373.08		1,326.92	-
Other Expenses	15,000.00	15,000.00	1,578.00		13,422.00	-
Municipal Clerk						
Salaries & Wages	96,000.00	96,000.00	93,211.26		2,788.74	-
Other Expenses	30,450.00	30,450.00	18,663.68	31.98	11,754.34	-
Financial Administration						
Salaries & Wages	170,000.00	170,000.00	169,460.75		539.25	-
Other Expenses	52,700.00	52,700.00	29,028.89	1,488.60	22,182.51	-
Audit Services						
Other Expenses	45,000.00	45,000.00	42,314.00		2,686.00	-
Revenue Administration (Tax Collector)						
Salaries & Wages	130,000.00	130,000.00	129,156.74		843.26	-
Other Expenses	26,415.00	26,415.00	23,320.01	1,437.04	1,657.95	-
Tax Assessment Administration						
Salaries & Wages	195,000.00	185,000.00	165,504.54		19,495.46	-
Other Expenses	36,300.00	36,300.00	14,855.06	21,434.96	9.98	-
Legal Services						
Other Expenses	350,000.00	350,000.00	235,710.64	500.00	113,789.36	-
Emergency Medical Services - Billing						
Other Expenses	22,000.00	22,000.00	14,756.51		7,243.49	-
Engineering Services and Costs						
Other Expenses	140,000.00	140,000.00	87,084.33	35,772.50	17,143.17	-
Municipal Court						
Salaries & Wages	154,000.00	154,000.00	133,485.33		5,514.67	15,000.00
Other Expenses	16,000.00	16,000.00	10,054.41	711.49	5,234.10	-
Public Defender						
Other Expenses	12,000.00	12,000.00	10,572.00		1,428.00	-

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>LAND USE ADMINISTRATION</b>						
Planning Board						
Salaries & Wages	9,510.00	9,510.00	9,499.88		10.12	-
Other Expenses	43,000.00	43,000.00	40,692.78	804.56	1,502.66	-
<b>INSURANCE</b>						
General Liability and Other Insurance	220,000.00	220,000.00	211,349.87		8,650.13	-
Workers Compensation Insurance	410,000.00	410,000.00	400,151.47		9,848.53	-
Employee Group Health	2,000,000.00	2,000,000.00	1,726,007.14		273,992.86	-
Health Benefits Waiver						
Salaries & Wages	180,000.00	180,000.00	166,323.07		13,676.93	-
<b>PUBLIC SAFETY</b>						
Fire Department						
Salaries & Wages	3,630,000.00	3,630,000.00	3,604,005.03		25,994.97	-
Other Expenses	217,000.00	217,000.00	160,260.74	46,470.18	10,269.08	-
Police Department						
Salaries & Wages	4,435,000.00	4,423,400.00	4,214,310.54		209,089.46	-
Other Expenses	231,500.00	241,500.00	228,460.07	8,432.27	4,607.66	-
Office of Emergency Management						
Salaries & Wages	7,500.00	7,500.00	6,384.50		1,115.50	-
Other Expenses	15,000.00	15,000.00			15,000.00	-
<b>PUBLIC WORKS</b>						
Streets and Roads Maintenance						
Salaries & Wages	561,000.00	542,600.00	493,813.03		48,786.97	-
Other Expenses	82,500.00	82,500.00	34,192.20	13,891.50	34,416.30	-
Solid Waste Collection						
Other Expenses	1,340,000.00	1,340,000.00	1,136,810.24	101,428.74	101,761.02	-
Recycling Program						
Salaries & Wages	35,500.00	35,500.00	33,301.56		2,198.44	-
Other Expenses	13,500.00	13,500.00	846.40	319.00	12,334.60	-
Department of Public Works						
Salaries & Wages	207,000.00	207,000.00	204,424.72		2,575.28	-
Other Expenses	14,000.00	14,000.00	4,857.05	725.24	8,417.71	-
Storm Water Management-OE	20,000.00	20,000.00	2,570.00		17,430.00	-
Buildings and Grounds						
Salaries & Wages	712,000.00	712,000.00	672,954.34		39,045.66	-
Other Expenses	359,300.00	359,300.00	264,340.86	83,430.89	11,528.25	-



**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>Demolition</b>						
Other Expenses	90,000.00	90,000.00	72,130.00	7,870.00	10,000.00	-
<b>Golf Course Operations</b>						
Salaries & Wages	5,000.00	-			-	-
Other Expenses	788,000.00	793,000.00	711,243.63	5,256.37	8,500.00	68,000.00
<b>Vehicle Maintenance</b>						
Salaries & Wages	110,000.00	110,000.00	100,311.82		9,688.18	
Other Expenses	199,000.00	199,000.00	136,682.10	18,762.92	43,554.98	
<b>HEALTH AND HUMAN SERVICES</b>						
Dog Regulation						
Other Expenses	18,500.00	18,500.00	8,575.00	4,900.00	5,025.00	-
<b>PARKS AND RECREATION</b>						
Beach Patrol and Maintenance						
Salaries & Wages	883,000.00	883,000.00	868,517.17		14,482.83	-
Other Expenses	79,500.00	79,500.00	72,072.50	1,046.99	6,380.51	-
Beach Fee Program						
Salaries & Wages	180,000.00	175,000.00	168,389.98		6,610.02	-
Other Expenses	34,000.00	39,000.00	22,751.10	2,871.10	13,377.80	-
Parks and Playgrounds						
Salaries & Wages	302,000.00	302,000.00	277,556.28		24,443.72	-
Other Expenses	24,100.00	24,100.00	4,876.57	3,470.11	5,753.32	10,000.00
Cultural Arts						
Other Expenses	5,000.00	5,000.00	4,011.84		988.16	-
Grant Coordinator						
Other Expenses	35,000.00	35,000.00	28,522.00		6,478.00	-
<b>UNIFORM CONSTRUCTION CODE</b>						
Construction Official						
Salaries & Wages	345,500.00	345,500.00	319,491.77		26,008.23	-
Other Expenses	22,000.00	22,000.00	11,882.58	2,887.46	7,229.96	-
<b>UNCLASSIFIED</b>						
Accumulated Leave Compensation	100,000.00	100,000.00	100,000.00		-	-
Maintenance Agreements - Contractual	120,000.00	130,000.00	114,329.33		15,670.67	-
Storm Reserve	100,000.00	100,000.00	100,000.00		-	-

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electric	230,000.00	230,000.00	158,466.21	24,626.50	-
Street Lighting	210,000.00	210,000.00	190,469.80	18,886.46	-
Telephone	115,000.00	115,000.00	97,204.81	-	-
Gas	60,000.00	60,000.00	42,172.81	6,636.42	-
Fuel	110,000.00	110,000.00	73,578.59	5,651.91	-
Cable	15,000.00	15,000.00	9,907.30	-	-
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>20,665,475.00</b>	<b>20,645,475.00</b>	<b>18,657,562.06</b>	<b>431,204.98</b>	<b>125,000.00</b>
Contingent	500.00	500.00	-	500.00	-
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>20,665,975.00</b>	<b>20,645,975.00</b>	<b>18,657,562.06</b>	<b>431,204.98</b>	<b>125,000.00</b>
Detail:					
Salaries & Wages	12,588,710.00	12,539,710.00	12,069,111.43	-	15,000.00
Other Expenses	8,077,265.00	8,106,265.00	6,588,450.63	431,204.98	110,000.00
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>					
Deferred Charges:					
None	-	-	-	-	-
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	416,114.00	416,114.00	416,113.18	0.82	-
Social Security System (O.A.S.I.)	979,186.00	979,186.00	920,686.79	58,499.21	-
Police and Firemen's Retirement System	1,912,382.00	1,912,382.00	1,912,382.00	-	-
Unemployment Compensation Insurance	30,000.00	50,000.00	8,061.54	41,938.46	-
Lifeguard Pension	20,000.00	20,000.00	20,000.00	-	-
Defined Contribution Retirement Program	5,000.00	5,000.00	2,906.01	2,093.99	-
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<b>3,362,682.00</b>	<b>3,382,682.00</b>	<b>3,280,149.52</b>	<b>102,532.48</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>24,028,657.00</b>	<b>24,028,657.00</b>	<b>21,937,711.58</b>	<b>431,204.98</b>	<b>125,000.00</b>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
(A) Operations - Excluded from "CAPS"					
Reserve for Tax Appeals	500.00	500.00	500.00	-	-
Fire Prevention Inspections					
Salaries & Wages	323,000.00	323,000.00	307,897.66	15,102.34	-
Other Expenses	25,500.00	25,500.00	11,290.86	2,007.69	-
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	<b>349,000.00</b>	<b>349,000.00</b>	<b>319,688.52</b>	<b>27,303.79</b>	<b>-</b>

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues						
Safe and Secure Communities Program						
Police						
Salaries & Wages	30,000.00	30,000.00	30,000.00	-	-	-
Body Armor Grant	3,353.77	3,353.77	3,353.77	-	-	-
Matching Funds to Grants	10,000.00	10,000.00	-	-	10,000.00	-
N.J. Transportation Trust Fund Authority Act	305,000.00	305,000.00	305,000.00	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - County	11,280.00	11,280.00	11,280.00	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - Match	2,820.00	2,820.00	2,820.00	-	-	-
Cops in Shops	4,400.00	4,400.00	4,400.00	-	-	-
Drunk Driving Enforcement Fund	5,467.17	5,467.17	5,467.17	-	-	-
U Drive U Text U Pay	2,475.00	2,475.00	2,475.00	-	-	-
Clean Communities Program	41,711.50	41,711.50	41,711.50	-	-	-
Recycling Tonnage Grant	13,786.44	13,786.44	13,786.44	-	-	-
Drive Sober or Get Pulled Over	2,400.00	2,400.00	2,400.00	-	-	-
Total Public and Private Programs Off-Set by Revenues	374,795.94	432,693.88	422,693.88	-	10,000.00	-
Total Operations - Excluded from "CAPS"	723,795.94	781,693.88	742,382.40	2,007.69	37,303.79	-
Detail:						
Salaries & Wages	353,000.00	353,000.00	337,897.66	-	15,102.34	-
Other Expenses	370,795.94	428,693.88	404,484.74	2,007.69	22,201.45	-
(C) Capital Improvements						
Capital Improvement Fund	75,000.00	75,000.00	75,000.00	-	-	-
Total Capital Improvements	75,000.00	75,000.00	75,000.00	-	-	-
(D) Debt Service						
Payment of Bond Principal	2,610,000.00	2,610,000.00	2,610,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	32,000.00	32,000.00	32,000.00	-	-	-
Interest on Bonds	896,974.00	896,974.00	896,973.88	-	-	0.12
Green Trust Loan Program:						
Loan Repayments for Principal & Interest	37,310.00	37,310.00	37,309.91	-	-	0.09
Total Debt Service	3,576,284.00	3,576,284.00	3,576,283.79	-	-	0.21
(E) Deferred Charges - Municipal - Excluded from "CAPS"						
Deferred Charges to Future Taxation:						
None	-	-	-	-	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	-	-	-	-	-	-

