

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF
BOROUGH OF BRADLEY BEACH
701 Main Street
Bradley Beach, New Jersey 07720
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Presented by
Borough of Bradley Beach**

**Gail Krzyzczuk
Chief Financial Officer**

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INTRODUCTORY SECTION

Borough of Bradley Beach
701 Main Street, Bradley Beach NJ 07720

November 19, 2019

TO: The Honorable Mayor and Council Members

RE: Comprehensive Annual Financial Report for the
Year Ended December 31, 2018

The Comprehensive Annual Financial Report for the Borough of Bradley Beach, County of Monmouth, State of New Jersey, for the year ended December 31, 2018 is submitted herewith and includes financial statements and supplemental schedules. We believe that it is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Borough of Bradley Beach as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain maximum understanding of the Borough's financial affairs have been included.

The Comprehensive Annual Financial Report (CAFR) is presented in four (4) sections: Introductory, Financial, Statistical, and Auditor's Comments and Recommendations. The Introductory Section includes this transmittal letter, the Borough's Organizational Chart and a Roster of Officials. The Financial Section includes the annual financial statements and individual fund financial schedules, as well as the Independent Auditors' Report. The Statistical Section includes selected financial, economic and demographic information, generally presented on a multi-year basis. Responsibility for completeness and clarity of the report, including disclosures, rests with the Chief Financial Officer and ultimately with the Mayor and Council. The fourth and final section is prepared by the Independent Auditor and contains their required annual comments and recommendations, if any, to the Mayor and Council. The Mayor and Council are required to adopt a plan of action on the implementation of any audit recommendations.

The financial statements have been audited by Gerard Stankiewicz, CPA, RMA of Samuel Klein and Company, Certified Public Accountants, whose opinion is expressed in the Financial Section. Please note that the Independent Auditors' Report is unmodified and states that the financial statements are presented fairly in conformity with the basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

PRESENT AND FUTURE CHALLENGES

During the 2018 calendar year, the Borough of Bradley Beach has made progress in a number of operational and financial areas; however, this administration is clearly aware of the issues and problems that continue to demand attention and improvement. While pride is taken in the accomplishments of the past year, the issues the Borough continues to face takes precedent.

CURRENT FUND

In 2018, the Current Fund, which encompasses the general government functions of the Borough, had revenues of \$9,260,367.41 exclusive of fund balance, expenditures of \$9,290,045.27 and a decrease of \$46,399.85 in fund balance at year-end. The Current Fund revenues decreased approximately \$143,900.27 or 1.38% over 2017. Below is a comparison of the Current Fund revenues.

	<u>2018</u>	<u>2017</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Local Sources:				
Fund Balance Utilized	\$ 997,000.00	\$ 785,000.00	\$ 212,000.00	27.01 %
Current Tax Revenue	7,237,337.60	7,250,782.35	(13,444.75)	(0.19)
Delinquent Tax Revenue	197,706.96	151,774.00	45,932.96	30.26
Miscellaneous Revenue				
Anticipated	917,846.64	1,064,248.97	(146,402.33)	(13.76)
Nonbudget Revenues	84,337.33	149,443.71	(65,106.38)	(43.57)
Other Credits to Income	<u>437,431.49</u>	<u>599,920.59</u>	<u>(162,489.10)</u>	<u>(27.09)</u>
Total Revenues from Local Sources	\$ 9,871,660.02	\$ 10,001,169.62	\$ (129,509.60)	(1.29) %
State Aid	355,290.00	355,290.00		
Grants	<u>30,417.39</u>	<u>44,808.71</u>	<u>(14,391.32)</u>	<u>(32.12)</u>
Total Current Fund Revenues	<u>\$ 10,257,367.41</u>	<u>\$ 10,401,268.33</u>	<u>\$ (143,900.92)</u>	<u>(1.38) %</u>

1. Current and Delinquent Taxes - These are the collections on taxes levied on all property owners residing in the Borough.
2. State Aid and Grants - This represents funds received from the State of New Jersey or the Federal Government in the form of grants or direct aid.
3. Miscellaneous Revenues Anticipated - This represents all of the miscellaneous revenues of the Borough including fees, fines, licenses, interest and other direct charges, except those detailed separately above.
4. Interlocal Agreements – These are anticipated revenue sources related to various municipal functions that are provided by the Borough on behalf of other municipalities.
5. Nonbudget Revenue and Other Credits - These are items that are not budgeted as revenue items, however, are included in the overall revenue.

CURRENT FUND (CONTINUED)

The increase in expenditures in 2018 over 2017 was \$127,792.14 or 1.39% and is detailed as follows:

	<u>2018</u>	<u>2017</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 658,436.00	\$ 674,004.00	\$ (15,568.00)	(2.31) %
Land Use	27,296.00	29,838.00	(2,542.00)	(8.52)
Code Enforcement	107,987.00	109,840.00	(1,853.00)	(1.69)
Insurance	1,230,711.00	1,270,867.00	(40,156.00)	(3.16)
Public Safety	2,751,682.10	2,630,188.00	121,494.10	4.62
Public Works	1,165,206.00	1,094,563.00	70,643.00	6.45
Health and Human Services	23,710.00	23,710.00		
Parks and Recreation	194,237.00	184,884.00	9,353.00	5.06
Library	406,777.25	394,588.32	12,188.93	3.09
Utilities Expenses and Bulk Purchases	262,550.00	262,550.00		
Uniform Construction Code	101,500.00	99,135.00	2,365.00	2.39
Deferred Charges and Statutory Expenditures	834,704.00	942,966.50	(108,262.50)	(11.48)
Federal and State Programs	37,917.39	54,808.71	(16,891.32)	(30.82)
Capital Improvements	181,061.90	346,753.00	(165,691.10)	(47.78)
Municipal Debt Service	815,920.00	556,894.28	259,025.72	46.51
Reserve for Uncollected Taxes	<u>490,349.63</u>	<u>486,663.32</u>	<u>3,686.31</u>	<u>0.76</u>
 Total Current Fund Expenditures	 \$ <u>9,290,045.27</u>	 \$ <u>9,162,253.13</u>	 \$ <u>127,792.14</u>	 <u>1.39</u> %

BEACH UTILITY FUND

The Borough operates a beachfront operation, bordering the Atlantic Ocean, approximately six-tenths (6/10) of a mile long. Revenues from beach badges and beach front concessions are accounted for separately as well as all expenses related to the beach operation.

The Beach Utility Operating Fund generated operating revenues of \$1,976,432.19 exclusive of fund balance, and incurred operating expenses of \$1,966,338.00 resulting in a decrease in fund balance of \$6,705.85. The decrease in operating expenses from 2018 to 2017 was \$157,712.00, or 7.43%. The following schedule summarizes revenues and expenses for 2018 and 2017:

	<u>2018</u>	<u>2017</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 163,557.00	\$ 401,966.00	\$ (238,409.00)	(59.31) %
Bathing Badges	1,410,845.60	1,440,178.95	(29,333.35)	(2.04)
Concession Rents	84,794.84	81,077.00	3,717.84	4.59
Parking Meters	74,663.07	78,261.52	(3,598.45)	(4.60)
Reserve for FEMA	82,000.00		82,000.00	NM
Beach Locker Fees	80,400.00	86,875.00	(6,475.00)	(7.45)
Nonbudget Revenue	15,556.17	25,863.97	(10,307.80)	(39.85)
Other Credits to Income	228,172.51	117,408.29	110,764.22	94.34
	<u>\$ 2,139,989.19</u>	<u>\$ 2,231,630.73</u>	<u>\$ (91,641.54)</u>	<u>(4.11) %</u>
<u>Expenditures</u>				
Operating	\$ 1,600,365.00	\$ 1,613,101.00	\$ (12,736.00)	(0.79) %
Capital Improvements	25,000.00	105,950.00	(80,950.00)	(76.40)
Debt Service	247,973.00	311,999.00	(64,026.00)	(20.52)
Deferred Charges and Statutory Expenditures	<u>93,000.00</u>	<u>93,000.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>\$ 1,966,338.00</u>	<u>\$ 2,124,050.00</u>	<u>\$ (157,712.00)</u>	<u>(7.43) %</u>

SEWER UTILITY FUND

The Borough's Sewerage Utility operation is merely a collection system of approximately nine (9) miles running beneath the borough. The sewage is treated by neighboring municipality treatment plant.

The Sewer Utility Operating Fund generated operating revenues of \$2,475,118.35 exclusive of fund balance, and incurred operating expenses of \$1,852,047.00 resulting in an increase in fund balance of \$623,071.35. The decrease in operating expenses from 2018 to 2017 was \$85,601.00 or 4.42%. The sewer utility has 150 commercial customer units and 3245 residential customer units. The following schedule summarizes revenues and expenses for 2018 and 2017:

	<u>2018</u>	<u>2017</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 29,317.00	\$ 32,648.00	\$ (3,331.00)	(10.20) %
Rents	2,007,359.43	1,994,577.34	12,782.09	0.64
Nonbudget Revenue	20,616.88	12,589.77	8,027.11	63.76
Other Credits to Income	<u>447,142.04</u>	<u>254,341.55</u>	<u>192,800.49</u>	<u>75.80</u>
	<u>\$ 2,504,435.35</u>	<u>\$ 2,294,156.66</u>	<u>\$ 210,278.69</u>	<u>9.17 %</u>
<u>Expenditures</u>				
Operating	\$ 1,545,972.00	\$ 1,544,470.00	\$ 1,502.00	0.10 %
Capital Improvements	28,000.00	127,000.00	(99,000.00)	(77.95)
Debt Service	189,991.00	174,740.00	15,251.00	8.73
Deferred Charges and Statutory Expenditures	<u>88,084.00</u>	<u>91,438.00</u>	<u>(3,354.00)</u>	<u>(3.67)</u>
	<u>\$ 1,852,047.00</u>	<u>\$ 1,937,648.00</u>	<u>\$ (85,601.00)</u>	<u>(4.42) %</u>

For the foreseeable future, the elected and appointed leaders will have to deal with the need to minimize tax rate impact and the need for new development that would help share the tax burden. The governing body and the administration will have to introduce new ideas and creative solutions to solve this problem.

The remainder of this transmittal letter will provide greater details relating to the Borough's progress during 2018 and some of the plans for the future.

STATUTORY AUTHORITY

The Borough is organized and administered in accordance with the provisions of New Jersey State Law and consists of an elected Mayor and a four (4) member Council responsible for providing all basic governmental services, except education, to its 4,298 local residents.

The Borough, pursuant to law, has the authority to levy taxes and issue debt.

In accordance with generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board, the Borough, for reporting purposes, is considered an independent government entity.

MAJOR ACTIVITIES AFFECTING BUDGET/FINANCIAL CONDITIONS

The Borough's major sanitary sewer rehabilitation project for a substantial portion of the southern part of the Borough made significant progress in 2018. The project is being funded by a low interest financing arrangement from the NJIBank. The project is expected to close-out within the next year.

The Borough is exploring all resources to provide services to the Borough residents for the best possible cost. All revenue sources are maximized where possible and all budget appropriations and purchases are carefully reviewed by the Borough officials. The Governing Body is striving to keep municipal taxes at reasonable rate while providing for the safety, health and welfare of the residents.

ACCOUNTABILITY ON 2018 INITIATIVES

- Improvements to the Sylvan Lake and Sylvan Lake Park
- Improvements to Riley Park are underway.
- The Borough of Bradley Beach continues to examine additional and share service agreements, Neptune City Prisoners and Allenhurst Municipal Court.

PROSPECTS FOR THE FUTURE

- The Borough continues to seek and obtain grants from the County of Monmouth to use for public area improvements including the improvements to Sylvan Lake and Sylvan Lake and Riley Parks.
- The Borough continues to seek additional sources of revenue to offset the decrease in state aid experienced over the past several years.
- The Borough plans to replace the north-end of the damaged wooden boardwalk.

LOCAL ECONOMIC EVENTS

For 2018, the Borough continued to demonstrate important indicators of continued financial strength as follows:

- During 2018, total real estate tax revenues decreased by \$13,444.75 or .19% to \$7,237,337.60. The current collection rate (cash basis) of real estate tax revenue (an important indicator of fiscal health) was 98.59% in 2018. Although, the Borough has maintained a stable collection rate, certain taxpayers were unable to remit their taxes on a current basis.
- Revenues from other sources remained relatively flat in 2018. Assessed values increased to \$1,188,301.00.
- The Borough has continued to maintain an excellent credit rating. Presently, the Borough's latest (2017) Bond Rating is "AA/Stable" by Standard & Poors Global Ratings.

CASH MANAGEMENT

Bank balances are insured up to \$250,000.00 in the aggregate by the Federal Deposit Insurance Corporation for each bank. In addition, the State of New Jersey Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories. At December 31, 2018, all cash funds on deposit were in registered depositories and were covered by these insurers.