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(I) Local School District Purposes - Excluded from "CAPS"						
Type I District School Debt Service						
Payment of Bond Principal	520,000.00	520,000.00	520,000.00	-	-	-
Payment of Bond Anticipation Notes	550,000.00	550,000.00	550,000.00	-	-	-
Interest on Bonds	78,000.00	78,000.00	78,000.00	-	-	-
(J) Deferred Charges and Statutory Expenditures - Excluded from "CAPS"						
Capital Project for Land, Building or Equipment	516,000.00	516,000.00	516,000.00	-	-	-
(K) TOTAL MUNICIPAL APPROPRIATIONS FOR LOCAL SCHOOL DISTRICT PURPOSES EXCLUDED FROM "CAPS"	<u>1,664,000.00</u>	<u>1,664,000.00</u>	<u>1,664,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	6,039,079.94	6,096,977.88	6,057,666.19	2,007.69	37,303.79	0.21
SUBTOTAL GENERAL APPROPRIATIONS	<u>30,067,736.94</u>	<u>30,125,634.88</u>	<u>27,995,377.77</u>	<u>433,212.67</u>	<u>1,572,044.23</u>	<u>125,000.21</u>
(M) Reserve for Uncollected Taxes	<u>1,421,184.27</u>	<u>1,421,184.27</u>	<u>1,421,184.27</u>		-	-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 31,488,921.21</u>	<u>31,546,819.15</u>	<u>29,416,562.04</u>	<u>433,212.67</u>	<u>1,572,044.23</u>	<u>125,000.21</u>
Budget Appropriations by 40A-4-87		31,488,921.21			Cancelled Overexpended	125,000.21
		<u>57,897.94</u>				-
		<u>31,546,819.15</u>				<u>125,000.21</u>
Reserve for Uncollected Taxes		1,421,184.27				
Federal and State Grants		419,873.88				
Reserve for Tax Appeals		500.00				
Accounts Payable		63,630.00				
Disbursements		27,511,373.89				
		<u>29,416,562.04</u>				

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



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

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
<u>Animal Control Fund</u>		
Cash and Investments	\$ 2,024.60	2,304.80
	<u>2,024.60</u>	<u>2,304.80</u>
<u>Other Funds</u>		
Cash and Investments	4,773,166.49	4,245,759.90
	<u>4,773,166.49</u>	<u>4,245,759.90</u>
	\$ <u>4,775,191.09</u>	<u>4,248,064.70</u>

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

	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>		
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 1,361.20	1,641.40
Due to Current Fund	663.40	663.40
	<u>2,024.60</u>	<u>2,304.80</u>
<u>Other Funds</u>		
Reserve for Accumulated Absences	1,255,906.81	1,393,066.23
Reserve for Special Law Enforcement	54,671.94	53,643.91
Reserve for Police Special Detail Escrow	77,350.00	1,000.00
Reserve for POAA	2,204.00	2,189.00
Reserve for Engineering Escrow	280,042.32	185,861.73
Reserve for Lifeguard Pension	551,622.18	560,122.95
Reserve for Recreation	131,637.51	206,844.08
Reserve for Recreation Green Team	47,477.85	27,075.99
Reserve for Garden Club	14,664.08	15,855.62
Reserve for COAH	1,328,066.51	814,805.79
Reserve for Health Insurance Trust	-	-
Reserve for Tax Title Lien Redemptions	7,500.48	10,584.03
Reserve for Tax Title Lien Premiums	404,704.00	477,904.00
Reserve for Due to Third Parties Eng Escrow	20,594.25	20,594.25
Reserve for Fire Prevention	4,222.00	2,934.00
Reserve for Storm Expenses	578,124.36	458,226.84
Reserve for Municipal Alliance Donations	14,378.20	15,051.48
	<u>4,773,166.49</u>	<u>4,245,759.90</u>
	<u>\$ 4,775,191.09</u>	<u>4,248,064.70</u>



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



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

	2020	2019
<u>ASSETS</u>		
Cash	\$ 9,300,842.05	11,151,039.43
Grant Receivable - FEMA House Raising 2017	7,786,605.90	8,699,045.09
Deferred Charges to Future Taxation -		
Funded	26,276,886.83	29,439,184.38
Unfunded	7,102,278.28	7,792,779.72
	<u>50,466,613.06</u>	<u>57,082,048.62</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Serial Bonds Payable	23,970,000.00	26,580,000.00
School Type I Bonds Payable	2,080,000.00	2,600,000.00
Green Trust Loan Payable	226,886.83	259,184.38
Bond Anticipation Notes	600,000.00	550,000.00
Due to Current Fund	346.93	10,753.06
Improvement Authorizations:		
Funded	17,643,775.03	20,143,737.74
Unfunded	3,253,045.84	3,719,411.46
Reserve for Encumbrances	2,064,214.70	1,609,637.24
Reserve for Bonds and Notes	132,719.61	377,719.61
Reserve for Future Capital Project	264,555.00	264,555.00
Reserve for Payment of School Debt	152.56	576,152.56
Capital Improvement Fund	110,250.00	270,250.00
Fund Balance	120,666.56	120,647.57
	<u>\$ 50,466,613.06</u>	<u>57,082,048.62</u>

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

2019	7,242,779.72
2020	6,502,278.28

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

	<u>2020</u>	<u>2019</u>
Beginning Balance January 1	\$ 120,647.57	120,647.57
Increased by:		
Golf Course Utility - Fund Balance	18.99	-
Decreased by:		
None	-	-
Ending Balance December 31	<u>\$ 120,666.56</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>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
Operating Fund:		
Cash	\$ 5,611,830.60	5,166,634.35
Interfunds and Receivables:		
Due from Water Sewer Capital	333.32	10,331.37
Due from Current Fund	518.70	-
	<u>5,612,682.62</u>	<u>5,176,965.72</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	367,873.42	368,238.57
	<u>367,873.42</u>	<u>368,238.57</u>
Total Operating Fund	<u>5,980,556.04</u>	<u>5,545,204.29</u>
Capital Fund:		
Cash	7,931,820.04	10,044,502.08
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	14,552,176.85
Total Capital Fund	<u>59,006,346.65</u>	<u>61,119,028.69</u>
	<u>\$ 64,986,902.69</u>	<u>66,664,232.98</u>

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

	<u>2020</u>	<u>2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 779,122.90	608,024.63
Reserve for Encumbrances	57,433.97	299,112.08
Overpaid Rents	1,159,656.75	1,123,175.83
Accrued Interest on Bonds and Notes	118,867.00	131,431.63
Reserve for Insurance Proceeds	5,500.00	5,500.00
	<u>2,120,580.62</u>	<u>2,167,244.17</u>
Reserve for Receivables	367,873.42	269,334.37
Fund Balance	3,492,102.00	3,108,625.75
	<u>5,980,556.04</u>	<u>5,545,204.29</u>
Total Operating Fund		
Capital Fund:		
Encumbrances Payable	417,337.77	270,452.44
Serial Bonds Payable	8,995,000.00	9,765,000.00
NJEIT Bonds & Loans	3,709,881.29	4,092,735.52
Improvement Authorizations:		
Funded	7,445,688.65	9,595,257.97
Unfunded	920,000.00	920,000.00
Due to Water Sewer Operating	333.32	10,331.37
Reserve for Amortization	37,355,068.32	36,202,214.09
Reserve for Bonds and Notes	92,687.30	192,687.30
Deferred Reserve for Amortization	70,350.00	70,350.00
Fund Balance	-	-
	<u>59,006,346.65</u>	<u>61,119,028.69</u>
Total Capital Fund		
	<u>\$ 64,986,902.69</u>	<u>66,664,232.98</u>

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

2019	920,000.00
2020	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>2020</u>	<u>2019</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 324,000.00	200,000.00
Water and Sewer Rents	5,875,668.32	5,788,101.91
Reserve for Debt Service	100,000.00	-
Miscellaneous	204,200.98	160,036.06
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	654,692.47	342,373.57
Total Income	<u>7,158,561.77</u>	<u>6,490,511.54</u>
Expenditures		
Operations:		
Salaries and Wages	1,120,000.00	1,075,000.00
Other Expenses	3,450,000.00	3,419,700.00
Debt Service	1,557,698.01	1,332,354.36
Deferred Charges and Statutory Expenditures	214,850.00	216,200.00
Refunds	9,633.31	-
Total Expenditures	<u>6,352,181.32</u>	<u>6,043,254.36</u>
Excess in Revenue	<u>806,380.45</u>	<u>447,257.18</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>806,380.45</u>	<u>447,257.18</u>
Fund Balance January 1	<u>3,009,721.55</u>	<u>2,762,464.37</u>
	3,816,102.00	3,209,721.55
Decreased by:		
Utilization as Anticipated Revenue	<u>324,000.00</u>	<u>200,000.00</u>
Fund Balance December 31	<u>\$ 3,492,102.00</u>	<u>3,009,721.55</u>

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

	<u>2020</u>	<u>2019</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, 2020**

	Anticipated Budget	Realized	Excess or (Deficit)
Anticipated Revenue:			
Surplus Anticipated	\$ 324,000.00	324,000.00	-
Water Rents	2,270,000.00	2,315,841.83	45,841.83
Sewer Rents	3,515,000.00	3,559,826.49	44,826.49
Reserve for Debt Service	100,000.00	100,000.00	-
Miscellaneous	153,705.00	204,200.98	50,495.98
	<u>\$ 6,362,705.00</u>	<u>6,503,869.30</u>	<u>141,164.30</u>

Analysis of Realized Revenue:

Water and Sewer Rents		
Accounts Receivable	5,875,668.32	
Total Water & Sewer Rents		<u>5,875,668.32</u>
Miscellaneous Revenue		
Penalties and Interest	28,634.64	
Water/Sewer Connections	5,400.00	
Water Reading Fees	30,625.00	
Hydrants Permits/Usage	1,078.00	
Fire Sprinkler Fee	14,740.00	
Shut Off Notice Fee	1,200.00	
Meter Parts/Set Up	79,482.00	
Interest on Investments	37,146.82	
Miscellaneous	5,894.52	
Total Miscellaneous		<u>204,200.98</u>

**WATER AND SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Operations:					
Salaries and Wages	\$ 1,100,000.00	1,120,000.00	1,090,029.13	29,970.87	
Other Expenses	3,470,000.00	3,450,000.00	2,649,390.20	743,175.83	
	<u>4,570,000.00</u>	<u>4,570,000.00</u>	<u>3,739,419.33</u>	<u>773,146.70</u>	<u>-</u>
Debt Service:					
Payment of Bond Principal	1,152,855.00	1,152,855.00	1,152,854.23	0.00	0.77
Interest on Bonds	425,000.00	425,000.00	404,843.78	(0.00)	20,156.22
	<u>1,577,855.00</u>	<u>1,577,855.00</u>	<u>1,557,698.01</u>	<u>(0.00)</u>	<u>20,156.99</u>
Deferred Charges and Statutory Expenditures:					
Contribution to: Public Employees Retirement System	128,850.00	128,850.00	128,850.00	-	
Social Security System (O.A.S.I.)	84,000.00	84,000.00	80,023.80	3,976.20	
Unemployment Compensation Insurance	2,000.00	2,000.00		2,000.00	
	<u>214,850.00</u>	<u>214,850.00</u>	<u>208,873.80</u>	<u>5,976.20</u>	<u>-</u>
	<u>6,362,705.00</u>	<u>6,362,705.00</u>	<u>5,505,991.14</u>	<u>779,122.90</u>	<u>20,156.99</u>
		Cash Disbursed \$	5,518,555.77	Cancelled	20,156.99
		Accrued Interest	(12,564.63)	Overexpended	-
			<u>5,505,991.14</u>		<u>20,156.99</u>

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



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

	** 2020	2019
<u>Assets</u>		
Operating Fund:		
Cash and Investments	\$ -	17,641.63
Total Operating Fund	-	17,641.63
Capital Fund:		
Cash and Investments	-	18.99
Fixed Capital:		
Completed	-	5,229,283.54
Authorized and Uncompleted	-	351,716.46
Total Capital Fund	-	5,581,018.99
	\$ -	5,598,660.62

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

	** 2020	2019
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserves	\$ -	2,000.00
Due Current Fund	-	-
	<u>-</u>	<u>2,000.00</u>
Fund Balance	<u>(0.00)</u>	<u>15,641.63</u>
Total Operating Fund	<u>(0.00)</u>	<u>17,641.63</u>
Capital Fund:		
Bond Anticipation Notes Payable	-	632,000.00
Improvement Authorizations:		
Funded	-	-
Unfunded	-	-
Reserve for Amortization	-	4,934,950.00
Reserve for Deferred Amortization	-	14,050.00
Fund Balance	-	18.99
Total Capital Fund	<u>-</u>	<u>5,581,018.99</u>
	<u>\$ (0.00)</u>	<u>5,598,660.62</u>

\*\* Ordinance 22-2019 eliminated the City's Golf Course Utility Funds.



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

	2020	2019
Revenue and Other Income Realized		
Fund Balance Utilized	\$ -	-
Golf Course Charges	-	757,173.88
Golf Course Charges - F&B	-	21,600.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	-	407.47
Reserve for Payment of Debt	-	-
Deficit (General Budget)	-	-
Total Income	<u>-</u>	<u>779,181.35</u>
Expenditures:		
Operating	-	734,000.00
Debt Service	-	29,000.00
Deferred Charges and Statutory Expenditures	-	950.00
Total Expenditures	<u>-</u>	<u>763,950.00</u>
Excess/(Deficit) in Revenue	<u>-</u>	<u>15,231.35</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>15,641.63</u>	<u>410.28</u>
Decreased By:		
Due to Current Fund - Dissolution of Golf Utility	15,641.63	-
Balance December 31	<u>\$ (0.00)</u>	<u>15,641.63</u>

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

	<u>2020</u>	<u>2019</u>
Beginning Balance January 1	\$ 18.99	18.99
Increased by:		
None	-	-
Decreased by:		
Due to General Capital -		
Dissolution of Golf Utility Capital	18.99	-
Ending Balance December 31	\$ <u>-</u>	<u>18.99</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>2020</u>	<u>2019</u>
General Fixed Assets:		
Land and Land Improvements	\$ 41,788,725.26	40,525,284.43
Buildings and Improvements	42,008,550.00	37,259,070.71
Machinery and Equipment	<u>9,765,487.66</u>	<u>8,953,267.20</u>
Total General Fixed Assets	<u><u>93,562,762.92</u></u>	<u><u>86,737,622.34</u></u>
 Investment in General Fixed Assets	 \$ <u><u>93,562,762.92</u></u>	 <u><u>86,737,622.34</u></u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**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. The City's Golf Course Utility Funds were eliminated by Ordinance 22-2019. The operations of the Golf Course are now a part of the City's Current Fund.

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, 2020 AND 2019**  
**(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, 2020 AND 2019**  
**(CONTINUED)**

No depreciation has been provided for in the financial statements.

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

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

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

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

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

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

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

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

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

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(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 June 15, 2021, may have an 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, 2020, 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, 2021, 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, 2021, will not have any an effect on the City's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93 "Replacement of Interbank Offered Rates". 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.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94 "Public-Private and Public-Private Partnerships and Availability Payment Arrangements". This statement, which is effective for fiscal periods beginning after June 15, 2022, will not have any an effect on the City's financial reporting.

In May 2020, the Government Accounting Standards Board (GASB) issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which provides temporary relief from certain newer accounting and financial reporting requirements to governments due to the COVID-19 pandemic. The effective date of certain Statements and Implementation Guides – through GASB Statement No. 93 and Implementation Guide No. 2019-03 – that first became effective or were scheduled to become effective for periods beginning after June 15, 2018, are not deferred by either one year or eighteen months.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96 "Subscription-Based Information Technology Arrangements". This statement, which is effective for fiscal periods beginning after June 15, 2022, will not have any an effect on the City's financial reporting.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97 "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement is partially effective immediately and also for fiscal years beginning after June 15, 2021. This statement will not have any an effect on the City's financial reporting.

**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 2020 and 2019 statutory budgets included a reserve for uncollected taxes in the amount of \$1,421,184.27 and \$1,427,252.27. 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 2020 and 2019 statutory budgets. In addition, the City operates a self-liquidating water and sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the City. The utility budget 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 2020 and 2019 was \$324,000.00 and \$200,000.00.

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 2020 and 2019, the following budget insertions were approved:

<u>Budget Category</u>	<u>2020</u>	<u>2019</u>
Clean Communities Program	\$ 41,711.50	46,259.62
Municipal Alliance on Alcoholism and Drug Abuse		16,319.00
Community Development Block Program - ADA Curb Cuts		33,152.00
NJ Transportation Municipal Aid Program - Sheridan Blvd		300,000.00
Recycling Tonnage Grant	13,786.44	
Federal Bullet Proof Vests		3,055.31
Drive Sober or Get Pulled Over	2,400.00	

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(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 2020 and 2019 calendar years:

<u>Budget Category</u>	<u>2020</u>	<u>2019</u>
<u>Current Fund:</u>		
Legal Services		
Other Expenses	\$	(80,000.00)
Fire Department		
Salaries and Wages		(40,000.00)
Police Department		
Salaries and Wages		(40,000.00)
Streets and Roads Maintenance		
Salaries and Wages	(18,400.00)	
Solid Waste Collection		
Other Expenses		(35,000.00)
Unemployment Compensation Insurance	20,000.00	
Capital Improvement Fund		230,000.00
<u>Water Sewer Utility Operating Fund:</u>		None
Operations		
Salaries and Wages	20,000.00	
Other Expenses	(20,000.00)	
<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, 2020, 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.

**Concentration of Credit Risk.** The City places no limit on the amount that they can invest in any one issuer.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**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, 2020, \$231,294.10 of the City's bank balance of \$40,547,190.68 was exposed to custodial credit risk. As of December 31, 2019, \$238,962.45 of the City's bank balance of \$41,689,030.71 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, 2020 the City's deposits with the New Jersey Cash Management Fund were \$18,179,644.69.

**NOTE 5: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2020 and 2019:

	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>
	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Land and Land Improvements	\$ 40,525,284.43	1,263,440.83		41,788,725.26
Buildings and Improvements	37,259,070.71	4,749,479.29		42,008,550.00
Equipment and Machinery	8,953,267.20	838,170.46	(25,950.00)	9,765,487.66
	<u>86,737,622.34</u>	<u>6,851,090.58</u>	<u>(25,950.00)</u>	<u>93,562,762.92</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 6: SHORT-TERM OBLIGATIONS**

	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>
	Balance 12/31/19	Issued	Retired	Balance 12/31/20
Bond Anticipation				
Notes payable:				
General	\$ 550,000.00	632,000.00	582,000.00	600,000.00
Golf Course Utility	632,000.00		632,000.00	-
	<u>\$ 1,182,000.00</u>	<u>632,000.00</u>	<u>1,214,000.00</u>	<u>600,000.00</u>

The note is held by the Current Fund. As of December 31, 2020, the City has authorized but not issued bonds in the amount of \$6,502,278.28 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, 2020 and 2019 consisted of the following:

	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	<u>24,040,000.00</u>	<u>18,485,000.00</u>	<u>3,580,000.00</u>	<u>38,945,000.00</u>	<u>3,380,000.00</u>
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	<u>4,925,534.56</u>		<u>336,365.32</u>	<u>4,589,169.24</u>	
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>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

	Balance 12/31/2019	Issued	Retired	Balance 12/31/2020	Amounts Due Within One Year
Bonds payable:					
General	\$ 29,180,000.00		3,130,000.00	26,050,000.00	3,290,000.00
Water Sewer Utility	9,765,000.00		770,000.00	8,995,000.00	765,000.00
Total	38,945,000.00	-	3,900,000.00	35,045,000.00	4,055,000.00
Other liabilities:					
Loans Payable:					
General	259,184.38		32,297.56	226,886.82	32,946.74
Water Sewer Utility	4,092,735.52		382,854.23	3,709,881.29	392,854.23
Compensated Absences Payable	4,589,169.24	103,135.35		4,692,304.59	
Total long-term liabilities	<u>\$ 47,886,089.14</u>	<u>103,135.35</u>	<u>4,315,151.79</u>	<u>43,674,072.70</u>	<u>4,480,800.97</u>

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

\$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, 2020, is \$3,360,000.00.

\$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, 2020, is \$3,790,000.00.

\$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, 2020, is \$5,380,000.00.

\$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, 2020, is \$11,440,000.00.

\$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, 2020, is \$2,080,000.00.

\$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, 2020, 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, 2020, is \$226,354.42.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(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. There is no balance remaining as of December 31, 2020.

\$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, 2020, is \$480,000.00.

\$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, 2020, is \$2,490,000.00.

\$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, 2020, is \$6,025,000.00.

\$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, 2020, is \$195,000.00.

\$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, 2020, is \$443,369.00.

\$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, 2020, is \$1,125,000.00.

\$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, 2020, is \$844,718.78.

\$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, 2020, is \$355,000.00.

\$1,049,067 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated May 28, 2015, due in annual installments through August 1, 2034, bearing no interest rate. The balance remaining as of December 31, 2020, is \$746,793.51.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

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
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	2,385,000.00	392,337.50	2025	35,676.60	1,633.32
2026-2030	8,550,000.00	1,004,312.50	2026-2029	55,396.38	1,100.92
2031	1,335,000.00	40,050.00			
	<u>\$ 23,970,000.00</u>	<u>4,025,350.00</u>		<u>\$ 226,886.83</u>	<u>16,160.07</u>

  

Year Ending December 31,	Utility Capital Fund	
	Principal	Interest
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	1,197,854.23	236,287.50
2026-2030	5,717,240.43	627,187.50
2031-2034	1,038,369.71	33,800.00
	<u>\$ 12,704,881.29</u>	<u>2,239,275.00</u>

As of December 31, 2020, 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 \$901,453.82 and to the water and sewer utility budget was \$404,843.78.