During 2018, idle funds were invested with the intent of maximizing interest earnings in the investment account maintained by the Borough's main depository.

ACCOUNTING AND BUDGET INFORMATION

Accounting

The Borough maintains an on-line, real-time computerized accounting system to record all financial transactions.

In developing and evaluating the Borough's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits expected to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

Management of the Borough is responsible for establishing and maintaining an adequate internal control structure.

Budget

The local budget law for the State of New Jersey requires every local unit to adopt an Operating Budget in the form required by the Division of Local Government Services (the "Division"), Department of Community Affairs of the State of New Jersey. Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division prior to final adoption. The Budget Law requires each local unit to appropriate sufficient funds for the payment of current debt service, and the Director is required to review the adequacy of such appropriations, unless a specific amount is required by law. The review function, focusing on anticipated revenues, serves to protect the solvency of all local units.

Section 5:30-4 of the New Jersey Administrative Code provides that every local unit that proposes to spend \$25,000.00 or more on capital equipment, construction or improvements must prepare a Capital Budget. If the Borough's population exceeds 10,000, the Capital Program shall include by title all projects anticipated for the budget year and the five succeeding years, with the estimated costs and the anticipated financing by sources and amounts.

A Capital Budget Section included with the Annual Budget does not in itself confer any authorization to raise or expend funds. Rather, it is a document used as part of the local unit's planning and management program. Specific authorization to expend funds for purposes described in the Capital Budget must be granted separately, through the adoption of a bond ordinance, by appropriating funds from the Capital Improvement Fund, or other lawful means.

The budget of the Borough is categorized into appropriations by function. Each appropriation represents a service program or division within the Borough. Funds are appropriated to each of the budget lines by the Mayor and Council in accordance with procedures prescribed by the State of New Jersey Local Budget Law.

Distinct appropriations are required for "salaries and wages" and for "other expenses". The Borough delineates each appropriation into subaccounts by budget codes.

The Borough Administrator and Chief Financial Officer monitor expenditures throughout the fiscal year to ensure that spending remains within the amounts of funds authorized. Budget modifications are processed in the last two months of the year to transfer funds from one area to another as needed.

DEBT ADMINISTRATION

The authorized bonded indebtedness of municipalities in the State of New Jersey is limited by statute to an amount equal to 3½% of their equalized value. The equalized valuation basis of the Borough is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain railroad property within its boundaries as annually determined by the State Board of Taxation.

The Borough has managed its debt well and has outstanding debt equal to 0.365% of its equalized value.

RISK MANAGEMENT

The Borough banded together with other municipalities to form the Monmouth County Municipal Joint Insurance ("JIF") and the New Jersey Municipal Excess Liability Funds. These Funds procure insurance on a pooled basis, generally self-insuring the initial level of loss for workers' compensation, property, general liability, automobile and employee dishonesty. The Funds provide their members with risk management services, including the defense of and settlement of claims and establish reasonable and necessary loss reduction and prevention procedures to be followed by the members.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Administration Department and the Finance Department. I would also like to express my appreciation to Gerard Stankiewicz, CPA, RMA of Samuel Klein and Company for their help and assistance in preparation of the Borough's CAFR.

Respectfully submitted,

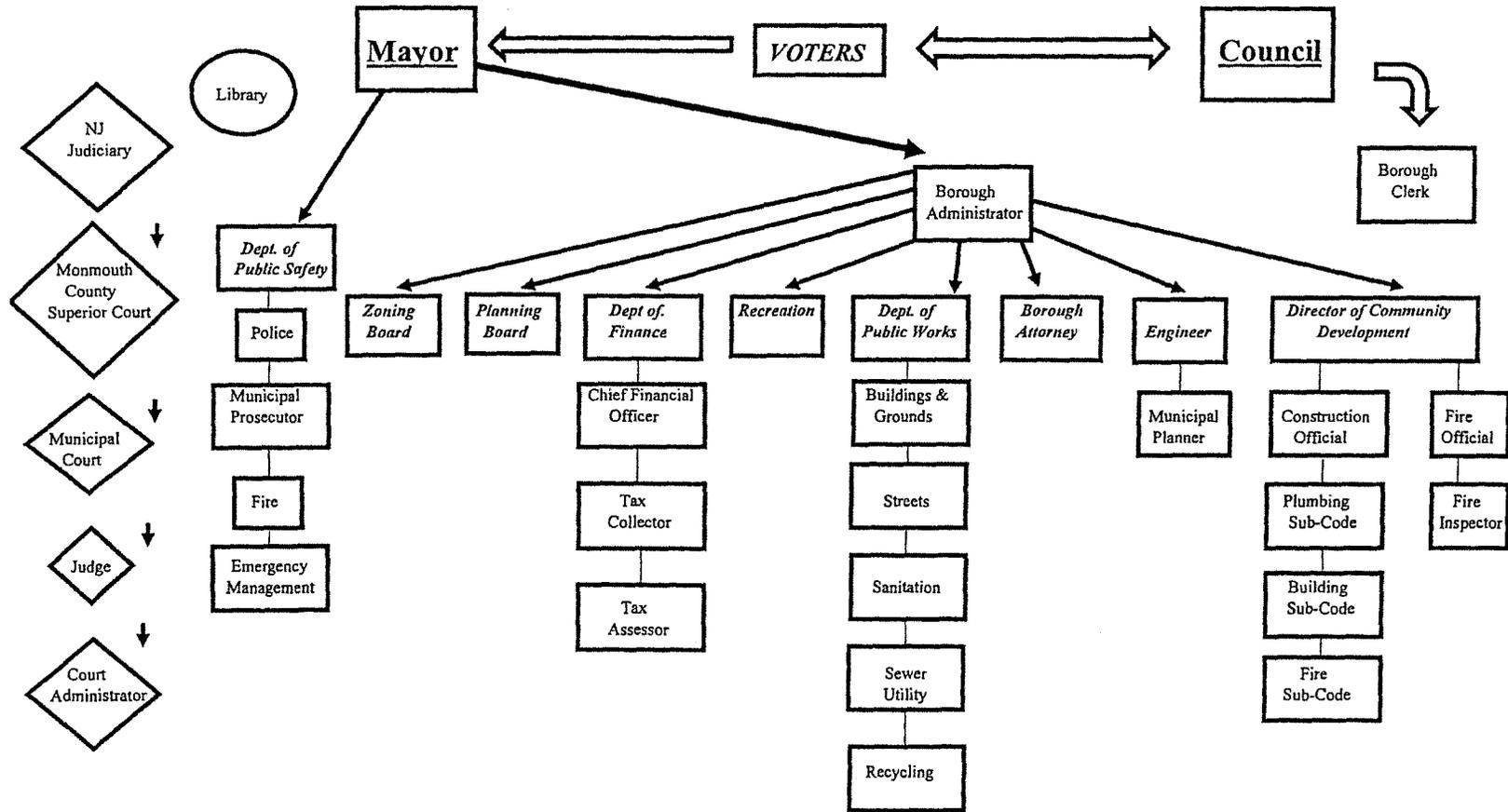


Kelly Barrett
Business Administrator



Gail Krzyzczuk
Chief Financial Officer

BOROUGH OF BRADLEY BEACH - TABLE OF ORGANIZATION



BOROUGH OF BRADLEY BEACH

ROSTER OF OFFICIALS

DECEMBER 31, 2018

Governing Body

Gary Engelstad, Mayor

Harold Cotler, Council President

Norman Goldfarb, Councilman

Randy Bonnell, Councilman

John Weber, Councilman

Other Officials

Kelly Barrett, Business Administrator, Borough Clerk, Registrar of Vital Statistics

Erica Kostyz, Deputy Municipal Clerk, Deputy Registrar of Vital Statistics

Gail Krzyzczuk, Chief Financial Officer, Tax/Sewer Collector

Patricia Martuscelli, Assistant Chief Financial Officer, Deputy Tax/Sewer Collector

Bryant Curry, Director of Community Development

Paul Capotorto, Magistrate

Patricia Megill, Court Administrator

Donna Anderson, Deputy Court Administrator

BOROUGH OF BRADLEY BEACH

CONSULTANTS AND ADVISORS

DECEMBER 31, 2018

AUDIT FIRM

Gerard Stankiewicz, CPA, RMA
Samuel Klein and Company
36 West Main Street Suite 303
Freehold, New Jersey 07728

ATTORNEY

Peg Schaffer, Esq.
Shain Schaffer PC
150 Morristown Road
Bernardsville, NJ 07924

BOND COUNSEL

John M. Cantalupo, Esq.
Archer & Greiner P.C.
10 Highway 35
Red Bank, NJ 07701

LABOR COUNSEL

Jamie Plosia, Esq.
Plosia Cohen LLC
385 State Route 24
Chester, NJ 07930

BOROUGH ENGINEER

Gerald Freda, PE, PP
Leon S. Avakian, Inc.
788 Wayside Road
Neptune, NJ 07753

OFFICIAL DEPOSITORIES

Kearny Federal Bank

PNC Bank

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, NJ 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, NJ 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Bradley Beach
County of Monmouth
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

Report on the Financial Statements

We have audited the financial statements – regulatory basis of the various funds and account groups of the Borough of Bradley Beach, County of Monmouth, State of New Jersey as of December 31, 2018, and the related statement of operations and change in fund balance – regulatory basis for the year then ended, the related statement of revenues – regulatory basis, statement of expenditures – regulatory basis, and the related notes to the financial statements for the year then ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements – regulatory basis, the financial statements are prepared by the Borough on a basis of the financial reporting provisions of the regulatory basis of the accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of Jersey which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State 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 matters discussed in the "Basis for Adverse Opinion on the United States Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Bradley Beach, County of Monmouth, State of New Jersey as of December 31, 2018, and change in financial position or cash flows thereof for the year then ended.

Other Matters

Report on Supplementary Information

Accounting principles generally accepted in the United States of America require that pension plan information, including the Notes thereto, (Required Supplementary Information – RSI Schedules), as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

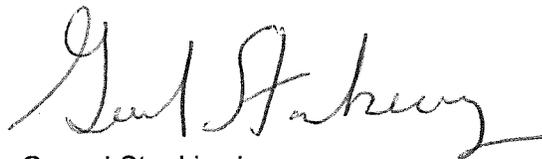
We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements of the Borough of Bradley Beach, County of Monmouth, New Jersey. The information included Combining and Individual Funds and Account Statements as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Bradley Beach, County of Monmouth, New Jersey. The information included in the Combining and Individual Funds and Account Statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2019, on our consideration of the Borough of Bradley Beach'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Bradley Beach's internal control over financial reporting and compliance.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
November 19, 2019

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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36 WEST MAIN STREET, SUITE 303
FREEHOLD, NJ 07728-2291
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FAX (732) 780-1030

**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS – REGULATORY BASIS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members
of the Borough Council
Borough of Bradley Beach
County of Monmouth
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

We have audited, in accordance with the 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Bradley Beach (herein referred to as “the Borough”), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated November 19, 2019.

Internal Control Over Financial Reporting

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

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

**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS – REGULATORY BASIS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

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 and therefore, that are reported material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance that we have reported to the management of the Borough in the "General Comments and Recommendations" section of this report.