<u>Summary of Municipal Debt</u>	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 26,876,886.83	\$ 29,989,184.38	\$ 21,496,845.55
Water/Sewer Utility - Bonds and Notes	12,704,881.29	13,857,735.52	8,603,823.81
Golf Course Utility - Bonds and Notes	-	632,000.00	661,000.00
Total Issued	<u>39,581,768.12</u>	<u>44,478,919.90</u>	<u>30,761,669.36</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	6,502,278.28	7,242,779.72	13,010,942.00
Water/Sewer Utility - Bonds and Notes	920,000.00	920,000.00	1,750,000.00
Beach Utility - Bonds and Notes	-	-	950.00
Total Authorized But Not Issued	<u>7,422,278.28</u>	<u>8,162,779.72</u>	<u>14,761,892.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 47,004,046.40</u>	<u>\$ 52,641,699.62</u>	<u>\$ 45,523,561.36</u>



**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(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 0.929%.

	Gross Debt	Deductions	Net Debt
Local School Debt	\$ 2,080,000.00	2,080,000.00	-
Utility Debt	13,624,881.29	13,624,881.29	-
General Debt	31,299,165.11		31,299,165.11
	<u>\$ 47,004,046.40</u>	<u>15,704,881.29</u>	<u>31,299,165.11</u>

Net Debt \$31,299,165.11 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,368,150,829.00 = 0.929%.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$	117,885,279
Net Debt		31,299,165
Remaining Borrowing Power	<u>\$</u>	<u>86,586,114</u>

**NOTE 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2020 and 2019, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2021 and 2020 were as follows:

	2021	2020
Current Fund	\$ 3,200,000.00	2,850,000.00
Water/Sewer Utility	508,355.00	324,000.00

**NOTE 9: SCHOOL TAXES**

Local District School Tax in the amount of \$15,888,114.00 has been raised for the 2020 and 2019 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 12/31/20	Balance 12/31/19
Prepaid Taxes	\$ 1,225,482.08	1,124,342.00
Cash Liability for Taxes Collected in Advance	<u>\$ 1,225,482.08</u>	<u>1,124,342.00</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 11: PENSION FUNDS**

*Description of Plans*

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

*Public Employees' Retirement System*

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

*Defined Contribution Retirement Program (DCRP)*

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

*Police and Fireman's Retirement System*

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

*Pension Plan for Lifeguards*

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(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 15.11% of covered payroll. The City's contributions to PERS for the years ended December 31, 2020, 2019, and 2018 were \$544,963.18, \$571,074.20, and \$544,238.92.

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, 2020, 2019, and 2018 were \$1,912,382.00, \$1,840,776.00, and \$1,576,110.00.

The total payroll for the year ended December 31, 2020 was \$12,069,570.10. Payroll covered by PFRS was \$6,517,675.00 and PERS was \$4,156,035.00.

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, 2020, 2019, and 2018 was \$20,000.00, \$20,000.00 and \$20,000.00. The City's trust for the Lifeguard Pension at December 31, 2020 was \$551,622.18. Currently there are nine individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2020, 2019, and 2018 were \$66,193.61, \$61,383.96, and \$61,383.96.

*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, 2020 AND 2019**  
**(CONTINUED)**

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

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

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

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

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

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(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, 2020:

**Public Employees' Retirement System**

The City has a liability of \$9,388,329.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 that was rolled forward to June 30, 2020. 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, 2020, the City's proportion would be 0.05757102720%, which would be an increase of 3.20% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the city would have recognized pension expense of \$97,634.00. At December 31, 2020, 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	\$ 170,946	\$ (33,201)
Changes of assumptions	304,568	(3,930,982)
Changes in proportion	401,162	(310,619)
Net difference between projected and actual earnings on pension plan investments	320,901	
Total	<u>\$ 1,197,577</u>	<u>\$ (4,274,802)</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,	
2021	\$ (1,144,391)
2022	(1,043,337)
2023	(596,240)
2024	(241,110)
2025	(52,147)
Total	<u>\$ (3,077,225)</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following 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 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value 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, 2019 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, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% 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 all projected benefit payments to determine 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 7.00%, 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 (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$ 11,181,474	\$ 9,388,329	\$ 7,868,753

*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, 2020 AND 2019**  
**(CONTINUED)**

**Police and Firemen's Retirement System**

The City has a liability of \$23,690,431.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2019 that was rolled forward to June 30, 2020. 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, 2020, the City's proportion would be 0.1833437550%, which would be a decrease of 3.16% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the city would have recognized pension expense of \$744,155.00. At December 31, 2020, 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	\$ 238,840	\$ (85,022)
Changes of assumptions	59,617	(6,351,263)
Changes in proportion	957,069	(1,348,791)
Net difference between projected and actual earnings on pension plan investments	1,389,081	
Total	<u>\$ 2,644,607</u>	<u>\$ (7,785,076)</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,	
2021	\$ (2,398,880)
2022	(1,618,953)
2023	(659,087)
2024	(248,980)
2025	(214,569)
Total	<u>\$ (5,140,469)</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**Actuarial Assumptions**

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

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	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. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

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

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based 78% of the actuarially determine 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of the 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, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	30,618,737.93	23,690,431.00	17,936,096.39

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(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, 2020 State special funding situation net pension liability amount of \$2,005,329,818.00 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, 2020 State special funding situation pension expense of \$227,263,993.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2020. 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 2020, 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 0.18334375550% for 2020. The net pension liability amount allocated to the City was \$3,676,647.00. For the fiscal year ending June 30, 2020 State special funding situation pension expense of \$416,674.00 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.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

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.

*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.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

*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%

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.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**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.

*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

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

*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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
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:

	<u>Collective Totals</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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	\$ <u>11,158,226</u>	\$ <u>(8,761,825,481)</u>

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:

<u>Year ended June 30,</u>	<u>Collective Totals</u>
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>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

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>

**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 2020, the City provided post-retirement dental coverage to sixty-one (61) 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 138 total participants including 61 retirees.



**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**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, 2020 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 1.93%. In addition, the unfunded actuarial accrued liability is being amortized over the maximum acceptable period of 30 years.

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

In the January 1, 2020 actuarial valuation, the Actuarially Determined Contribution for the year ending December 31, 2020 were projected as follows:

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Service Cost	\$ 72,619.00	66,678.00	68,659.00
30 Year Amortization of NOL at 3.26	209,751.00	203,032.00	201,335.00
Actuarially Determined Contribution	282,370.00	269,710.00	269,994.00
Actual Contribution	28,284.00	30,376.00	19,889.00
Excess Contribution	<u>\$ (254,086.00)</u>	<u>(239,334.00)</u>	<u>(250,105.00)</u>
Covered Payroll	\$ 7,735,843.00	7,571,000.00	7,720,474.00
Actuarially Determined Contribution as a % of Covered Payroll	0.37%	0.40%	0.26%

The following reflects the change in the Total OPEB Liability as of the January 1, 2020 valuation date for the Year ended December 31, 2020.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
OPEB Liability, Beginning of Year	\$ 3,046,847.00	2,849,357.00	2,825,547.00
Changes for the Year:			
Service Cost	72,619.00	66,678.00	68,659.00
Interest	98,866.00	103,164.00	102,488.00
Assumption Changes & Difference			
Between Actual & Expected Experience	284,597.00	(143,354.00)	(127,448.00)
Change in Assumptions	776,641.00	201,378.00	-
Change in Actuarial Cost Method	-	-	-
Benefit Payments	(28,284.00)	(30,376.00)	(19,889.00)
OPEB Liability, End of Year	<u>\$ 4,251,286.00</u>	<u>3,046,847.00</u>	<u>2,849,357.00</u>
Covered payroll (for Covered Participants)	\$ 7,735,843.00	7,571,000.00	7,720,474.00
Total OPEB liability as a percentage of covered payroll	54.96%	40.24%	36.91%

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

The January 1, 2020, valuation was prepared using a discount rate of 1.93%. If the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability would decrease to \$3,667,403.00 or by 2.93%. If the discount rate were 1% lower than was used in this valuation, the Total OPEB Liability would increase to \$4,835,169.00 or by 0.93%.

<u>Discount Rate</u>			
	<u>1% Decrease</u>	<u>Baseline 1.93%</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>4,835,169</u>	\$ <u>4,251,286</u>	\$ <u>3,667,403</u>

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

The January 1, 2020, valuation was prepared using an initial trend rate of 5.00%. If the trend rate were 1% higher than what was used in this valuation, the total OPEB liability would increase to \$5,041,865.00 or by 6.00%. If the trend rate were 1% lower than was used in this valuation, the total OPEB liability would decrease to \$3,588,472.00 or by 4.00%.

<u>Healthcare Cost Trend Rates</u>			
	<u>1% Decrease</u>	<u>Baseline 5.00%</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>3,588,472</u>	\$ <u>4,251,286</u>	\$ <u>5,041,865</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

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

For the year ended December 31, 2020, the City's Actuarially determined OPEB expense was \$314,413.00. At December 31, 2020, 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, 2020 OPEB Liability due to Actuarial experience different from expected and actuarial assumption changes	\$ 1,060,666.00	\$ 187,171.00
Total	<u>\$ 1,060,666.00</u>	<u>\$ 187,171.00</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,

2021	\$ 142,928
2022	142,928
2023	142,928
2024	142,928
2025	142,928
2026	158,855
\$	<u>873,495</u>

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

The total monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. The City has been providing in the budget amounts to cover anticipated payouts during the budget year. At December 31, 2020, the City estimates this liability to be approximately \$4,692,304.59 based upon 2020 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, 2020 and 2019 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, AXA Capital and Valic.

**NOTE 18: CONTINGENT LIABILITIES**

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

**NOTE 19: FEDERAL AND STATE GRANTS**

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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 20: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2020, 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	\$ 346.93	
Animal Control Fund	663.40	
Water-Sewer Operating Fund		518.70
Animal Control Fund		663.40
General Capital Fund		346.93
Water-Sewer Operating Fund:		
Current Fund	518.70	
Water-Sewer Capital Fund	333.32	
Water-Sewer Capital Fund:		
Water-Sewer Operating Fund		333.32
	\$ <u>1,862.35</u>	<u>1,862.35</u>

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

**NOTE 21: SUBSEQUENT EVENTS**

The City has evaluated subsequent events through July 12, 2021, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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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, 2020, and the related notes to the financial statements, which collectively comprise the City of Brigantine's basic financial statements, and have issued our report thereon dated July 12, 2021, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

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

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

*Leon P. Costello*

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

**July 12, 2021**



## Independent Auditor's Report

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

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

We have audited the City of Brigantine's compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the City of Brigantine's major programs for the year ended December 31, 2020. The City of Brigantine's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

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

Our responsibility is to express an opinion on compliance for each of City of Brigantine's major programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Uniform Guidance standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about City of Brigantine's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the City of Brigantine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended December 31, 2020.

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

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

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

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

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

## **Report on Schedules of Expenditures of Federal Awards Required by OMB Uniform**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the City of Brigantine, New Jersey, as of December 31, 2020 and 2019, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and have issued our report thereon dated July 12, 2021, which contained an adverse opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Uniform Guidance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

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

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

*Leon P. Costello*

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

**July 12, 2021**

**SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal FAIN Number	Grant Period		Program or Award Amount	Receipts or Revenue Recognized	Budgetary Expenditures			(MEMO) Passed Through to Sub-Recipients	
							Source		Total		
							Pass Through	Direct			
<b>FEDERAL:</b>											
U.S. Department of Justice:											
Passed thru New Jersey Department of Law and Public Safety:											
Bulletproof Vest Partnership - 2018	16.607		10/1/2018	Open	3,080.00 \$	3,080.00	1,690.58			1,690.58	-
Bulletproof Vest Partnership - 2019	16.607		10/1/2019	Open	3,055.31	617.70	747.03			747.03	-
Bulletproof Vest Partnership - 2020	16.607		10/1/2020	Open	3,328.78					-	-
Total U.S. Department of Justice						3,697.70	2,437.61		-	2,437.61	-
U.S. Department of Transportation:											
Passed thru New Jersey Department of Transportation											
Division of Local Aid and Economic Development:											
Highway Planning and Construction											
Lighthouse District Streetscape Improvements	20.205	693JU22030000Z301NJ0638301	3/18/2020	11/30/2022	135,960.00		135,960.16			135,960.16	-
Total U.S. Department of Transportation						-	135,960.16		-	135,960.16	-
U.S. Department of Treasury:											
Passed thru New Jersey Department of Community Affairs:											
Coronavirus Relief Fund -											
Local Government Emergency Fund (LGEF)	21.019		3/1/2020	12/30/2020	123,900.00	123,900.00	123,900.00			123,900.00	-
Total U.S. Department of Treasury						123,900.00	123,900.00		-	123,900.00	-
U.S. Department of Homeland Security											
Passed thru New Jersey Department of Emergency Management											
Flood Mitigation Assistance Grant	97.029		3/15/2016	8/30/2020	942,455.11		181,499.00			181,499.00	-
Flood Mitigation Assistance Grant	97.029		8/14/2017	3/22/2021	7,364,310.19		1,265,623.69			1,265,623.69	-
Total U.S. Department of Homeland Security						-	1,447,122.69		-	1,447,122.69	-
Total Federal Assistance					\$	127,597.70	1,709,420.46		-	1,709,420.46	-

See Accompanying Notes to Schedule of Federal Awards

**NOTES TO SCHEDULE EXPENDITURES OF  
FEDERAL AWARDS FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2020**

**Note 1: General**

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

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

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

Expenditures per Schedule of Federal Awards	\$	1,709,420.46
General Capital Fund Grant		(1,583,082.85)
Reimbursement		(123,900.00)
State Grants		88,577.70
Expenditures reported on Schedule A-12	\$	<u>91,015.31</u>

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

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

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.029	Flood Mitigation Assistance Grant



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

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

**State Awards Section -**

**Not Applicable**

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

GMIS Number(s)

Name of State Program

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

None

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

None

***STATUS OF PRIOR YEAR FINDINGS***

None

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2019	\$ 11,863,446.41	315,824.49
Increased by Receipts:		
Tax Collector	56,595,032.55	
State of New Jersey - Veterans' and Senior Citizens' Deductions	84,149.61	
Miscellaneous Revenue Anticipated	6,199,784.55	
Miscellaneous Revenue Not Anticipated	549,640.36	
Due to State of New Jersey - State Training Fees	25,993.00	
Due to State of New Jersey - Marriage Licenses	1,225.00	
Payroll Taxes Payable	14,848.54	
Dissolution of Golf Utility	17,641.63	
Due Water-Sewer Utility Operating Fund	518.70	
Due from Federal and State Grant Fund	11,795.29	
Due General Capital	49,069.14	
Federal and State Grant Fund:		
Federal and State Grants Receivable		166,693.84
Federal and State Unappropriated Reserves		-
	<u>63,549,698.37</u>	<u>166,693.84</u>
	75,413,144.78	482,518.33
Decreased by Disbursements:		
Current Year Appropriation	27,511,373.89	
Prior Year Appropriations	518,502.17	
County Taxes	18,150,707.36	
Local District School Taxes	15,863,114.00	
Due to County - Added and Omitted Taxes	66,547.91	
Due to State of New Jersey - Marriage License Fees	1,100.00	
Due to State of New Jersey - State Training Fees	25,993.00	
Refund of Tax Overpayments	95,405.96	
Due General Capital	38,663.01	
Due Current Fund		11,795.29
Federal and State Grant Fund:		
Federal and State Disbursements		207,430.99
	<u>62,271,407.30</u>	<u>219,226.28</u>
Balance December 31, 2020	\$ 13,141,737.48	263,292.05

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

Balance December 31, 2019		\$	-
Increased by Receipts:			
Prepaid Taxes	1,225,482.08		
Taxes Receivable	55,190,399.47		
Interest on Taxes	161,967.23		
Tax Title Liens	-		
Miscellaneous Revenue	<u>17,183.77</u>		
			<u>56,595,032.55</u>
			56,595,032.55
Decreased By Disbursements:			
Payments to Treasurer	<u>56,595,032.55</u>		
			<u>56,595,032.55</u>
Balance December 31, 2020		\$	<u><u>-</u></u>

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

Year	Balance Dec. 31, 2019	Current Year Levy	Added Taxes	Collections by Cash 2019	2020	Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2020
Arrears	\$	1.26						1.26
2019	499,850.51				502,808.01	(4,286.44)		1,328.94
	499,851.77	-	-	-	502,808.01	(4,286.44)	-	1,330.20
2020	-	56,313,256.72	7,412.64	1,124,342.00	54,677,209.28	58,505.03	3,867.21	456,745.84
	499,851.77	56,313,256.72	7,412.64	1,124,342.00	55,180,017.29	54,218.59	3,867.21	458,076.04
<b>Analysis of Current Year Tax Levy</b>								
Tax Yield:								
General Property Tax								
Added Taxes (54:4-63.1 et. Seq.)								
Cash Receipts								
Senior Citizens and Veterans								
Other								
55,190,399.47								
88,500.00								
(98,882.18)								
55,180,017.29								
56,313,256.72								
7,412.64								
56,320,669.36								
Tax Levy:								
General County Taxes								
County Library Taxes								
County Health Service Taxes								
County Open Space Taxes								
County Added and Omitted Taxes								
Total County Taxes								
16,151,507.21								
1,197,844.56								
758,260.93								
43,094.66								
72,410.18								
18,223,117.54								
Local School District Tax								
Additional Local Open Space Tax								
15,863,114.00								
Local Tax for Municipal Purposes								
Add: Additional Tax Levied								
22,047,370.65								
187,067.17								
22,234,437.82								
56,320,669.36								

**CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2019		\$	20,864.63
Increased by:			
Transfers from Taxes Receivable	3,867.21		
	<hr/>		<hr/>
			3,867.21
			24,731.84
Decreased by:			
None	-		
	<hr/>		<hr/>
			-
Balance December 31, 2020		\$	<u><u>24,731.84</u></u>

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2019	Accrued in 2020	Collected by		Balance Dec. 31, 2020
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	\$ -	12,000.00		12,000.00	-
Other	-	12,415.00		12,415.00	-
Fees and Permits	-	102,463.50	20.00	102,443.50	-
Municipal Court					
Fines and Costs	7,923.31	116,633.37		121,227.49	3,329.19
Interest and Costs on Taxes	-	161,967.23	161,967.23		-
Interest and Investments and Deposits	-	121,277.42		121,277.42	-
Beach Fees	-	940,936.00		940,936.00	-
Beach Vehicles Permits	-	812,215.00		812,215.00	-
Cable Franchise	-	73,949.96		73,949.96	-
County Share of Library Costs	-	50,000.00		50,000.00	-
Emergency Medical Services	-	288,444.68		288,444.68	-
Lease of City Property	-	249,938.96		249,938.96	-
Uniform Construction Code Fees	-	465,870.00		465,870.00	-
Fire Prevention Inspection Fees	-	370,479.25	555.00	369,924.25	-
Minature Golf Receipts	-	24,000.00		24,000.00	-
Reserve to Pay Bonds & Notes	-	245,000.00		245,000.00	-
Reserve to Pay Bonds & Notes-School Debt	-	576,000.00		576,000.00	-
Golf Course Receipts	-	891,138.29		891,138.29	-
Energy Receipts	-	657,130.00		657,130.00	-
Garden State Trust	-	15,570.00		15,570.00	-
Type I School Debt Service Aid	-	170,304.00		170,304.00	-
Miscellaneous Revenue Not Anticipated	-	566,249.13	16,608.77	549,640.36	-
	<u>7,923.31</u>	<u>6,923,981.79</u>	<u>179,151.00</u>	<u>6,749,424.91</u>	<u>3,329.19</u>

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

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>OPERATIONS WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT:</b>					
General Administration					
Other Expenses	24,314.44	24,314.44	2,530.78	21,783.66	-
Mayor and Council					
Other Expenses	7,943.81	7,943.81	340.20	7,603.61	-
Municipal Clerk					
Other Expenses	9,132.24	9,132.24	829.58	8,302.66	-
Financial Administration					
Other Expenses	16,214.95	16,214.95	4,426.91	11,788.04	-
Revenue Administration (Tax Collector)					
Other Expenses	1,678.30	1,678.30	795.19	883.11	-
Tax Assessment Administration					
Other Expenses	20,310.46	20,310.46	3,836.51	16,473.95	-
Legal Services					
Other Expenses	126,078.83	91,078.83	7,117.00	83,961.83	-
Emergency Medical Services - Billing					
Other Expenses	7,903.93	7,903.93	6,042.77	1,861.16	-
Engineering Services and Costs					
Other Expenses	44,605.45	44,605.45	41,085.00	3,520.45	-
Municipal Court					
Other Expenses	5,097.72	5,097.72	930.23	4,167.49	-
Public Defender					
Other Expenses	2,850.00	2,850.00	650.00	2,200.00	-
<b>LAND USE ADMINISTRATION</b>					
Planning Board					
Other Expenses	8,951.76	8,951.76	4,611.61	4,340.15	-



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

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>INSURANCE</b>					
General Liability and Other Insurance	739.66	739.66	432.00	307.66	-
Employee Group Health	154,130.61	154,130.61	8,652.35	145,478.26	-
<b>PUBLIC SAFETY</b>					
Fire Department					
Other Expenses	62,091.55	62,091.55	51,620.59	10,470.96	-
Police Department					
Other Expenses	40,993.62	40,993.62	18,312.54	22,681.08	-
Office of Emergency Management					
Other Expenses	14,500.00	14,500.00	8,242.00	6,258.00	-
<b>PUBLIC WORKS</b>					
Streets and Roads Maintenance					
Salaries & Wages	23,521.89	13,521.89		13,521.89	-
Other Expenses	41,247.45	41,247.45	6,703.97	34,543.48	-
Solid Waste Collection					
Other Expenses	137,894.70	192,894.70	185,671.67	7,223.03	-
Department of Public Works					
Other Expenses	10,601.90	10,601.90	10.42	10,591.48	-
Public Buildings and Grounds					
Other Expenses	68,357.67	68,357.67	41,636.79	26,720.88	-
Recycling Program					
Other Expenses	13,500.00	3,500.00		3,500.00	-
Vehicle Maintenance					
Other Expenses	26,254.86	26,254.86	12,243.13	14,011.73	-
<b>HEALTH AND HUMAN SERVICES</b>					
Dog Regulation					
Other Expenses	5,025.00	5,025.00	1,225.00	3,800.00	-