This report is intended solely for the information of the governing body, management and the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
November 19, 2019

GENERAL-PURPOSE FINANCIAL STATEMENTS

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017)

	<u>Governmental Funds</u>					General Fixed Assets Account	<u>Totals</u> Memorandum Only	
	<u>Current</u>	<u>General Capital</u>	<u>Trust Funds</u>	<u>Utilities</u>			<u>2018</u>	<u>2017</u>
			<u>Operating</u>	<u>Capital</u>				
ASSETS AND OTHER DEBITS								
Cash and Cash Equivalents	\$ 3,796,448.39	\$ 640,049.84	\$ 729,628.57	\$ 2,413,604.03	\$ 1,901,987.93		\$ 9,481,718.76	\$ 10,513,654.26
Investment				40,000.00			40,000.00	80,000.00
Intergovernmental Accounts Receivable		431,000.00					431,000.00	313,443.00
Receivables and Other Assets:								
Delinquent Property Taxes	234,337.20						234,337.20	193,569.16
Consumer Accounts Receivable				64,362.72			64,362.72	75,106.77
Liens Receivable	1,928.47						1,928.47	1,928.47
Other Accounts Receivable								62.50
Revenue Accounts Receivable	11,909.78		283.00				12,192.78	13,503.80
Interfunds Receivable		36.74	4,234.83	10,556.00	296.32		15,123.89	610,609.60
Obligations Under Capital Lease - Unfunded		517,000.00					517,000.00	671,000.00
Deferred Charges	40,000.00	4,768,135.04					4,808,135.04	4,673,437.22
Fixed Capital							9,127,704.21	8,053,314.89
Fixed Capital Authorized and Uncompleted							5,101,913.36	6,162,034.17
Fixed Assets						\$ 19,774,640.38	19,774,640.38	19,680,712.00
Grant Fund:								
Grants Receivable	25,319.40						25,319.40	38,900.40
Interfund Receivable	31,635.59						31,635.59	104,552.31
Total Assets and Other Debits	\$ 4,141,578.83	\$ 6,356,221.62	\$ 734,146.40	\$ 2,528,522.75	\$ 16,131,901.82	\$ 19,774,640.38	\$ 49,667,011.80	\$ 51,185,828.55

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017)

	<u>Governmental Funds</u>					General Fixed Assets Account	<u>Totals</u> Memorandum Only	
	<u>Current</u>	<u>General Capital</u>	<u>Trust Funds</u>	<u>Utilities</u>			<u>2018</u>	<u>2017</u>
				<u>Operating</u>	<u>Capital</u>			
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>								
Liabilities and Reserves:								
Appropriation Reserves	\$ 458,609.76			\$ 195,778.32			\$ 654,388.08	\$ 880,551.23
Other Liabilities and Reserves	1,216,017.93	\$ 1,358,225.99	\$ 734,146.40	377,429.52	\$ 3,671,173.17		7,356,993.01	7,755,927.48
Improvement Authorizations		474,824.04			661,840.11		1,136,664.15	2,340,924.31
Reserve for Amortization					6,242,725.75		6,242,725.75	6,072,457.24
Deferred Reserve for Amortization					2,559,103.40		2,559,103.40	2,212,891.82
Interfund Payable	38,375.16			8,384.32			46,759.48	715,045.72
Serial Bonds		2,790,000.00			1,850,000.00		4,640,000.00	5,145,000.00
Bond Anticipation Note		781,000.00			1,070,000.00		1,851,000.00	1,534,000.00
Special Emergency Notes	40,000.00						40,000.00	80,000.00
Loans Payable		137,112.04					137,112.04	158,414.22
Capital Lease Obligations Payable		517,000.00					517,000.00	671,000.00
Reserve for Receivables and Other Assets	248,175.45	215,000.00					463,175.45	284,108.20
Grant Fund:								
Interfund Payable								116.19
Reserve for Encumbrances	6,000.00						6,000.00	2,103.38
Unappropriated/Appropriated Reserves	50,954.99						50,954.99	141,233.14
Total Liabilities and Reserves	\$ 2,058,133.29	\$ 6,273,162.07	\$ 734,146.40	\$ 581,592.16	\$ 16,054,842.43		\$ 25,701,876.35	\$ 27,993,772.93
Equity and Other Credits:								
Investment in General Fixed Assets						\$ 19,774,640.38	\$ 19,774,640.38	\$ 19,680,712.00
Fund Balance	\$ 2,083,445.54	\$ 83,059.55		\$ 1,946,930.59	\$ 77,059.39		4,190,495.07	3,511,343.62
Total Equity and Other Credits	\$ 2,083,445.54	\$ 83,059.55		\$ 1,946,930.59	\$ 77,059.39	19,774,640.38	\$ 23,965,135.45	\$ 23,192,055.62
Total Liabilities, Reserves and Fund Balance	\$ 4,141,578.83	\$ 6,356,221.62	\$ 734,146.40	\$ 2,528,522.75	\$ 16,131,901.82	\$ 19,774,640.38	\$ 49,667,011.80	\$ 51,185,828.55

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Fund Balance Anticipated	\$ 997,000.00	\$ 997,000.00		\$ 192,874.00	\$ 192,874.00	
Rents				3,625,511.00	3,740,062.94	\$ 114,551.94
Miscellaneous Revenues	924,050.48	917,846.64	\$ (6,203.84)			
State Aid	355,290.00	355,290.00				
Grants	<u>30,417.39</u>	<u>30,417.39</u>				
	\$ 2,306,757.87	\$ 2,300,554.03	\$ (6,203.84)	\$ 3,818,385.00	\$ 3,932,936.94	\$ 114,551.94
Receipts from Delinquent Taxes	138,300.00	197,706.96	59,406.96			
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>6,844,987.40</u>	<u>7,237,337.60</u>	<u>392,350.20</u>			
Budget Totals	\$ 9,290,045.27	\$ 9,735,598.59	\$ 445,553.32	\$ 3,818,385.00	\$ 3,932,936.94	\$ 114,551.94
Nonbudget Revenues		84,337.33	84,337.33		36,173.05	36,173.05
Other Credits to Income		437,431.49	437,431.49		675,314.55	675,314.55
Taxes Allocated to School and County	<u>9,620,724.11</u>	<u>9,620,724.11</u>				
	\$ <u>18,910,769.38</u>	\$ <u>19,878,091.52</u>	\$ <u>967,322.14</u>	\$ <u>3,818,385.00</u>	\$ <u>4,644,424.54</u>	\$ <u>826,039.54</u>

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Current Fund</u>			<u>Utility Operating Funds (1)</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 658,436.00	\$ 658,436.00				
Land Use	27,296.00	27,296.00				
Code Enforcement	107,987.00	107,987.00				
Insurance	1,230,711.00	1,230,711.00				
Public Safety	2,716,682.10	2,716,682.10				
Public Works	1,165,206.00	1,165,206.00				
Health and Human Services	23,710.00	23,710.00				
Parks and Recreation	194,237.00	194,237.00				
Utility Expenses and Bulk Purchases	262,550.00	262,550.00				
Deferred Charges and Statutory Expenditures	794,704.00	794,704.00				
Uniform Construction Code	101,500.00	101,500.00				
Excluded from "CAPS":						
Public Safety	35,000.00	35,000.00				
Library	406,777.25	406,777.25				
Grants	37,917.39	37,917.39				
Utility Operating				\$ 3,146,337.00	\$ 3,146,337.00	
Capital Improvements	181,061.90	181,061.90		53,000.00	53,000.00	
Municipal Debt Service	815,920.00	815,920.00		437,964.00	437,964.00	
Deferred Charges	40,000.00	40,000.00		181,084.00	181,084.00	
Reserve for Uncollected Taxes	490,349.63	490,349.63				
Total Budget Expenditures	<u>\$ 9,290,045.27</u>	<u>\$ 9,290,045.27</u>		<u>\$ 3,818,385.00</u>	<u>\$ 3,818,385.00</u>	

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
County and School Taxes	\$ 9,620,724.11	\$ 9,620,724.11				
Other Expenses		16,721.99	\$ (16,721.99)		\$ 16,800.04	(16,800.04)
Total Expenditures	\$ 18,910,769.38	\$ 18,927,491.37	\$ (16,721.99)	\$ 3,818,385.00	\$ 3,835,185.04	(16,800.04)
Excess in Revenues over Expenditures/ Statutory Excess to Fund Balance	-	\$ 950,600.15	\$ 950,600.15		\$ 809,239.50	\$ 809,239.50
Fund Balance, January 1, 2018		2,129,845.39	2,129,845.39		1,330,565.09	1,330,565.09
		\$ 3,080,445.54	\$ 3,080,445.54		\$ 2,139,804.59	\$ 2,139,804.59
Decreased By:						
Utilization as Anticipated Revenue		\$ 997,000.00	\$ 997,000.00		\$ 192,874.00	\$ 192,874.00
Fund Balance, December 31, 2018		\$ 2,083,445.54	\$ 2,083,445.54		\$ 1,946,930.59	\$ 1,946,930.59

(1) Beach and Sewer Utility Operating.

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>BALANCE, DECEMBER 31, 2017</u>	\$ 40,329.38
<u>INCREASED BY</u>	
Cancellation of Various Reserves	<u>42,730.17</u>
<u>BALANCE, DECEMBER 31, 2018</u>	<u>\$ 83,059.55</u>

See Notes to Financial Statements

BOROUGH OF BRADLEY BEACH
UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Beach Utility Capital Fund</u>	<u>Sewer Utility Capital Fund</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2017</u>	\$ 9,202.35	\$ 1,401.41	\$ 10,603.76
<u>INCREASED BY</u>			
Cancellation of Funded Improvement Authorization	23,330.25	1,385.61	24,715.86
Cancellation of Various Reserve	<u> </u>	<u>39,539.77</u>	<u>39,539.77</u>
	\$ 23,330.25	\$ 40,925.38	\$ 64,255.63
<u>BALANCE, DECEMBER 31, 2018</u>	<u>\$ 32,532.60</u>	<u>\$ 42,326.79</u>	<u>\$ 74,859.39</u>

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The Borough of Bradley Beach (the "Borough") is located in Monmouth County, along the New Jersey coastline, approximately 60 miles south of the City of New York. The population, according to the 2010 census, is 4,298.

The Borough of Bradley Beach operates under the Borough small mayor-council form of government consisting of four (4) council members and a mayor. The mayor is a voting member of the Governing Body. The financial statements of the Borough of Bradley Beach do not include the operations of the municipal library, first aid organization or volunteer fire company.

- B. Description of Funds - The Governmental Accounting Standards Board ("GASB") is the recognized standard setting body for establishing governmental accounting and financial reporting principles. However, the accounting policies of the Borough conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are regulatory basis, which differs from accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds and a capital asset account differs from GAAP.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activities of federal, state, county and local grant programs are reflected in a segregated section of the Current Fund.

Trust Fund - The records of receipts, disbursement and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund, Trust Other Fund, Tourism Trust Fund and Public Assistance Trust Fund. The Payroll Trust Fund – Accounts for the net salaries, payroll deductions and social security contribution of municipal and utility operations.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Utilities Funds - Beach and Sewer Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Capital Asset Account - This account reflects estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

- C. Basis of Accounting - The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue - Property Taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue - Federal, state, county and local grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough of Bradley Beach's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts, which may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued)

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Noncurrent Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Property Acquired for Taxes - Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital assets account group at market value on the date of acquisition.

Interfund Accounts Receivable - Interfund Accounts Receivable in the Current Fund are generally recorded with offsetting reserves, which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfund Accounts Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfund Accounts Receivable of one fund are offset with Interfund Accounts Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Beach and Sewer utilities is required, by regulation, for inclusion on the Beach and Sewer Utility Operating Fund balance sheets. Annual charges in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Fixed (Capital) Assets

General - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Borough has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed (Capital) Assets (Continued)

General (Continued)

Acquisition of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at historical cost. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities - Capital acquisitions, including utility infrastructure costs of the Beach and Sewer Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Asset Group of Accounts. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Capital Assets Accounts reflected herein are recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Total Columns on Combined Statements - Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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

E. Other Accounting Standards

The Borough is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement No. 83. Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Borough does not expect this Statement to impact its financial statements.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *GASB Statement No. 84. Fiduciary Activities.* This objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 88. Certain Disclosures Related to Debt, including Borrowings and Direct Placements.* The primary objective of this Statement is to improve the information and is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

- *GASB Statement No. 89. Accounting for Interest Cost Incurred Before the End of a Construction Period.* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The requirements of this Statement should be applied prospectively. The Borough does not expect this Statement to impact its financial statements.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *GASB Statement No. 90. Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61.* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 91. Conduit Debt Obligations.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The Borough does not expect this Statement to impact its financial statements.

F. Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2018 through November 19, 2019 for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Borough that would require disclosure except as disclosed in Note 6 (Subsequent Event - Improvement Authorizations and Bond Anticipation Notes).

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the arbitrage maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

B. Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

C. Risk Category

As of December 31, 2018, the Borough had funds on deposit in checking and statement savings accounts. The amount of the Borough's Cash and Cash Equivalents on deposit as of December 31, 2018, was \$9,614,071.94. These funds constitute "deposits with financial institutions" as defined by GASB No. 3 as amended by GASB No. 40. There were no securities categorized as Investments as defined by GASB Statement No. 3 as amended by No. 40.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy for the current year is based on one-half of the prior year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency as billed prior to the end of the fiscal year. The penalty so fixed shall not exceed 6% of the amount of the delinquency with respect to each most recent fiscal year only. The resolution also sets a grace period of ten days before interest is calculated.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates (per \$100.00 of Assessed Valuation)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	\$ 1.384	\$ 1.414	\$ 1.398	\$ 1.396	\$ 1.384
Apportionment of Tax Rate:					
Municipal:					
Regular	0.542	0.570	0.571	0.569	0.556
Library	0.034	0.034	0.033	0.032	0.032
County:					
Regular	0.256	0.264	0.260	0.264	0.266
Open Space	0.029	0.016	0.015	0.014	0.015
Health	0.005	0.005	0.005	0.005	0.005
Local School	0.518	0.525	0.514	0.512	0.510

Assessed Valuation (Net Taxable Value)

<u>Year</u>	<u>Amount</u>
2018	\$ 1,188,301,100.00
2017	1,149,597,400.00
2016	1,146,191,500.00
2015	1,131,026,920.00
2014	1,112,381,900.00

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2018	\$ 16,602,049.28	\$ 16,367,712.08	98.59%
2017	16,285,302.99	16,082,693.51	98.76%
2016	16,055,773.10	15,899,783.52	99.03%
2015	15,810,619.46	15,641,002.73	98.93%
2014	15,428,910.06	15,230,930.19	98.72%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percent of Tax Levy</u>
2018	\$ 1,928.43	\$ 234,337.20	\$ 236,265.63	1.20%
2017	1,928.47	193,569.16	195,497.63	1.20%
2016	1,754.55	149,682.14	151,436.69	0.94%
2015	1,578.41	169,436.44	171,014.85	1.08%
2014	1,398.32	202,168.19	203,566.51	1.32%

Note 4. UTILITY RECEIVABLES AND COLLECTIONS

Sewer Utility

The Borough operates a Sewer Utility for the benefit of its residents.

Comparison of Sewer Utility Levies and Collections

The Borough's Sewer Utility customers are billed quarterly based on a fixed per unit fee basis.

<u>Year</u>	<u>Levy</u>	<u>Cash Collections *</u>
2018	\$ 1,996,615.38	\$ 2,007,338.98
2017	1,992,954.75	1,994,577.34
2016	1,987,011.37	2,009,189.26
2015	2,014,802.91	1,996,181.90
2014	2,003,843.78	2,018,961.09

* Cash collections include amounts that were levied in prior years.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 4. UTILITY RECEIVABLES AND COLLECTIONS

Comparison of Sewer Utility Levies and Collections (Continued)

Any unpaid levies are subject to the same provision as unpaid taxes under the provision of the New Jersey Statutes.

Beach Utility

The Borough operates a Beachfront Utility for the benefit of its residents and tourist visiting the Jersey Shore (Atlantic Ocean).

Comparison of Beach Utility Collections

The Borough regularly collects money for bathing badges, concession rentals, parking meters, and beach lockers.

<u>Year</u>	<u>Cash Collections</u>
2018	\$ 1,650,703.51
2017	1,686,392.47
2016	1,842,532.15
2015	1,928,322.91
2014 *	1,697,701.64

* The Borough collected fees from a miniature golf course. In 2013, a concession lease agreement with Harris Miniature Golf Courses Inc. was created for the design and operation of a newly designed golf course. The lease includes ten (10) annual payments to be received by the Borough, for Shipwreck Island Mini Golf to continue operations. This lease bares no expenses to the Borough and the revenue is through Concession Rental fees.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 5. FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budget.

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Transferred to Current Fund as Revenue in Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>				
2018	\$ 2,083,445.54	\$ 997,000.00	\$ N/A	47.85%
2017	2,129,845.39	997,000.00	N/A	46.81%
2016	1,903,438.25	785,000.00	N/A	41.24%
2015	1,785,887.98	785,567.92	N/A	43.99%
2014	1,671,886.95	735,626.60	N/A	44.00%
<u>Sewer Utility Operating Fund</u>				
2018	\$ 182,375.30	\$ 168,164.00	\$ None	92.21%
2017	189,081.15	163,557.00	None	86.50%
2016	483,466.42	401,966.00	None	83.14%
2015	538,419.04	348,749.95	None	64.77%
2014	335,129.45	277,905.00	None	82.92%
<u>Water Utility Operating Fund</u>				
2018	\$ 1,764,555.29	\$ 120,771.00	\$ None	6.84%
2017	1,141,483.94	29,317.00	None	2.57%
2016	817,623.28	32,648.00	None	3.99%
2015	752,289.46	115,834.57	None	15.40%
2014	705,476.65	132,685.40	None	18.81%

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 6. **MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or as required by the issuance of bonds.

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
Issued			
General:			
Bonds, Notes and Loans	\$ 3,708,112.04	\$ 3,902,414.22	\$ 4,446,796.66
Beach Utility:			
Bonds and Notes	1,865,000.00	1,850,000.00	2,078,000.00
Sewer Utility:			
Bonds and Notes	<u>1,055,000.00</u>	<u>1,085,000.00</u>	<u>760,000.00</u>
Net Debt Issued	<u>\$ 6,628,112.04</u>	<u>\$ 6,837,414.22</u>	<u>\$ 7,284,796.66</u>
Less Deductions:			
NJDOT Grant			
Ord.#16-05/18-18	<u>215,000.00</u>	<u>None</u>	<u>None</u>
Authorized but Not Issued			
General:			
Bonds and Notes	\$ 1,060,023.00	\$ 691,023.00	\$ 362,427.00
Beach Utility:			
Bonds and Notes	320,000.00	500,000.00	None.
Sewer Utility:			
Bonds and Notes	<u>2,495,000.00</u>	<u>2,495,000.00</u>	<u>None.</u>
Total Authorized but Not Issued	<u>\$ 3,875,023.00</u>	<u>\$ 3,686,023.00</u>	<u>\$ 362,427.00</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 10,288,135.04</u>	<u>\$ 10,523,437.22</u>	<u>\$ 7,647,223.66</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 6. MUNICIPAL DEBT (CONTINUED)

Summary of Statutory Debt Condition, Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 0.365%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 783,000.00	\$ 783,000.00	None
Beach Utility	2,185,000.00	2,185,000.00	None
Sewer Utility	3,550,000.00	3,550,000.00	None
General	<u>4,768,135.04</u>	<u>215,000.00</u>	<u>\$ 4,553,135.04</u>
	<u>\$ 11,286,135.04</u>	<u>\$ 6,733,000.00</u>	<u>\$ 4,553,135.04</u>

Net Debt \$4,553,135.04 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$1,248,230,510.33 equals 0.365%. The Annual Debt Statement has been filed.

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

3½% of Equalized Valuation Basis (Municipal)	\$ 43,688,067.86
Net Debt	<u>4,553,135.04</u>
Remaining Borrowing Power	<u>\$ 39,134,932.82</u>

School Debt Deduction

School debt is deductible up to the extent of 3.0% of the Average Equalized Assessed Valuation of real property for the Local School District.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 6. MUNICIPAL DEBT (CONTINUED)

Calculation of "Self-Liquidating Purpose", Beach Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents and Other Charges for the Year	\$ 1,910,638.81
Deductions:	
Operating and Maintenance Costs	\$ 1,611,365.00
Debt Service	<u>238,005.25</u>
Total Deductions	<u>1,849,370.25</u>
Excess in Revenue	<u>\$ 61,268.56</u>

There being an excess in revenue for the beach utility, the fund was self-liquidating and therefore, for purposes of the annual debt statement and resultant net debt calculation, all the related debt is deductible.

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents and Other Charges for the Year	\$ 2,057,266.05
Deductions:	
Operating and Maintenance Costs	\$ 1,634,056.00
Debt Service	<u>69,765.23</u>
Total Deductions	<u>1,703,821.23</u>
Excess in Revenue	<u>\$ 353,444.82</u>

There being an excess in revenue for the sewer utility, the fund was self-liquidating and therefore, for purposes of the annual debt statement and resultant net debt calculation, all the related debt is deductible.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 6. MUNICIPAL DEBT (CONTINUED)

Noncurrent (Long-Term) Debt

As of December 31, 2018, the Borough's long-term debt is as follows:

General Serial Bonds

\$1,030,000.00 2014 Monmouth County Improvement Authority ("MCIA") General Improvement Bonds final installment due on December 1, 2030 with maturities ranging from \$55,000.00 and \$90,000.00 at interest rates ranging from 4.00% to 5.00%. \$ 840,000.00 *

\$780,000.00 2014 MCIA - General Improvement (Library Improvement) Bonds final installment due on December 1, 2034 with maturities ranging from \$25,000.00 and \$50,000.00 at interest rates ranging from 3.25% to 5.00%. 600,000.00 *

\$1,665,000.00 2016 MCIA Refunding Bonds final installment due on December 1, 2022 with maturities ranging from \$315,000.00 and \$360,000.00 at interest rates ranging from 4.00% to 5.00%. 1,350,000.00 **

\$ 2,790,000.00

Beach Utility Capital Fund Serial Bonds

\$1,525,000.00 2014 MCIA Beach Improvement Bonds final installment due on December 1, 2027 with maturities ranging from \$100,000.00 and \$155,000.00 at interest rates ranging from 4.00% to 5.00%. \$ 1,150,000.00 *

Sewer Utility Capital Fund Serial Bonds

\$820,000.00 2014 MCIA Sewer Improvement Bonds final installment due on December 1, 2034 with maturities ranging from \$30,000.00 and \$60,000.00 at interest rates ranging from 3.25% to 5.00%. 700,000.00 *

\$ 4,640,000.00

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 6. MUNICIPAL DEBT (CONTINUED)

Noncurrent (Long-Term) Debt (Continued)

Redemption

- * The 2014 Bonds are not subject to redemption prior to their final maturity.
- ** Optional Redemption – the Series 2016 Bonds maturing on or before December 1, 2025 shall not be subject to optional redemption prior to their respective maturity dates. The Series 2016 Bonds maturing on or after December 1, 2026 shall be subject to optional redemption prior to their respective maturity dates, on or after December 1, 2025 at the option of the MCIA, upon notice as herein described, either in whole or in part by lot within a single maturity from maturities selected by the MCIA, on any date, at a redemption price equal to 100% of the principal amount thereof (the “Redemption Price”) and accrued interest thereon to the date of redemption.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt for the Next Five (5) Years and Thereafter:

General Capital Fund			
Year	Principal	Interest	Total
2019	\$ 395,000.00	\$ 132,050.00	\$ 527,050.00
2020	410,000.00	116,250.00	526,250.00
2021	435,000.00	96,550.00	531,550.00
2022	450,000.00	74,800.00	524,800.00
2023	95,000.00	52,300.00	147,300.00
	1,785,000.00	471,950.00	2,256,950.00
2024	95,000.00	47,550.00	142,550.00
2025	105,000.00	42,800.00	147,800.00
2026	110,000.00	37,550.00	147,550.00
2027	120,000.00	32,050.00	152,050.00
2028	120,000.00	26,050.00	146,050.00
	550,000.00	186,000.00	736,000.00

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 6. MUNICIPAL DEBT (CONTINUED)

Noncurrent (Long-Term) Debt (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt for the Next Five (5) Years and Thereafter: (Continued)

<u>General Capital Fund (Continued)</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2029	\$ 125,000.00	\$ 20,050.00	145,050.00
2030	135,000.00	13,800.00	148,800.00
2031	45,000.00	7,050.00	52,050.00
2032	50,000.00	5,250.00	55,250.00
2033	50,000.00	3,250.00	53,250.00
	<u>405,000.00</u>	<u>49,400.00</u>	<u>454,400.00</u>
2034	50,000.00	1,625.00	51,625.00
	<u>50,000.00</u>	<u>1,625.00</u>	<u>51,625.00</u>
	<u>\$ 2,790,000.00</u>	<u>\$ 708,975.00</u>	<u>\$ 3,498,975.00</u>

<u>Beach Utility Capital Fund</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 105,000.00	\$ 55,350.00	\$ 160,350.00
2020	110,000.00	51,150.00	161,150.00
2021	115,000.00	46,760.00	161,760.00
2022	120,000.00	41,000.00	161,000.00
2023	125,000.00	35,000.00	160,000.00
	<u>575,000.00</u>	<u>229,260.00</u>	<u>804,260.00</u>
2024	135,000.00	28,750.00	163,750.00
2025	140,000.00	22,000.00	162,000.00
2026	145,000.00	15,000.00	160,000.00
2027	155,000.00	7,750.00	162,750.00
	<u>575,000.00</u>	<u>73,500.00</u>	<u>648,500.00</u>
	<u>\$ 1,150,000.00</u>	<u>\$ 302,760.00</u>	<u>\$ 1,452,760.00</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 6. MUNICIPAL DEBT (CONTINUED)

Noncurrent (Long-Term) Debt (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt for the Next Five (5) Years and Thereafter: (Continued)