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

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>PARKS AND RECREATION</b>					
Beach Patrol and Maintenance					
Other Expenses	9,882.63	9,882.63	8,131.00	1,751.63	-
Beach Fee Program					
Other Expenses	16,633.64	16,633.64	15,831.90	801.74	-
Parks and Playgrounds					
Other Expenses	10,373.34	10,373.34	8,511.09	1,862.25	-
Grant Coordinator					
Other Expenses	17,500.00	17,500.00	805.00	16,695.00	-
<b>UNIFORM CONSTRUCTION CODE</b>					
Construction Official					
Other Expenses	12,173.75	12,173.75	2,864.40	9,309.35	-
<b>UNCLASSIFIED</b>					
Maintenance Agreements - Contractual	5,336.54	5,336.54	2,068.50	3,268.04	-
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electric	21,383.31	21,383.31	19,514.07	1,869.24	-
Street Lighting	20,551.57	20,551.57	20,227.28	324.29	-
Telephone	25,140.19	25,140.19	5,025.88	20,114.31	-
Gas	13,050.14	13,050.14	10,559.02	2,491.12	-
Fuel	21,996.72	21,996.72	6,231.40	15,765.32	-
<b>STATUTORY EXPENDITURES</b>					
Contribution to:					
Social Security System (O.A.S.I.)	31,787.60	31,787.60	5,843.09	25,944.51	-
Unemployment Compensation Insurance	23,788.24	23,788.24	3,570.00	20,218.24	-
<b>OPERATIONS EXCLUDED FROM CAPS</b>					
Fire Prevention Inspections					
Other Expenses	1,447.43	1,447.43	1,373.30	74.13	-
<b>All Other Accounts - No Change</b>					
	211,840.69	211,840.69		211,840.69	-
<b>\$</b>	<u>1,316,826.59</u>	<u>1,316,826.59</u>	<u>518,502.17</u>	<u>798,324.42</u>	<u>-</u>

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

Balance December 31, 2019		
School Tax Payable	\$ -	
School Tax Deferred	-	
	<u>          </u>	\$ -
Increased by:		
Levy - School Year July 1, 2020 to June 30, 2021		<u>15,863,114.00</u>
		15,863,114.00
Decreased by:		
Payments		<u>15,863,114.00</u>
Balance December 31, 2020		
School Tax Payable	-	
School Tax Deferred	-	
	<u>          </u>	<u>-</u>
Current Year Liability for Local School District School Tax:		
Tax Paid		15,863,114.00
Tax Payable Ending		<u>-</u>
		15,863,114.00
Less: Tax Payable Beginning		<u>-</u>
Amount charged to Current Year Operations		<u><u>\$ 15,863,114.00</u></u>

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

Purpose	Balance Dec. 31, 2019	Transferred From 2020 Revenues	Received	Adjustment/ Canceled	Balance Dec. 31, 2020
<b>FEDERAL GRANTS:</b>					
Federal Body Armor Bullet Proof Vests	\$ 1,332.79		3,080.00	(1,747.21)	-
Federal Body Armor Bullet Proof Vests	3,055.31		617.70		2,437.61
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	<u>68,272.10</u>	<u>-</u>	<u>3,697.70</u>	<u>(1,747.21)</u>	<u>66,321.61</u>
<b>STATE GRANTS:</b>					
Municipal Alliance on Alcoholism and Drug Abuse - 2020	-	14,100.00	2,820.00	7,902.47	3,377.53
Municipal Alliance on Alcoholism and Drug Abuse - 2019	10,492.16		8,743.70	1,748.46	-
Clean Communities Program - 2020	-	41,711.50	41,711.50		-
Drive Sober Get Pulled Over	-	2,400.00			2,400.00
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
NJ Transportation Trust Fund Authority Act -	-	305,000.00			305,000.00
Body Armor Fund	-	3,353.77	3,353.77		-
Cops in Shops	-	4,400.00	3,960.00	440.00	-
Drunk Driving Enforcement Fund	-	5,467.17	5,467.17		-
U Drive U Text U Pay	-	2,475.00			2,475.00
Safe and Secure - 2020-2021	-	30,000.00	15,000.00		15,000.00
Safe and Secure - 2019-2020	20,000.00		10,000.00	10,000.00	-
Total State	<u>572,432.16</u>	<u>408,907.44</u>	<u>162,996.14</u>	<u>20,090.93</u>	<u>798,252.53</u>
<b>OTHER GRANTS:</b>					
County of Atlantic - Brigantine Blvd	292,979.74				292,979.74
Total Other	<u>292,979.74</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,979.74</u>
\$	<u>933,684.00</u>	<u>408,907.44</u>	<u>166,693.84</u>	<u>18,343.72</u>	<u>1,157,553.88</u>

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

	Balance December 31, 2019		2020		Disbursed	Encumbrances	Adjustment/ Canceled	Balance Dec. 31, 2020
	Appropriated	Reserve for Encumbrances	Appropriations					
<b>FEDERAL GRANTS:</b>								
Small Cities Grant	\$ 129,603.05							129,603.05
Community Development Block Grant - Drainage 2005	9,237.88							9,237.88
Small Cities Community Development Block Grant	31,765.00							31,765.00
DCA - Community Development Block Grant - ADA Curbs	-	30,732.00			30,732.00			-
Community Development Block Grant - ADA Curb Cuts	-	33,152.00			33,152.00			-
Bulletproof Vest Partnership - 2016	4,702.05						4,702.05	-
Bulletproof Vest Partnership - 2018	1,690.58				1,690.58		-	-
Bulletproof Vest Partnership - 2019	3,055.31				747.03		2,308.28	-
Total Federal	180,053.87	63,884.00	-		66,321.61	-	7,010.33	170,605.93
<b>STATE GRANTS:</b>								
Clean Communities Program - 2015	169.80				169.80			-
Clean Communities Program - 2018	1,688.00				1,688.00			-
Clean Communities Program - 2019	29,879.14				13,893.36	7,515.99		8,983.79
Clean Communities Program - 2020	-	514.00		41,711.50				41,711.50
Drunk Driving Enforcement Program - Prior	814.15				598.00			216.15
Drunk Driving Enforcement Program - 2017	34.24				34.24			-
Drunk Driving Enforcement Program - 2019	-				3,071.38			2,395.79
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	9,341.78	2,092.50			9,685.82		1,748.46	(0.00)
Municipal Alliance on Alcoholism and Drug Abuse 2020-2021	-			14,100.00			9,878.09	4,221.91
Sustainable Jersey Small Grant - 2018	6.93							6.93
Recycling Tonnage - 2016	3,916.61				3,916.61			0.00
Recycling Tonnage - 2017	39,890.18				11,083.39			28,806.79
Recycling Tonnage - 2019	13,786.44							13,786.44
Recycling Tonnage - 2020	-							13,786.44
Drive Sober Get Pulled Over	-				240.00			2,160.00
U Drive U Text U Pay	-							2,475.00
Safe and Secure - 2019-2020	12,500.00						10,000.00	-
Safe and Secure - 2020-2021	-				2,500.00			15,000.00
Cops in Shops	-				15,000.00			-
Body Armor Fund - 2018	2,234.05				2,234.05		440.00	-
Body Armor Fund - 2019	-				1,094.73			-
NJ Transportation Trust Fund Authority Act - East Evans Blvd	-					998.82	1,062.13	198.09
NJ Transportation Trust Fund Authority Act - ADA Ramps	-	71,940.00			71,940.00			291,500.00
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	587,690.61	74,546.50	422,693.88		141,109.38	22,014.81	23,128.68	898,678.12
<b>OTHER GRANTS:</b>								
County of Atlantic - Brigantine Blvd	329,547.07				-			329,547.07
Total Other	329,547.07	-	-		-		-	329,547.07
	1,097,291.55	138,430.50	422,693.88		207,430.99	22,014.81	30,139.01	1,398,831.12

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

<u>Purpose</u>	<u>Balance Dec. 31, 2019</u>	<u>Transferred To 2020 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2020</u>
<b>FEDERAL GRANTS:</b>				
Recycling Tonnage	\$ 13,786.44	13,786.44		-
	<u>13,786.44</u>	<u>13,786.44</u>	<u>-</u>	<u>-</u>
Total Federal	<u>\$ 13,786.44</u>	<u>13,786.44</u>	<u>-</u>	<u>-</u>

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

Balance December 31, 2019		\$	2,304.80
Increased By Receipts:			
Dog Licenses Fees	\$	411.80	
State License Fees		91.20	
		<hr/>	<hr/>
			503.00
			<hr/>
			2,807.80
Decreased By Disbursements:			
Animal Control Expenditures		692.00	
Registration Fees Due to State of New Jersey		91.20	
		<hr/>	<hr/>
			783.20
			<hr/>
Balance December 31, 2020		\$	<u><u>2,024.60</u></u>

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

Balance December 31, 2019		\$ 4,245,759.90
Increased By Receipts:		
Reserve for Police Special Detail Escrow	\$ 326,925.00	
Reserve for Special Law Enforcement	1,028.03	
Reserve for POAA	15.00	
Reserve for Engineering Escrow	233,532.12	
Reserve for Lifeguard Pension	57,692.84	
Reserve for Recreation	38,647.00	
Reserve for Recreation Green Team	25,675.00	
Reserve for Garden Club	275.00	
Reserve for COAH	519,929.15	
Reserve for Accumulated Absences	100,000.00	
Reserve for Fire Prevention	1,288.00	
Reserve for Storm Expenses	259,469.92	
Reserve for Tax Title Lien Premiums	831,800.00	
Reserve for Tax Title Lien Redemptions	658,905.84	
	<hr/>	3,055,182.90
		<hr/>
		7,300,942.80
Decreased By Disbursements:		
Reserve for Police Special Detail Escrow	250,575.00	
Reserve for Engineering Escrow	139,351.53	
Reserve for Lifeguard Pension	66,193.61	
Reserve for Recreation	113,853.57	
Reserve for Garden Club	1,466.54	
Reserve for COAH	6,668.43	
Reserve for Recreation Green Team	5,273.14	
Reserve for Accumulated Absences	237,159.42	
Reserve for Municipal Alliance Donations	673.28	
Reserve for Storm Expenses	139,572.40	
Reserve for Tax Title Lien Premiums	905,000.00	
Reserve for Tax Title Lien Redemptions	661,989.39	
	<hr/>	2,527,776.31
		<hr/>
Balance December 31, 2020		\$ <u><u>4,773,166.49</u></u>



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

Balance December 31, 2019		\$ 1,641.40
Increased By:		
Dog Licenses Fees Collected	\$ 411.80	
	<hr/>	<hr/>
		411.80
		<hr/>
		2,053.20
Decreased By Disbursements:		
Animal Control Expenditures	692.00	
	<hr/>	<hr/>
		692.00
		<hr/>
Balance December 31, 2020		\$ <u><u>1,361.20</u></u>