Year	Sewer Utility Capital Fund		
	Principal	Interest	Total
2019	\$ 30,000.00	\$ 31,200.00	\$ 61,200.00
2020	30,000.00	30,000.00	60,000.00
2021	30,000.00	28,800.00	58,800.00
2022	35,000.00	27,300.00	62,300.00
2023	35,000.00	25,550.00	60,550.00
	<u>160,000.00</u>	<u>142,850.00</u>	<u>302,850.00</u>
2024	40,000.00	23,800.00	63,800.00
2025	40,000.00	21,800.00	61,800.00
2026	40,000.00	19,800.00	59,800.00
2027	45,000.00	17,800.00	62,800.00
2028	45,000.00	15,550.00	60,550.00
	<u>210,000.00</u>	<u>98,750.00</u>	<u>308,750.00</u>
2029	50,000.00	13,300.00	63,300.00
2030	50,000.00	10,800.00	60,800.00
2031	55,000.00	8,300.00	63,300.00
2032	55,000.00	6,100.00	61,100.00
2033	60,000.00	3,900.00	63,900.00
	<u>270,000.00</u>	<u>42,400.00</u>	<u>312,400.00</u>
2034	60,000.00	1,950.00	61,950.00
	<u>60,000.00</u>	<u>1,950.00</u>	<u>61,950.00</u>
	<u>\$ 700,000.00</u>	<u>\$ 285,950.00</u>	<u>\$ 985,950.00</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 6. MUNICIPAL DEBT (CONTINUED)

Noncurrent (Long-Term) Debt (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt for the Next Five (5) Years and Thereafter: (Continued)

<u>Year</u>	<u>Grand Total</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 530,000.00	\$ 218,600.00	\$ 748,600.00
2020	550,000.00	197,400.00	747,400.00
2021	580,000.00	172,110.00	752,110.00
2022	605,000.00	143,100.00	748,100.00
2023	255,000.00	112,850.00	367,850.00
	<u>2,520,000.00</u>	<u>844,060.00</u>	<u>3,364,060.00</u>
2024	270,000.00	100,100.00	370,100.00
2025	285,000.00	86,600.00	371,600.00
2026	295,000.00	72,350.00	367,350.00
2027	320,000.00	57,600.00	377,600.00
2028	165,000.00	41,600.00	206,600.00
	<u>1,335,000.00</u>	<u>358,250.00</u>	<u>1,693,250.00</u>
2029	175,000.00	33,350.00	208,350.00
2030	185,000.00	24,600.00	209,600.00
2031	100,000.00	15,350.00	115,350.00
2032	105,000.00	11,350.00	116,350.00
2033	110,000.00	7,150.00	117,150.00
	<u>675,000.00</u>	<u>91,800.00</u>	<u>766,800.00</u>
2034	110,000.00	3,575.00	113,575.00
	<u>110,000.00</u>	<u>3,575.00</u>	<u>113,575.00</u>
	<u>\$ 4,640,000.00</u>	<u>\$ 1,297,685.00</u>	<u>\$ 5,937,685.00</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 6. MUNICIPAL DEBT (CONTINUED)

Noncurrent (Long-Term) Debt (Continued)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes (BAN's) are summarized as follows:

	Original Issue Date	Interest Rate	Amount	Maturities	
				First	Final
General Capital Fund					
Ordinance 15-08	5/23/2016	2.00%	\$ 83,000.00	2019	2026
Ordinance 16-01	5/23/2016	2.00%	423,000.00	2019	2026
Ordinance 17-16	5/18/2018	2.00%	125,000.00	2021	2028
Ordinance 17-19/18-10	5/18/2018	2.00%	<u>150,000.00</u>	2021	2028
			<u>\$ 781,000.00</u>		
Beach Capital Fund					
Ordinance 16-02	5/23/2016	2.00%	\$ 535,000.00	2019	2026
Ordinance 17-13	5/18/2018	2.00%	<u>180,000.00</u>	2021	2028
			<u>\$ 715,000.00</u>		
Sewer Capital Fund					
Ordinance 17-11	5/22/2017	2.00%	\$ <u>355,000.00</u>	2020	2027
			<u>355,000.00</u>		
			<u>\$ 1,851,000.00</u>		

Subsequent Event:

Subsequent to yearend the Borough issued BAN's in the amount of \$2,112,000.00 which consisted of new money of \$603,000.00 and budgeted pay down \$222,000.00 and pay down of excess (grant) cash of \$120,000.00, the BAN's will mature on May 15, 2020 at an interest rate of 2.14%.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 6. MUNICIPAL DEBT (CONTINUED)

Green Trust Loan – General Capital Fund

The Borough has a \$400,000.00 loan from the State of New Jersey Department of Environmental Protection (NJDEP) for parks, playgrounds and recreational improvements at 2.00% interest with a final maturity on September 22, 2024. The semi-annual payments range from \$10,811.12 to \$12,061.63. Repayment for the next five (5) years and every five (5) years thereafter is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 21,730.35	\$ 2,634.13	\$ 24,364.48
2020	22,167.13	2,197.35	24,364.48
2021	22,612.68	1,751.79	24,364.47
2022	23,067.20	1,297.28	24,364.48
2023	23,530.85	833.63	24,364.48
	<u>113,108.21</u>	<u>8,714.18</u>	<u>121,822.39</u>
2024	<u>24,003.83</u>	<u>240.04</u>	<u>24,243.87</u>
	<u>\$ 137,112.04</u>	<u>\$ 8,954.22</u>	<u>\$ 146,066.26</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 6. MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized but not Issued

At December 31, 2018, the Borough of Bradley Beach has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 1,060,023.00
Beach Utility Capital Fund	320,000.00
Sewer Utility Capital Fund	<u>2,495,000.00</u>
	<u>\$ 3,875,023.00</u>

Improvement Authorization

Subsequent to year the Borough adopted an Improvement Authorization in the amount of \$325,000.00 funded by \$182,250.00 of a NJDOT grant, bonds and notes authorized of \$135,000.00 and capital improvement fund of \$7,750.00.

Continuing Disclosure Requirement

As a result of the issuance of General Obligation Bonds, the Borough is not obligated to comply with the Securities and Exchange Commission Rule 15c2-12 related to the Annual Continuing Disclosure Requirement.

Note 7. LEASES

Monmouth County Improvement Authority (MCIA) – The Borough entered into various equipment lease programs with MCIA. The leases are for various equipment that is owned by the MCIA and to which the Borough has a bargain purchase option at the end of the lease period in the amount of \$1.00.

Operating Leases – The Borough entered into lease agreements for various vehicles funded through the MCIA Capital Equipment and Improvement Revenue Bond Series 2009, Series 2011, Series 2013, Series 2015 and Series 2017. The principal and interest are provided in the Current Fund Budget are as follows:

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 7. LEASES (CONTINUED)

Operating Leases (Continued)

Debt Service - MCIA

Year	2009		2011		2013	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 24,000.00	\$ 1,020.00	\$ 6,000.00	\$ 840.00	\$ 34,000.00	\$ 7,440.00
2020			6,000.00	600.00	36,000.00	6,080.00
2021			6,000.00	300.00	37,000.00	4,640.00
2022					39,000.00	3,160.00
2023					40,000.00	1,600.00
	<u>\$ 24,000.00</u>	<u>\$ 1,020.00</u>	<u>\$ 18,000.00</u>	<u>\$ 1,740.00</u>	<u>\$ 186,000.00</u>	<u>\$ 22,920.00</u>

Year	2015		2017		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 39,000.00	\$ 6,470.00	\$ 34,000.00	\$ 7,030.00	\$ 137,000.00	\$ 22,800.00
2020	41,000.00	4,520.00	34,000.00	5,670.00	117,000.00	16,870.00
2021	10,000.00	2,470.00	22,000.00	3,970.00	75,000.00	11,380.00
2022	11,000.00	1,970.00	22,000.00	2,870.00	72,000.00	8,000.00
2023	11,000.00	1,750.00	8,000.00	1,770.00	59,000.00	5,120.00
	<u>112,000.00</u>	<u>17,180.00</u>	<u>120,000.00</u>	<u>21,310.00</u>	<u>460,000.00</u>	<u>64,170.00</u>
2024	12,000.00	1,200.00	8,000.00	1,570.00	20,000.00	2,770.00
2025	12,000.00	600.00	8,000.00	1,170.00	20,000.00	1,770.00
2026			8,000.00	850.00	8,000.00	850.00
2027			9,000.00	450.00	9,000.00	450.00
	<u>24,000.00</u>	<u>1,800.00</u>	<u>33,000.00</u>	<u>4,040.00</u>	<u>57,000.00</u>	<u>5,840.00</u>
	<u>\$ 136,000.00</u>	<u>\$ 18,980.00</u>	<u>\$ 153,000.00</u>	<u>\$ 25,350.00</u>	<u>\$ 517,000.00</u>	<u>\$ 70,010.00</u>

Continuing Disclosure Requirements

As a result of the lease agreements with the Monmouth County Improvement Authority, the Borough is not obligated to comply with the Securities and Exchange Commission Rule 15c2-12.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 8. LOCAL DISTRICT SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough raises its share of Local District School Taxes on a school year basis and has elected to defer these taxes as follows:

	Local District School Taxes		
	Balance, December 31,		
	<u>2018</u>	<u>2017</u>	<u>Increase</u>
Balance of Tax	\$ 3,280,632.00	\$ 3,218,076.00	\$ 62,556.00
Deferred Portion	<u>2,576,184.00</u>	<u>2,576,184.00</u>	<u>-</u>
	<u>\$ 5,856,816.00</u>	<u>\$ 5,794,260.00</u>	<u>\$ 62,556.00</u>

Note 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018 the following deferred charges are shown on Balance Sheets of various funds:

	Balance, December 31, 2018	2019 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Authorization Per N.J.S.A. 40A:4-53	<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>	<u>None</u>

The appropriations in the 2018 budget are not less than that required by statute.

The Borough's Current Fund issued a Special Emergency Note ("Note") for \$40,000.00 for one year in order to finance the balance of the Deferred Charges. The Borough's Sewer Utility Fund is the holder of the Note as an Investment (refer to Exhibit E). The Note is for one year and is interest free. On or about June 1, the Note was rolled over for one year. Final payment has occurred in conjunction with the 2019 budget.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS

Description of Systems

Substantially all of the Borough's full-time employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS).

Public Employees' Retirement System

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

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

The following represents the membership tiers for PERS:

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Public Employees' Retirement System (Continued)

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

Police and Firemen's Retirement System

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

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefit. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Police and Firemen's Retirement System (Continued)

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

Contributions Required to be Made

The contribution policy for PERS is set by N.J.S.A. 43:15A and for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Employee contributions for 2018 were seven and 20/100th present (7.34%) and effective July 1, 2018, employee contributions were increased to seven and 34/100th percent (7.50%) for PERS and 10% for PFRS of the employee's base wages. Employer's contributions are actuarially determined annually by the Division of Pensions.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 an option for local employers of PERS and PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Contributions Required to be Made (Continued)

The Borough's contributions to the plan for the past three (3) years are as follows:

PERS

	<u>PERS</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Covered Payroll	\$ 1,225,981	\$ 1,370,290	\$ 1,447,586
Actuarial Contribution Requirements	186,418	194,851	178,643
Total Contributions Employer Share	186,418	194,851	178,643
Percent of Covered Employee - Payroll	15.21 %	14.22 %	12.34 %
Employee's Share	117,592	99,666	103,182
Percent of Covered Payroll	9.59 %	7.27 %	7.13 %

All contributions were equal to the required contributions for each of the three (3) years, respectively.

Due to the employee contribution percent changing July 1st of every year; the percent of covered payroll is an average of the first two quarters and the last two quarters of the year.

Pension (PERS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PERS obligation due April 1, 2019 would be needed in the amount of \$179,798.00 since the obligation relates to the period December 31, 2018 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Contributions Required to be Made (Continued)

PFRS

	<u>PFRS</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Covered Payroll	\$ 2,042,886	\$ 1,941,966	\$ 1,812,705
Actuarial Contribution Requirements	498,739	512,073	488,234
Total Contributions Employer Share	498,739	512,073	488,234
Percent of Covered Employee - Payroll	24.41 %	26.37 %	26.93 %
Employee's Share	204,383	194,197	181,270
Percent of Covered Payroll	10.00 %	10.00 %	10.00 %

All contributions were equal to the required contributions for each of the three (3) years, respectively.

Pension (PFRS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PFRS obligation due April 1, 2018 would be needed in the amount of \$568,129.00 since the obligation relates to the period December 31, 2017 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2017 and June 30, 2017 Independent Auditor's Report dated May 15, 2019 and April 27, 2018 respectively.

The Borough's reported liability of \$3,559,078.00 and \$4,684,310.00 for its proportionate share of the net pension liability at December 31, 2018 and December 31, 2017 respectively. The net pension liability was measured as of June 30, 2018 and June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	June 30, (Measurement Date)	
	2018	2017
Local Group Share	\$ 19,689,501,539	\$ 23,278,401,588
Borough Proportionate Percentage	0.0180760200 %	0.0201229888 %
Difference - Decrease	(0.0020469688) %	

For the year ended December 31, 2018, the Borough's recognizable pension revenue of \$57,544.00. At December 31, 2018, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 586,477	\$ 1,138,004
Net difference between expected and actual experience	67,872	18,252
Net difference between projected and actual investment earnings on pension plan investment	-	\$ 33,384
Changes in proportion	194,821	\$ 671,610
Borough contributions subsequent to yearend	179,798	
Total	\$ 1,028,968	\$ 1,861,250

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The \$179,798.00 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2018, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the Borough year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2019	\$ 24,702
2020	(34,200)
2021	(245,242)
2022	(212,580)
2023	(68,071)

Additional Information:

Collective (local employers) balances are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 6,424,455,842
Collective deferred inflows of resources	7,476,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
Borough's proportion (of Local Group)	0.0180760200 %	0.0201229888 %

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65 - 4.15 Percent (based on age)
Thereafter	2.65 - 5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates; the larger the impact on future financial statements.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50	1.00
U.S. Treasuries	3.00	1.87
Investment Grade Credit	10.00	3.78
Public High Yield	2.50	6.82
Global Diversified Credit	5.00	7.10
Credit oriented Hedge Funds	1.00	6.60
Debt related Private Equity	2.00	10.63
Debt related Real Estate	1.00	6.61
Private Real Asset	2.50	11.83
Equity related Real Estate	6.25	9.23
U.S. Equity	30.00	8.19
Non-U.S. Developed Markets Equity	11.50	9.00
Emerging Market Equities	6.50	11.64
Buyouts/Venture Capital	8.25	13.08
	<u>100.00 %</u>	

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

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

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2018 and June 30, 2017, 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:

		December 31, 2018		
		<u>[Measurement Date June 30, 2018]</u>		
		1% Decrease	At Current Discount Rate	1% Increase
		<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
Borough's proportionate share				
of the pension liability	\$	4,475,131	\$ 3,559,078	\$ 2,790,569
		December 31, 2017		
		<u>[Measurement Date June 30, 2017]</u>		
		1% Decrease	At Current Discount Rate	1% Increase
		<u>2.98%</u>	<u>3.98%</u>	<u>4.98%</u>
of the pension liability	\$	5,811,205	\$ 4,684,310	\$ 3,745,487

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

The information for PFRS was abstracted from State of New Jersey Police and Firemen's Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2018 and June 30, 2017 Independent Auditor's Report dated May 15, 2019 and April 27, 2018 respectively.

The Borough reported liability net of the Special Funding situation, is \$7,863,492.00 and \$8,699,893.00 for its proportionate share of the net pension liability at December 31, 2018 and December 31, 2017, respectively. The net pension liability was measured as of June 30, 2017 and June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	June 30, (Measurement Date)	
	<u>2018</u>	<u>2017</u>
Local Group Share	\$ 13,531,648,591	\$ 15,438,066,691
Borough Proportionate Percentage	0.0581118549 %	0.0563535139 %
Difference - Decrease	0.0017583410	

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

For the year ended December 31, 2018, the Borough's recognizable pension expense was \$629,979.00. At December 31, 2018, the Borough reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Changes in assumptions	\$ 674,975	\$ 2,015,277
Net difference between expected and actual experience	80,001	32,541
Net difference between projected and actual investment earnings on pension plan investment	-	43,020
Changes in proportion	514,940	631,566
Borough contributions subsequent to yearend	<u>568,129</u>	
Total	<u>\$ 1,838,045</u>	<u>\$ 2,722,404</u>

The \$568,129.00 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2018, the *plan measurement date* is June 30, 2018) will be recognized as a reduction of the net pension liability in the Borough year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2019	\$ 67,627
2020	(227,967)
2021	(637,768)
2022	(409,403)
2023	(128,352)

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Additional Information:

Collective (local employers) balances are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$ 4,286,994,294	\$ 2,941,952,753
Collective deferred inflows of resources	\$ 1,988,215,695	\$ 3,262,432,093
Collective net pension liability		
Local Group	\$ 15,369,699,278	\$ 17,167,260,198
Less: Special Funding Situation ⁽¹⁾	<u>1,838,050,687</u>	<u>1,729,193,507</u>
	<u>\$ 13,531,648,591</u>	<u>\$ 15,438,066,691</u>
Borough's proportion (of Local Group)	0.0581118549 %	0.0563535139 %

(1) Special Funding Situation

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 nonemployer, 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 State special funding situation net pension liability amount of \$1,838,050,687 and \$1,729,193,507 as of June 30, 2018 and June 30, 2017, respectively, are the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. Since the local employers do not contribute under this legislation directly to the plan (except for employer required contribution amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local employers related to this legislation. However, the notes to the financial statements of the local employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

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

Inflation	2.25 Percent
Salary Increases:	
Through 2026	2.10 – 8.98 Percent (based on age)
Thereafter	3.10 – 9.98 Percent (based on age)
Investment Rate of Return	7.00 Percent

Mortality Rates

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

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50	1.00
U.S. Treasuries	3.00	1.87
Investment Grade Credit	10.00	3.78
Public High Yield	2.50	6.82
Global Diversified Credit	5.00	7.10
Credit oriented Hedge Funds	1.00	6.60
Debt related Private Equity	2.00	10.63
Debt related Real Estate	1.00	6.61
Private Real Asset	2.50	11.83
Equity related Real Estate	6.25	9.23
U.S. Equity	30.00	8.19
Non-U.S. Developed Markets Equity	11.50	9.00
Emerging Market Equities	6.50	11.64
Buyouts/Venture Capital	8.25	13.08
	<u>100.00 %</u>	

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

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

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

The following presents the collective net pension liability inclusive of the Special Funding situation of the participating employers as of (*measurement dates*) June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1- percentage point lower or 1- percentage-point higher than the current rate:

		December 31, 2018		
		<u>[Measurement Date June 30, 2018]</u>		
		1% Decrease	At Current	1% Increase
		<u>5.51%</u>	Discount Rate	<u>7.51%</u>
			<u>6.51%</u>	
Borough's proportionate share				
of the pension liability	\$	11,953,861	\$ 8,931,617	\$ 6,438,816
		December 31, 2017		
		<u>[Measurement Date June 30, 2017]</u>		
		1% Decrease	At Current	1% Increase
		<u>5.14%</u>	Discount Rate	<u>7.14%</u>
			<u>6.14%</u>	
Borough's proportionate share				
of the pension liability	\$	12,746,759	\$ 9,674,354	\$ 7,150,025

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 10. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System or by visiting their website at www.state.nj.us/treasury/pensions.

Note 11 POST EMPLOYMENT RETIREMENT BENEFITS

In addition to the pension benefits described in Note 10, the Borough provides post retirement healthcare benefits for employees who retire with 25 years or more of service and their dependents. Benefits consist of full medical coverage as if the individuals were still employed, until they become eligible for Medicare, at which time Medicare becomes the primary insurer and the Borough plan becomes the secondary insurer.

Plan Description – New Jersey State Health Benefits Program ("NJSHBP")

The NJSHBP as of July 1, 2017 had "local employees" statewide of 61,789 active and 26,277 retired for a total of 88,066 members. The Borough at December 31, 2017 had 35 active and 25 retired employees for a total participation of 60.

The Borough contributes to the NJSHBP, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. NJSHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. NJSHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The New Jersey State Health Benefits ("NJSHB") Commission is the executive body established by statute to be responsible for the operation of the NJSHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the NJSHBP and an annual actuarial valuation report. Those reports may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/health-benefits.shtml.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 11 POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Plan Description – New Jersey State Health Benefits Program (“NJSHBP”)
(Continued)

Funding Policy – The contribution requirements of plan members are established and may be amended by the state legislature. Participating local government units are contractually required to contribute at a rate assessed each year by the NJSHBP. The NJSHB Commission sets the employer contribution rate based on the annual required contribution of the employers (ARC) as established in an annual rate recommendation report.

The NJSHBP issues a publicly available financial report that includes financial statements and required supplementary information for the NJSHBP and the actuarial valuation. Those reports may be obtained by writing to the State of New Jersey Department of Treasury, Division of Pension and Benefits, 50 West State Street, Trenton, NJ 08625-0299 or on the State of New Jersey website.

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The NJSHB Commission sets the employer contribution rate based on the annual required contribution (ARC) of the employers as established in an annual rate recommendation report.

Contributions to pay for the health premiums of participating retirees in the NJSHBP are billed to the Borough on a monthly basis. The number of employees covered and approximate cost for the past three years were as follows:

<u>Fiscal Year</u>	<u>Number of Employees</u>	<u>Employer's Cost</u>
2018	25	\$ 512,782.46
2017	25	512,425.88
2016	25	467,727.23

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, refer to the State of New Jersey, Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 11 POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Plan Description – New Jersey State Health Benefits Program (“NJSHBP”)
(Continued)

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission, Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: (1) retired on a disability pension; or (2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or (3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or (4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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.

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. 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 nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 11 POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Plan Description – New Jersey State Health Benefits Program (“NJSHBP”)
(Continued)

The portion of the OPEB Liability that was associated with the Borough recognized is as follows:

December 31 [<i>Measurement Date</i>]	
2018	2017
\$ 8,168,888.00	\$ 9,534,990.00

The proportion of the PERS Net OPEB Liability associated with the Borough's liability is as follows:

December 31 [<i>Measurement Date</i>]	
2018	2017
0.052142 %	0.046704 %

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
	PFRS
	<i>(based on age)</i>
Salary increases: through 2026	1.65 - 8.98%
Thereafter	2.65 - 9.98%

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 11 POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Total Nonemployer OPEB Liability (Continued)

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

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long-term trend rate after eight (8) years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 8.00% and decreases to a 5.0% long-term trend rate after seven (7) years. For prescription drug benefits, the initial trend rate is 8.00% decreasing to a 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

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

June 30, 2018 [<i>Measurement Date</i>]		
At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
\$ 9,584,266	\$ 8,168,888	\$ 7,038,322

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 11 POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

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

June 30, 2018 [<i>Measurement Date</i>]		
1% Decrease	Healthcare Cost Trend Rate	1% Increase
\$ 6,814,162	\$ 8,168,888	\$ 9,922,104

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 – June 30, 2014.

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

For the year ended June 30, 2018, the Borough recognized OPEB expense of \$146,233 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2018 under GASB 75 prior to any reduction due to the Fiscal Year 2020 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	\$ 4,317	
Difference between Expected and Actual Expenses		\$ 1,658,576
Changes in Assumptions		2,072,145
Changes in Proportion	1,081,740	456,986
Sub-total	\$ 1,086,057	\$ 4,187,707

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 11 POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Measurement Period Ending June 30,

2019	\$	(547,173)
2020		(547,173)
2021		(547,173)
2022		(547,629)
2023		(548,366)
Total Thereafter		(988,891)

Pension Plan Fiduciary Net Position

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

Additional Information

Collective balances of the Local Retirement Group are as follows:

	<u>June 30, [Measurement Date]</u>	
	<u>2018</u>	<u>2017</u>
Deferred outflows of resources	\$ 1,943,490,463	\$ 953,985,371
Deferred inflows of resources	5,841,224,248	2,448,925,323
Net OPEB liability	9,452,773,649	11,720,375,604
Total expenses - non-employer	421,637,696	773,385,503
Borough proportionate percentage	0.052142000 %	0.046704000 %

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 11 **POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)**

Additional Information (Continued)

Shown below are details regarding the Collective (Total) OPEB Liability for the measurement period:

	<u>[Measurement Date]</u>	
	<u>2018</u>	<u>2017</u>
	<u>Total OPEB Liability</u>	
Balance as of June 30,	\$ 20,629,044,656	\$ 21,867,849,603
Changes Recognized for the Fiscal Year:		
Service Cost	\$ 896,235,148	\$ 1,064,525,862
Interest on the Total OPEB Liability	764,082,232	648,423,508
Changes of Assumptions	(2,314,240,675)	(2,587,850,974)
Difference between Expected and Actual Expenses	(3,626,384,047)	
Gross Benefit Payments	(421,621,253)	(417,488,848)
Contributions from the Member	<u>53,987,166</u>	<u>53,585,505</u>
Net Changes	\$ (4,647,941,429)	\$ (1,238,804,947)
Balance as of June 30	<u>\$ 15,981,103,227</u>	<u>\$ 20,629,044,656</u>

Changes of assumptions and other inputs reflect a change in the discount rate to 3.87 percent in 2018 from 3.00 percent in 2017. The component of the Net OPEB Collective (Total) Liability is as follows:

	<u>Measurement Date</u>	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB Liability	\$ 15,981,103,227	\$ 20,629,044,656
Plan Fiduciary Net Position	<u>314,485,086</u>	<u>213,255,917</u>
Net OPEB Liability	<u>\$ 15,666,618,141</u>	<u>\$ 20,415,788,739</u>
Net Position		
as a Percentage of OPEB Liability	1.97%	1.03%
Special Funding Situation	\$ 6,213,844,492	\$ 8,695,413,135
Non-special Funding Situation	<u>9,452,773,649</u>	<u>11,720,375,604</u>
	<u>\$ 15,666,618,141</u>	<u>\$ 20,415,788,739</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 11 POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Other

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the Borough. The reporting of these benefits are the responsibility of the individual local Borough. The Borough provides Chapter 88 Reimbursement to certain retirees for the share of Medicare premiums that are withheld from the social security benefits. Amounts paid for the prior three years are as follow:

Year	Number of Employees	Amount
2018	12	\$ 15,142.80
2017	11	13,217.80
2016	9	11,459.20

Employees of which there are fourteen (14) other that will become eligible when they attain Social Security retirement age will also receive the benefits.