## License Fees Collected

Year

2018	\$ 730.80
2019	<hr/>
	701.80
	<hr/>
	\$ <u><u>1,432.60</u></u>

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

Balance December 31, 2019	\$ 663.40
Increased By:	
None	<u>-</u> 663.40
Decreased By:	
None	<u>-</u>
Balance December 31, 2020	\$ <u><u>663.40</u></u>

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

Balance December 31, 2019	\$ -
Increased by:	
Paid to State of New Jersey	<u>91.20</u> 91.20
Decreased by:	
Licenses Issued in 2020	<u>91.20</u> 91.20
Balance December 31, 2020	\$ <u><u>-</u></u>

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

Balance December 31, 2019		\$	11,151,039.43
Increased by:			
Capital Improvement Fund	75,000.00		
Due from Current	38,663.01		
Grant Receipts	1,136,940.63		
Golf Course Utility - Fund Balance	18.99		
Ordinance 06-18: School Improvements	516,000.00		
			<u>1,766,622.63</u>
			12,917,662.06
Decreased by:			
Improvement Authorizations	2,746,750.87		
Reserve for Bonds and Notes	245,000.00		
Reserve for Payment of School Debt	576,000.00		
Due from Current	49,069.14		
			<u>3,616,820.01</u>
Balance December 31, 2020		\$	<u><u>9,300,842.05</u></u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2019	Receipts		Improvement Authorizations	Disbursements		Transfers		Balance Dec. 31, 2020
		Miscellaneous	Debt Issued		Miscellaneous	From	To		
Fund Balance	\$	120,647.57	18.99						120,666.56
Capital Improvement Fund		270,250.00					235,000.00		110,250.00
Due to Current Fund		10,753.06			49,069.14				346.93
Grant Receivable - FEMA House Raising 2017		(8,699,045.09)							(7,786,605.90)
Reserve for Future Capital Project		264,555.00							264,555.00
Reserve for Payment of School Debt		576,152.56			576,000.00				152.56
Reserve for Bonds and Notes		377,719.61			245,000.00				132,719.61
Reserve for Encumbrances		1,609,637.24					1,609,637.24	2,064,214.70	2,064,214.70
Improvement Authorizations									
12-97 School Facilities		706.82							706.82
14-10 Various Improvements		51,016.62		12,655.00			36,869.77	2,300.70	3,792.55
27-10 Various Improvements		73,494.76		41,734.58			176,459.93	183,224.59	38,524.84
19-12 Beach Replenishment		107,127.05		38,382.86			43,257.10	31,832.29	57,319.38
10-13 Various Improvements		127,736.53		74,826.84			87,827.44	67,179.91	32,262.16
13-14 Various Improvements		1,719,589.02		479,694.23			447,167.66	806,105.62	1,598,832.75
5-17 Equipment for Police & Fire		4,391.28							4,391.28
12-17 Various Improvements		-						13,300.26	13,300.26
15-17 Various Improvements		2,250,118.88		91,639.78			264,585.50	93,376.95	1,987,270.55
18-17 Improvements to StormWater Stations		(785,457.22)							(785,457.22)
06-18 School Improvements		(2,699,093.54)		210,906.46					(2,394,000.00)
07-18 Beachfill Renourishment Project		249,225.44	516,000.00						249,225.44
24-18 Residential Structural Elevation Project		(38,817.50)	190,573.95	190,049.00			24,840.00	33,390.00	(29,742.55)
26-18 Streetscape Projects - Phase II & III		62,000.00	33,927.49	132,927.99			61,032.17	58,000.00	(40,032.67)
9-19 Ambulance & Equipment		9,147.13		1,430.00				1,430.00	9,147.13
12-19 Various Improvements		6,790,139.12		549,163.44			563,992.13	319,496.92	5,996,480.47
21-19 FEMA House Raising		8,699,045.09		923,340.69			342,283.00		7,433,421.40
2-20 Skate Park		-					15,900.00	235,000.00	219,100.00
	\$	11,151,039.43	1,766,603.64	2,746,750.87	870,069.14		3,908,851.94	3,908,851.94	9,300,842.05

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

Balance December 31, 2019		\$	270,250.00
Increased by:			
Current Fund Budget Appropriations	75,000.00		
	<hr/>		<hr/>
			75,000.00
			345,250.00
Decreased by:			
Improvement Authorizations Funded	235,000.00		
	<hr/>		<hr/>
			235,000.00
Balance December 31, 2020		\$	<u><u>110,250.00</u></u>

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

Balance December 31, 2019		\$	29,439,184.38
Increased by:			
None	-		
	<hr/>		<hr/>
			-
			<hr/>
			29,439,184.38
Decreased by:			
Serial Bonds Paid	2,610,000.00		
School Type I Bonds	520,000.00		
Green Trust Loans Paid	32,297.55		
	<hr/>		<hr/>
			3,162,297.55
			<hr/>
Balance December 31, 2020		\$	<u><u>26,276,886.83</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2019	Golf Fund Authorizations	Grant Reimbursements	Raised in 2020 Budget	Balance Dec. 31, 2020	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
6-13	Golf Course Improvements	\$ -	200,000.00			200,000.00	200,000.00		
32-06	Golf Course Improvements	-	400,000.00			400,000.00	400,000.00		
8-15	School Improvements	550,000.00			550,000.00	-			
18-17	Improvements to Stormwater Stations	785,457.22				785,457.22		785,457.22	-
06-18	School Improvements	2,910,000.00			516,000.00	2,394,000.00		2,394,000.00	-
24-18	Residential Structural Elevation Project	935,072.50		190,573.95		744,498.55		29,742.55	714,756.00
26-18	Streetscape Projects - Phase II & III	2,280,000.00		33,927.49		2,246,072.51		40,032.67	2,206,039.84
12-19	Various Improvements	332,250.00				332,250.00			332,250.00
		<u>\$ 7,792,779.72</u>	<u>600,000.00</u>	<u>224,501.44</u>	<u>1,066,000.00</u>	<u>7,102,278.28</u>	<u>600,000.00</u>	<u>3,249,232.44</u>	<u>3,253,045.84</u>

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Ord. Date	Amount	Authorizations				Paid or Charged	Balance December 31, 2020	
			Balance December 31, 2019	Other Funding	Deferred Charges to Future Taxation			Funded	Unfunded
			Funded	Unfunded					
12-97	08/20/97	2,800,000	\$ 706.82					706.82	
14-10	9/1/2010	1,500,000	51,016.62				47,224.07	3,792.55	
27-10	12/15/2010	500,000	73,494.76				34,969.92	38,524.84	
19-12	06/20/12	1,000,000	107,127.05				49,807.67	57,319.38	
10-13	09/18/13	4,000,000	127,736.53				95,474.37	32,262.16	
13-14	9/3/2014	6,200,000	1,719,589.02				120,756.27	1,598,832.75	
5-17	3/1/2017	125,000	4,391.28				(13,300.26)	4,391.28	
12-17	4/19/2017	374,606	-				262,848.33	13,300.26	
15-17	4/19/2017	5,343,000	2,250,118.88				210,906.46	1,987,270.55	
06-18	3/7/2018	2,910,000	249,225.44	210,906.46				249,225.44	-
07-18	5/2/2018	250,000					181,499.00		714,756.00
24-18	10/3/2018	942,455	896,255.00				135,960.16		2,206,039.84
26-18	12/5/2018	2,400,000	62,000.00	2,280,000.00					
9-19	5/15/2019	300,000	9,147.13				-	9,147.13	
12-19	8/7/2019	7,955,000	6,790,139.12	332,250.00			793,658.65	5,996,480.47	332,250.00
21-19	12/4/2019	8,699,045	8,699,045.09				1,265,623.69	7,433,421.40	
2-20	3/4/2020	235,000	-				15,900.00	219,100.00	
			\$ 20,143,737.74	3,719,411.46			3,201,328.33	17,643,775.03	3,253,045.84
				235,000.00	-				



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

Purpose	Date of Issue	Amount of Original Issue	Outstanding		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
General Bonds of 2012	7/7/2012	\$ 9,000,000	7/15/21-24	840,000.00	3.000% \$	4,200,000.00		840,000.00	3,360,000.00
General Bonds of 2015	12/1/2015	6,850,000	12/1/2021	720,000.00	2.000%	4,510,000.00		720,000.00	3,790,000.00
			12/1/2022	720,000.00	2.000%				
			12/1/2023	750,000.00	3.000%				
			12/1/2024	800,000.00	3.000%				
			12/1/2025	800,000.00	3.000%				
General Bonds of 2017	10/15/2017	6,450,000	10/15/2021	440,000.00	4.000%	5,760,000.00		380,000.00	5,380,000.00
			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	10/1/2021	770,000.00	5.000%	12,110,000.00		670,000.00	11,440,000.00
			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%				
						\$ 26,580,000.00	-	2,610,000.00	23,970,000.00

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
General Bonds of 2012	07/07/12	5,850,000	7/15/21-24	520,000.00	3.000%	2,600,000.00		520,000.00	2,080,000.00
						\$ 2,600,000.00	-	520,000.00	2,080,000.00

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding				Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			December 31, 2020								
			Date	Amount							
Municipal Boat Ramp	1997	72,803				2.000%	532.41				532.41
Municipal Boat Ramp	2007	600,000	2021	32,946.74		2.000%	258,651.97		32,297.55	226,354.42	
			2022	33,608.96							
			2023	34,284.52							
			2024	34,973.63							
			2025	35,676.60							
			2026	36,393.70							
2027	18,470.26										
							\$ 259,184.38	-	32,297.55	226,886.83	

**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, 2019	Increased	Decreased	Balance Dec. 31, 2020
School Improvements	8-2015	12/3/2015	*	*	\$ *	550,000.00		550,000.00	-
Golf Course Improvements	6-13	12/12/2013	*	*	*	-	222,000.00	22,000.00	200,000.00
Golf Course Improvements	32-06	12/20/2012	*	*	*	-	410,000.00	10,000.00	400,000.00
* Note held by the Current Fund									
						\$ 550,000.00	632,000.00	582,000.00	600,000.00

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Budget Appropriation	Grant Reimbursements	Balance Dec. 31, 2020
18-17	Various Improvements	\$ 785,457.22				785,457.22
06-18	School Improvements	2,910,000.00		516,000.00		2,394,000.00
24-18	Residential Structural Elevation Project	935,072.50			190,573.95	744,498.55
26-18	Streetscape Projects - Phase II & III	2,280,000.00			33,927.49	2,246,072.51
12-19	Various Improvements	332,250.00				332,250.00
		<u>\$ 7,242,779.72</u>	<u>-</u>	<u>516,000.00</u>	<u>224,501.44</u>	<u>6,502,278.28</u>