Note 12. RISK MANAGEMENT

Property and Liability Insurance

The Borough together with other governmental units is a member of the Monmouth County Municipal Joint Insurance Fund ("JIF"). The JIF, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. In addition, the JIF has obtained cost effective reinsurance and excess liability coverages for participant local units.

For the year ending December 31, 2018, the Fund provided the following types of coverages: Auto, General Liability, Workmen's Compensation, Property, Public Officials Liability, Boiler and Public Official Surety/Dishonesty coverage.

The Borough has contracted with the JIF for coverage and is subject to certain policy limits. The coverage is designed to minimize the impact of any potential losses to the Borough for matters that may have been caused or related to the Borough or its employees.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 12. RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance

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

<u>Year Ended</u> <u>December 31,</u>	<u>Employer</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2018	\$ 60,168.94	\$ 15.52	\$ 33,425.52	\$ 202,665.54
2017	35,000.00	15.52	10,330.39	175,906.60
2016	35,000.00	13.56	18,572.97	151,221.47

Note 13. INTERFUNDS RECEIVABLE AND PAYABLE

Interfunds receivable and payable balances at December 31, 2018 were as follows:

<u>Fund</u>	<u>Interfunds</u> <u>Receivable</u>	<u>Interfunds</u> <u>Payable</u>
Current		\$ 38,375.16
Grant	\$ 31,635.59	
Payroll Trust	4,234.83	
Sewer Utility Operating	275.87	8,108.45
Beach Utility Operating	10,556.00	275.87
Sewar Utility Capital	20.45	
General Captial	36.74	
	<u>\$ 46,759.48</u>	<u>\$ 46,759.48</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 14. SEGMENT INFORMATION FOR UTILITY OPERATING ENTERPRISE FUNDS

The Borough of Bradley Beach maintains enterprise funds that provides sewer to the residents and businesses of the Borough; and the luxuries of a beach town to the residents and tourists visiting the Jersey Shore. Segment information for the year ended December 31, 2018 is as follows:

	<u>Beach Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise (Utility) Fund</u>
Revenue and Other Income Realized:			
Operating Fund Balance Appropriated	\$ 163,557.00	\$ 29,317.00	\$ 192,874.00
Rents	1,650,703.51	2,007,359.43	3,658,062.94
Miscellaneous	<u>82,000.00</u>	<u> </u>	<u>82,000.00</u>
Budget Revenue Totals	1,896,260.51	2,036,676.43	3,932,936.94
Other Credits to Income:			
Nonbudget Revenue	15,556.17	20,616.88	36,173.05
Other Credits to Income	<u>228,172.51</u>	<u>447,142.04</u>	<u> </u>
Total Revenues	<u>\$ 2,139,989.19</u>	<u>\$ 2,504,435.35</u>	<u>\$ 3,969,109.99</u>
Expenditures:			
Operating	\$ 1,600,365.00	1,545,972.00	\$ 3,146,337.00
Capital Improvements	25,000.00	28,000.00	53,000.00
Debt Service	247,973.00	189,991.00	437,964.00
Deferred Charges and Statutory Expenditures	93,000.00	88,084.00	181,084.00
Other Expenses	<u>16,800.04</u>	<u> </u>	<u>16,800.04</u>
Total Expenditures	<u>\$ 1,983,138.04</u>	<u>\$ 1,852,047.00</u>	<u>\$ 3,835,185.04</u>
Excess in Revenue	<u>\$ 156,851.15</u>	<u>\$ 652,388.35</u>	<u>\$ 133,924.95</u>
Statutory Excess in Revenue	\$ 156,851.15	\$ 652,388.35	\$ 133,924.95
Fund Balance, January 1	<u>189,081.15</u>	<u>1,141,483.94</u>	<u>1,330,565.09</u>
	<u>\$ 345,932.30</u>	<u>\$ 1,793,872.29</u>	<u>\$ 2,139,804.59</u>
Decreased by:			
Utilization as Anticipated Revenue	<u>\$ 163,557.00</u>	<u>\$ 29,317.00</u>	<u>\$ 192,874.00</u>
Fund Balance, December 31	<u><u>\$ 182,375.30</u></u>	<u><u>\$ 1,764,555.29</u></u>	<u><u>\$ 1,946,930.59</u></u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 15. **DEFERRED COMPENSATION PLAN**

The Borough of Bradley Beach offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The Plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" modified several provisions of Section 457 of the Internal Revenue Code. The most significant change in the law related to the ownership of the fund. The Deferred Compensation Plan is administered by the Public Employees Benefits Service Company (PEBSCO).

Note 16. **SERVICE AGREEMENT AND REQUIRED RESERVE**

In accordance with the service agreement with the Township of Neptune Sewerage Authority (the "TNSA"), which the Borough assumed in its creation by the Township of Neptune, the Borough remits an additional 2% of its annual obligation to the TNSA. This additional 2% is a reserve held and invested by the TNSA on behalf of the Borough. The 2% reserve payments will be made to the TNSA until the required minimum balance is equal to the next two quarterly payments due to the TNSA.

The total sewer rent reserve increased by interest earned of \$6,366.70 additional excess reserve funded of \$7,664.50 resulting in a total reserve balance at December 31, 2018 to \$394,357.55 which is in the 2018 requirement.

The Rent Reserve on deposit at TNSA is not under the Borough's control nor is the reserve an asset of the Borough and, therefore, is not included on the Borough's Balance Sheet.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 17. CONTINGENT LIABILITIES

A. Accrued Sick Pay

The Borough of Bradley Beach has policies for employees depending on the department and level that they work for are to be compensated for vested rights in unused sick time at retirement. In some cases the sick pay buyout is subject to a maximum amount, depending on the collective bargaining agreement or Borough ordinance. In other cases depending on date of hire the buyout is unlimited. The Liability to employees at December 31, 2018 for retirement purposes is \$1,533,153.01.

The gross potential accrued sick pay liability as of December 31, 2018 for all Borough employees, based on data on file in the Finance Office, is \$1,746,810.34. This amount is not an immediate liability and the likelihood of this amount becoming due and payable at any time in the near future is remote. However, the potential exists that the Borough may have, in the event that an employee is out of work on an extended illness and because of the nature of their position, to temporarily replace the employee, which could result ultimately in additional cost to the Borough. The various funds contain reserves as follows:

<u>Fund</u>	Reserve Balance December 31, <u>2018</u>	2019 Supplemental Budget <u>Appropriation</u>
Current	\$ 6,380.16	\$ 105,000.00
Beach	10,000.00	10,000.00
Sewer	<u>25,000.00</u>	<u>25,000.00</u>
	<u>\$ 41,380.16</u>	<u>\$ 140,000.00</u>

In addition a budget appropriation in 2019 of \$105,000.00 in the Current Fund, \$25,000.00 in Sewer Fund and \$10,000.00 in the Beach Fund have been made to supplement the reserve.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Note 16. CONTINGENT LIABILITIES (CONTINUED)

B. New Jersey State Health Benefits

The Borough is a participant in the New Jersey State Health Benefits Plan (the Plan) for medical coverage for its employees and their families. In 1992, the Plan allowed participating municipalities the option to defer one month's premium payment until such time when the municipality elected to terminate the Plan coverage. The Borough of Spotswood elected to defer the one-month payment and did not provide for twelve payments in the 1992 Municipal Budget. The deferred payment represents a contingent liability of the Borough. The Borough has not terminated its plan coverage as of the date of this report.

C. Litigation

There are no matters of litigation that would, in the result of an adverse outcome, have a material impact on the financial condition of the Borough.

D. Grants

The Borough of Bradley Beach participates in federally, state and county assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

E. Reserve for State Tax Appeals

The Borough has a Reserve for State Tax Appeals at December 31, 2018 of \$45,533.21, which represents an estimate for several tax appeals that are pending for 2018. In the event the appeals are awarded in excess of that amount, then a charge to Fund Balance/(Operations) will be needed.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF THE BOROUGH PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST FIVE (5) FISCAL YEARS

<u>Year</u>	<u>Borough's Proportion of Net Pension Liability</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset)</u>	<u>Borough's Covered Payroll</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2018	0.0000718595 %	\$ 3,559,078	\$ 1,225,981	335.04 %	53.60 %
2017	0.0063186992	4,864,310	1,370,290	400.26	48.09
2016	0.0620000000	6,495,971	1,447,586	433.73	47.92
2015	0.0207789218	4,664,452	1,496,492	430.46	47.92
2014	0.0214926128	4,024,005	1,450,043	231.25	52.08

Note: Only the last five (5) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST FIVE (5) FISCAL YEARS

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Borough's Covered Payroll</u>	<u>Contributions as Percentage of Covered-Payroll</u>
2018	\$ 186,418	\$ 186,418	None	\$ 1,225,981	15.21 %
2017	194,851	194,851	None	1,370,290	15.33
2016	178,643	178,643	None	1,447,586	12.34
2015	177,182	177,182	None	1,496,492	11.89
2014	146,243	146,243	None	1,450,043	10.17

Note: Only the last five (5) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF THE BOROUGH PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST FIVE (5) FISCAL YEARS

<u>Year</u>	<u>Borough's Proportion of Net Pension Liability</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset)</u>	<u>Borough's Covered Payroll</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2018	0.0581118549 %	\$ 7,863,492	\$ 2,042,886	370.24 %	62.48 %
2017	0.0465652435	8,699,893	1,941,266	447.99	58.61
2016	0.0628047965	11,997,323	1,812,205	662.03	47.99
2015	0.0600644022	10,004,636	1,965,177	509.01	52.01
2014	0.0580466027	7,301,724	1,903,614	503.55	58.70

Note: Only the last five (5) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate changed from 6.14% as of June 30, 2017 to 6.51% as of June 30, 2018.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST FIVE (5) FISCAL YEARS

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (excess)</u>	<u>Borough's Covered Payroll</u>	<u>Contributions as Percentage of Covered-Payroll</u>
2018	\$ 498,739	\$ 498,739	None	\$ 2,042,886	24.41 %
2017	512,073	512,073	None	1,941,966	26.37
2016	488,234	488,234	None	1,812,205	26.94
2015	445,838	445,838	None	1,965,177	22.69
2014	413,691	413,691	None	1,903,614	21.73

Note: Only the last five (5) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate changed from 6.14% as of June 30, 2017 to 6.51% as of June 30, 2018.