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

	Operating Fund	Capital Fund
Balance December 31, 2019	\$ 5,166,634.35	10,044,502.08
Increased by Receipts:		
Water and Sewer Rent Collected	5,911,630.54	
Reserve for Bonds and Notes	100,000.00	
Due from W/S Capital	47,175.87	37,177.82
Miscellaneous Revenue	204,200.98	
	<u>6,263,007.39</u>	<u>37,177.82</u>
	11,429,641.74	10,081,679.90
Decreased by Disbursements:		
Current Appropriations	5,518,555.77	
Appropriation Reserves	252,444.24	
Water Sewer Refunds	9,633.31	100,000.00
Reserve for Bonds and Notes	37,177.82	47,175.87
Due from W/S Capital		2,002,683.99
Improvement Authorizations		
	<u>5,817,811.14</u>	<u>2,149,859.86</u>
Balance December 31, 2020	\$ <u>5,611,830.60</u>	<u>7,931,820.04</u>

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

	Balance Dec. 31, 2019	Receipts		Disbursements		Transfers		Balance Dec. 31, 2020
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
New Jersey EIT Receivables	\$ (24,227.00)							(24,227.00)
Encumbrances Payable	270,452.44					270,452.44	417,337.77	417,337.77
Reserve for Bonds and Notes	192,687.30				100,000.00			92,687.30
Due from W/S Operating	10,331.37	37,177.82			47,175.87			333.32
Fund Balance	-							-
<u>Improvement Authorizations:</u>								
13-14 Various Improvements	3,651,487.69			11,362.05		55,530.81	26,042.94	3,610,637.77
13-17 Various Improvements	37,854.33					37,707.37		146.96
25-18 Sewer Main Replacements	922,100.00			794,192.04		142,345.46	14,437.50	(0.00)
13-19 Various Improvements	4,983,815.95			1,197,129.90		181,754.13	229,972.00	3,834,903.92
	<u>\$ 10,044,502.08</u>	<u>37,177.82</u>	<u>-</u>	<u>2,002,683.99</u>	<u>147,175.87</u>	<u>687,790.21</u>	<u>687,790.21</u>	<u>7,931,820.04</u>

See Accompanying Auditor's Report

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

Balance December 31, 2019		\$ 368,238.57
Increased by Receipts:		
Billings of User Charges	5,875,303.17	
Overpayments Created	1,159,656.75	
	<hr/>	<hr/>
		7,034,959.92
		7,403,198.49
Decreased by Disbursements:		
Collections	5,911,630.54	
Due from Current Fund	518.70	
Overpayments Applied	1,123,175.83	
	<hr/>	<hr/>
		7,035,325.07
Balance December 31, 2020		\$ <u><u>367,873.42</u></u>

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

Balance December 31, 2019		\$ -
Increased by Receipts:		
None	-	
	<hr/>	<hr/>
		-
Decreased by Disbursements:		
None	-	
	<hr/>	<hr/>
		-
Balance December 31, 2020		\$ <u><u>-</u></u>



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

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	\$ 84,891.86	84,891.86		84,891.86	-
Other Expenses	800,001.44	800,001.44	252,444.24	547,557.20	-
Deferred Charges and Statutory Expenditures:					
Social Security System (O.A.S.I.)	15,243.41	15,243.41		15,243.41	-
Unemployment Compensation Insurance	7,000.00	7,000.00		7,000.00	-
	<u>\$ 907,136.71</u>	<u>907,136.71</u>	<u>252,444.24</u>	<u>654,692.47</u>	<u>-</u>
Appropriation Reserves	608,024.63				
Encumbrances	<u>299,112.08</u>				
	<u>907,136.71</u>				

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

Balance December 31, 2019		\$ 131,431.63
Increased by:		
Budget Appropriations	118,867.00	
		118,867.00
		250,298.63
Decreased By:		
Payments of Debt Service Interest	131,431.63	
		131,431.63
Balance December 31, 2020		\$ 118,867.00

Analysis of Accrued Interest December 31, 2020

Principal Outstanding December 31, 2020	Interest Rate	From	To	Days	Amount
480,000.00	Var.	7/15/2020	12/31/2020	169	6,600.00
2,490,000.00	Var.	10/15/2020	12/31/2020	77	20,442.00
6,025,000.00	Var.	10/1/2020	12/31/2020	91	58,825.00
195,000.00	Var.	8/1/2020	12/31/2020	152	3,125.00
1,125,000.00	Var.	8/1/2020	12/31/2020	152	23,437.50
355,000.00	Var.	8/1/2020	12/31/2020	152	6,437.50
10,670,000.00					118,867.00

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

Ord #	Improvement Description	Ord. Date	Amount	Authorizations						
				Balance December 31, 2019		Other Funding	Deferred Charges to Future Taxation	Paid or Charged	Balance December 31, 2020	
				Funded	Unfunded				Funded	Unfunded
13-14	Various Improvements	9/3/2014	5,830,000.00	\$ 3,651,487.69				40,849.92	3,610,637.77	
13-17	Various Improvements	4/19/2017	159,469.59	37,854.33				37,707.37	146.96	
25-18	Sewer Main Replacements	12/5/2018	950,000.00	922,100.00				922,100.00	-	
13-19	Various Improvements	8/7/2019	6,170,000.00	4,983,815.95	920,000.00			1,148,912.03	3,834,903.92	920,000.00
			\$	9,595,257.97	920,000.00	-	-	2,149,569.32	7,445,688.65	920,000.00

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
General Obligation Bonds of 2008	3/15/2008	1,800,000			\$	80,000.00		80,000.00	-
General Obligation Bonds of 2012	7/17/2012	1,400,000	07/15/21	160,000.00	3.000%	640,000.00		160,000.00	480,000.00
			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	10/15/2021	190,000.00	4.000%	2,670,000.00		180,000.00	2,490,000.00
			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%				
			10/15/2030	320,000.00	3.000%				
General Obligation Bonds of 2019	9/18/2019	7,000,000	10/1/2021	415,000.00	5.000%	6,375,000.00		350,000.00	6,025,000.00
			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%				
						\$ 9,765,000.00	-	770,000.00	8,995,000.00

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
State of New Jersey EIT Bonds	3/10/2010	\$ 325,000	08/01/21	20,000.00	Various	\$ 210,000.00		15,000.00	195,000.00
			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	20,000.00					
			08/01/27	25,000.00					
			08/01/28	25,000.00					
State of New Jersey EIT Loans	3/10/2010	931,500	08/01/21	51,750.00	0.000%	495,119.00		51,750.00	443,369.00
			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					
State of New Jersey EIT Bonds	2/2/2010	2,335,000	08/01/29	29,369.00					
			2/1/2021	120,000.00	Various	1,240,000.00		115,000.00	1,125,000.00
			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					
State of New Jersey EIT Loans	2/2/2010	2,512,650	2/1/2028	160,000.00					
			2/1/2021	127,761.85	0.000%	972,480.63		127,761.85	844,718.78
			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					

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
State of New Jersey EIT Bonds	5/28/2015	435,000	08/01/21	20,000.00	Various	375,000.00		20,000.00	355,000.00
			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	08/01/21	53,342.38	0.000%	800,135.89		53,342.38	746,793.51
			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					
						\$ 4,092,735.52	-	382,854.23	3,709,881.29

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

Ordinance Number		Balance Dec. 31, 2019	2020 Authorizations	Debt Issued	Balance Dec. 31, 2020
13-19	Various Improvements	\$ 920,000.00			920,000.00
		\$ 920,000.00	-	-	920,000.00

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

	Operating	Capital
Balance December 31, 2019	\$ 17,641.63	18.99
Increased by Receipts:		
None		
	-	-
	17,641.63	18.99
Decreased by Disbursements:		
Due to Current Fund - Dissolution of Golf Utility	17,641.63	
Due to General Capital - Dissolution of Golf Utility Capital		18.99
	17,641.63	18.99
Balance December 31, 2020	\$ -	-



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

	Receipts		Disbursements		Transfers		Balance Dec. 31, 2020	
	Balance Dec. 31, 2019	Notes Issued	Misc.	Improvement Authorizations	Misc.	From		To
Fund Balance	\$ 18.99							-
Due to General Capital - Dissolution of Golf Utility Capital	-				18.99	18.99	18.99	-
Improvement Authorizations:								
None	-							-
	\$ 18.99	-	-	-	18.99	18.99	18.99	-

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

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Operating:					
ACIA Contractual	\$ 2,000.00	2,000.00 *	2,000.00	-	
Deferred Charges and Statutory Expenditures:					
None	-	-	-	-	
<b>TOTALS</b>	<u>\$ 2,000.00</u>	<u>2,000.00</u>	<u>2,000.00</u>	<u>-</u>	<u>-</u>
Appropriation Reserves	2,000.00				
Encumbrances	<u>-</u>				
	<u>2,000.00</u>				

\* Due to Current Fund - Dissolution of Golf Utility

**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, 2019	Increased	Decreased	Balance Dec. 31, 2020
6-13	Golf Course Improvements	12/12/13	*	*	*	\$ 222,000.00		222,000.00	-
32-06	Golf Course Improvements	12/20/12	*	*	*	410,000.00		410,000.00	-
* Note held by the Current Fund						\$ 632,000.00	-	632,000.00	-

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**CITY OF BRIGANTINE**

**PART II**

**GENERAL COMMENTS AND FINDINGS AND RESPONSES**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2020**



## **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. Effective July 1, 2015, the bid threshold was \$40,000. However, effective July 1, 2020, pursuant to subsection b. of section 9 of P.L. 1971, c. 198 (C.40A:11-9), the governing body can establish the bid threshold at \$44,000 with the appointment of a qualified purchasing agent. The City adopted the bid threshold of \$44,000.

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:

- Sanitary Sewer Reconstruction on Sheridan Boulevard and Roosevelt Boulevard
- Police and Fire Uniforms
- Sewer Replacement at Lighthouse Circle – Brigantine Boulevard to 31<sup>st</sup> Street
- Materials for Water Works
- Mini Golf Management Services
- Computer and Network Maintenance
- Lease of Water Tower for the Installation of a Wireless Communications Corral
- Drainage and Roadway Improvements to Beach Avenue from 8<sup>th</sup> to 10<sup>th</sup> Street South
- Sodium Hypochlorite Solution
- Jenkins Parkway Generator Platform Enclosure
- Stryker Power Load System
- Reconstruction of Golf Paths, Holes #1 through #9
- Rock Salt
- Maintenance, Service and Repairs of Water Wells, Sewer Lift Stations and Storm Pump Stations
- Electrical Services

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.

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## 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.

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

## Delinquent Taxes and Tax Title Liens

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

The following comparison is made of the number of tax title liens receivable on December 31<sup>st</sup> of the last three years:

<u>Year</u>	<u>Number</u>
2020	7
2019	8
2018	11

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 2020 and 2021 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.



### 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	Percentage of Collections
		Cash Collections	
2020 \$	56,320,669.36	55,801,551.28	99.08%
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%

### Comparative Schedule of Tax Rate Information

		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	\$	1.688	1.703	1.737	1.765	1.764
Apportionment of Tax Rate:						
Municipal		0.635	0.648	0.665	0.677	0.699
County		0.548	0.545	0.557	0.571	0.545
Local School		0.505	0.510	0.515	0.517	0.520
Assessed Valuation		3,322,876,700	3,296,137,900	3,266,336,200	3,247,728,100	3,234,529,700

### 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
2020 \$	24,731.84	458,076.04	482,807.88	0.86%
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%

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### **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**

**July 12, 2021**

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