COMBINING AND INDIVIDUAL FUND AND
ACCOUNT STATEMENTS

CURRENT FUND

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2018 AND 2017

	Balance December 31, <u>2018</u>	Balance December 31, <u>2017</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,796,448.39	\$ 4,986,521.05
Due from State - Veterans and Senior Citizens		10,300.00
Receivables and Other Assets with Full Reserves:		
Tax Receivable	234,337.20	193,569.16
Tax Title Liens Receivable	1,928.47	1,928.47
Revenue Accounts Receivable	9,634.78	13,503.80
Revenue Account Receivable Municipal - Library	2,275.00	
Deferred Charges - Special Emergency	<u>40,000.00</u>	<u>80,000.00</u>
Total Current Fund	<u>\$ 4,084,623.84</u>	<u>\$ 5,285,822.48</u>
Grant Fund:		
Grants Receivable	\$ 25,319.40	\$ 38,900.40
Interfund Receivable - Due from Current Fund	<u>31,635.59</u>	<u>104,552.31</u>
Total Grant Fund	<u>\$ 56,954.99</u>	<u>\$ 143,452.71</u>
Total Assets	<u>\$ 4,141,578.83</u>	<u>\$ 5,429,275.19</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2018 AND 2017

	Balance December 31, <u>2018</u>	Balance December 31, <u>2017</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 458,609.76	\$ 417,964.12
Reserve for Encumbrances	188,171.65	249,039.12
Prepaid Taxes	164,793.38	1,221,786.64
Special Emergency Note	40,000.00	80,000.00
Tax Overpayments	8,560.17	8,836.28
Due County for Added and Omitted Taxes	28,023.20	6,098.82
Due to State of New Jersey:		
DCA/Marriage License Fee	325.00	2,302.00
Various Reserves	116,213.55	162,372.68
Local District School Tax Payable	704,448.00	641,892.00
Interfunds Payable:		
Due to Beach Utility Operating Fund	2,468.00	
Due to Grant Fund	31,635.59	104,552.31
Due to Payroll Fund	4,234.83	1,756.29
Due to Beach Utility Capital Fund		50,375.40
Due to General Capital	36.74	
Due to Municipal Library	5,482.98	
	\$ 1,753,002.85	\$ 2,946,975.66
Reserve for Receivables and Other Assets	248,175.45	209,001.43
Fund Balance	2,083,445.54	2,129,845.39
Total Current Fund	\$ 4,084,623.84	\$ 5,285,822.48
Grant Fund:		
Reserve for Grants:		
Appropriated	\$ 50,954.99	\$ 138,080.23
Unappropriated		3,152.91
Due to Payroll Fund		116.19
Reserve for Encumbrances	6,000.00	2,103.38
Total Grant Fund	\$ 56,954.99	\$ 143,452.71
Total Liabilities, Reserves and Fund Balance	\$ 4,141,578.83	\$ 5,429,275.19

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 997,000.00	\$ 785,000.00
Miscellaneous Revenue Anticipated	917,846.64	1,064,248.97
State Aid	355,290.00	355,290.00
Grants	30,417.39	44,808.71
Receipts from Delinquent Taxes	197,706.96	151,774.00
Amount to be Raised by Taxation for Support of		
Municipal Budget	7,237,337.60	7,250,782.35
Nonbudget Revenue	84,337.33	149,443.71
Other Credits to Income:		
Unexpended Balance of Approp. Res. and Encumbrances	398,874.76	530,759.50
Current Appropriations Canceled	526.63	68,949.14
Prior Year Interfund Liquidation		37.77
Cancellation of Grant		
Appropriated Reserves	38,030.10	174.18
Taxes Allocated to School and County Taxes	<u>9,620,724.11</u>	<u>9,318,906.09</u>
 Total Income	 <u>\$ 19,878,091.52</u>	 <u>\$ 19,720,174.42</u>
 Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	\$ 658,436.00	\$ 639,004.00
Land Use	27,296.00	29,838.00
Code Enforcement	107,987.00	109,840.00
Insurance	1,230,711.00	1,270,867.00
Public Safety	2,716,682.10	2,630,188.00
Public Works	1,165,206.00	1,094,563.00
Health and Human Services	23,710.00	23,710.00
Park and Recreation	194,237.00	184,884.00
Utility Expenses and Bulk Purchases	262,550.00	262,550.00
Deferred Charges and Statutory Expenditures	794,704.00	808,383.00
Uniform Construction Code	101,500.00	99,135.00
Excluded from "CAPS":		
Public Safety	35,000.00	35,000.00
Library	406,777.25	394,588.32
Grants	37,917.39	54,808.71
Capital Improvements	181,061.90	346,753.00
Municipal Debt Service	815,920.00	556,894.28
Deferred Charges	40,000.00	134,583.50
Reserve for Uncollected Taxes	490,349.63	486,663.32

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Expenditures (Continued):		
County Taxes	\$ 3,441,510.91	\$ 3,278,913.27
Due to County for Added and Omitted Taxes:		
2017		331.61
2018	28,023.20	5,767.21
Local District School Taxes	6,151,190.00	6,033,894.00
Miscellaneous Expenditures		223,477.66
Prior Year Senior Citizens' Deductions Disallowed		1,000.00
Refund of Prior Years Revenue	14,446.99	3,130.40
Due From Municipal Library - Advanced	<u>2,275.00</u>	<u> </u>
Total Expenditures	\$ <u>18,927,491.37</u>	\$ <u>18,708,767.28</u>
Excess in Revenue Over Expenditures	\$ 950,600.15	\$ 1,011,407.14
Statutory Excess to Fund Balance	\$ 950,600.15	\$ 1,011,407.14
Fund Balance, January 1	<u>2,129,845.39</u>	<u>1,903,438.25</u>
	\$ 3,080,445.54	\$ 2,914,845.39
Decreased by:		
Utilized as Anticipated Revenue	<u>997,000.00</u>	<u>785,000.00</u>
Fund Balance, December 31	\$ <u><u>2,083,445.54</u></u>	\$ <u><u>2,129,845.39</u></u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	Budget As <u>Modified</u>	Realized	Excess or <u>(Deficit)</u>
Surplus Anticipated	\$ <u>997,000.00</u>	\$ <u>997,000.00</u>	<u> </u>
Miscellaneous:			
Local Revenues:			
Licenses:			
Alcoholic Beverages	\$ 20,000.00	\$ 17,500.00	\$ (2,500.00)
Other	5,143.00	5,043.00	(100.00)
Fees and Permits:	89,256.00	107,328.64	18,072.64
Fines and Costs:			
Municipal Court	275,000.00	217,321.67	(57,678.33)
Interest and Costs on Taxes	34,000.00	39,689.54	5,689.54
Parking Meters	77,000.00	74,663.08	(2,336.92)
Concession Rents	75,859.00	83,277.35	7,418.35
Cable T.V. Franchise Fees	<u>55,853.00</u>	<u>55,853.00</u>	<u> </u>
	\$ <u>632,111.00</u>	\$ <u>600,676.28</u>	\$ <u>(31,434.72)</u>
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	\$ <u>355,290.00</u>	\$ <u>355,290.00</u>	<u> </u>
Dedicated Uniform Construction Code Fees			
Offset with Appropriations:			
Uniform Construction Code Fees	\$ <u>136,000.00</u>	\$ <u>137,532.00</u>	\$ <u>1,532.00</u>
Special Items of Revenue with Prior Consent of Director			
Interlocal Agreements Offset with Appropriations:			
Municipal Court Services - Borough of Avon	\$ <u>35,000.00</u>	\$ <u>35,000.00</u>	<u> </u>
Special Items of Anticipated Revenue with Prior Consent			
of Director - Add. Revenues Offset with Appropriations:			
Code Enforcement Permits	\$ <u>33,000.00</u>	\$ <u>51,889.00</u>	\$ <u>18,889.00</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	Budget As <u>Modified</u>	Realized	Excess or <u>(Deficit)</u>
Special Items of Revenue Offset with Appropriations:			
Clean Communities Program	\$ 12,033.48	\$ 12,033.48	
Alcohol Education and Rehabilitation Fund	321.70	321.70	
Municipal Alliance on Alcoholism & Drug Abuse Funding	10,000.00	10,000.00	
Green Acres Lot Parking Meter Fees	5,231.00	5,231.00	
Bullet Proof Vest	1,946.21	1,946.21	
Body Armor Replacement Fund	<u>885.00</u>	<u>885.00</u>	
	\$ <u>30,417.39</u>	\$ <u>30,417.39</u>	
Special Items of Revenue with Prior Consent of the Director:			
Uniform Fire Safety Act	\$ 2,700.00	\$ 4,164.55	\$ 1,464.55
Cell Tower Rental Fees	51,000.00	54,345.33	3,345.33
Library Payment of Services	2,275.00	2,275.00	
Verizon Franchise Fees	<u>31,964.48</u>	<u>31,964.48</u>	
	\$ <u>87,939.48</u>	\$ <u>92,749.36</u>	\$ <u>4,809.88</u>
Subtotal Miscellaneous Revenue Anticipated	\$ <u>1,309,757.87</u>	\$ <u>1,303,554.03</u>	\$ <u>(6,203.84)</u>
Receipts from Delinquent Taxes	\$ <u>138,300.00</u>	\$ <u>197,706.96</u>	\$ <u>59,406.96</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	\$ 6,438,210.15	\$ 6,830,560.35	\$ 392,350.20
Minimum Library Levy	<u>406,777.25</u>	<u>406,777.25</u>	
	\$ <u>6,844,987.40</u>	<u>7,237,337.60</u>	<u>392,350.20</u>
Budget Totals	\$ 9,290,045.27	\$ 9,735,598.59	\$ 445,553.32
Nonbudget Revenue		<u>84,337.33</u>	<u>84,337.33</u>
	\$ <u>9,290,045.27</u>	\$ <u>9,819,935.92</u>	\$ <u>529,890.65</u>
Detail:			
Adopted Budget	\$ 9,278,011.79		
Added by N.J.S.A. 40A:4-87	<u>12,033.48</u>		
	\$ <u>9,290,045.27</u>		

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>GENERAL GOVERNMENT FUNCTIONS</u>						
General Administration:						
Salaries and Wages	\$ 114,588.00	\$ 114,588.00	\$ 113,087.20		\$ 1,500.80	
Other Expenses	5,200.00	5,200.00	1,625.91	\$ 4.40	3,569.69	
Human Resources:						
Other Expenses	6,500.00	6,500.00	1,138.50		5,361.50	
Mayor and Council:						
Salaries and Wages	14,400.00	14,400.00	14,400.00			
Other Expenses	10,300.00	10,300.00	9,000.42		1,299.58	
Municipal Clerk:						
Salaries and Wages	131,189.00	131,189.00	130,561.65		627.35	
Other Expenses	51,795.00	50,041.75	32,596.89	1,800.38	15,644.48	
Financial Administration:						
Salaries and Wages	75,224.00	75,224.00	74,723.52		500.48	
Other Expenses	34,295.00	34,295.00	27,324.22	6,599.07	371.71	
Audit Services:						
Other Expenses	18,400.00	18,400.00	1,800.00	16,600.00		
Revenue Administration:						
Salaries and Wages	29,331.00	29,331.00	27,529.68		1,801.32	
Other Expenses	18,181.00	18,181.00	10,060.43	1,125.00	6,995.57	
Tax Assessment Administration:						
Salaries and Wages	26,733.00	26,733.00	26,731.92		1.08	
Other Expenses	14,100.00	14,100.00	13,674.97		425.03	
Legal Services:						
Salaries and Wages	58,500.00	56,062.50	56,062.50			
Other Expenses	11,000.00	15,190.75	10,190.75		5,000.00	
Engineering Services and Costs:						
Other Expenses	30,000.00	30,000.00	24,631.25		5,368.75	
Architect Services and Costs:						
Other Expenses	5,000.00	5,000.00	3,025.00		1,975.00	

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>LAND USE ADMINISTRATION</u>						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board:						
Salaries and Wages	\$ 4,080.00	\$ 4,580.00	\$ 4,500.00		\$ 80.00	
Other Expenses	9,873.00	9,373.00	4,321.18	\$ 64.92	4,986.90	
Zoning Board of Adjustment:						
Salaries and Wages	4,080.00	4,580.00	4,500.00		80.00	
Other Expenses	9,263.00	8,763.00	3,955.99	64.90	4,742.11	
<u>CODE ENFORCEMENT AND ADMINISTRATION</u>						
Other Code Enforcement Functions - (Code Enforcement Officer):						
Salaries and Wages	93,772.00	93,772.00	87,971.19		5,800.81	
Other Expenses	14,215.00	14,215.00	8,109.16	1,259.98	4,845.86	
<u>INSURANCE</u>						
Surety Bond Premium		836.00	836.00			
Liability Insurance	94,135.00	94,135.00	94,135.00			
Worker Compensation Insurance	146,608.00	145,772.00	143,007.09		\$ 2,764.91	
Employee Group Insurance	1,009,968.00	979,968.00	890,201.11	55,837.72	33,929.17	
Unemployment Insurance	10,000.00	10,000.00	10,000.00			
<u>PUBLIC SAFETY FUNCTIONS</u>						
Police:						
Salaries and Wages	2,136,011.00	2,067,949.10	2,062,429.57		5,519.53	
Other Expenses	122,993.00	122,993.00	96,620.57	16,931.88	9,440.55	
Police Dispatch/911:						
Salaries and Wages	151,743.00	151,743.00	140,839.59		10,903.41	
Other Expenses	3,600.00	3,600.00	1,150.24	1,181.31	1,268.45	
Office of Emergency Management:						
Salaries and Wages	8,000.00	8,000.00	5,120.00		2,880.00	
Other Expenses	5,000.00	5,000.00	2,187.22	76.49	2,736.29	
Aid to Volunteer Ambulance Company	30,000.00	30,000.00	30,000.00			

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>PUBLIC SAFETY FUNCTIONS (CONTINUED)</u>						
Fire:						
Salaries and Wages	\$ 3,000.00	\$ 3,000.00			\$ 3,000.00	
Other Expenses	102,390.00	102,390.00	\$ 54,972.47	\$ 14,731.17		32,686.36
Fire Hydrants:						
Other Expenses	37,500.00	37,500.00	32,201.28	2,944.00		2,354.72
Fire Prevention Bureau:						
Salaries and Wages	36,322.00	36,322.00	31,781.19			4,540.81
Other Expenses	3,425.00	3,425.00	2,125.00			1,300.00
Municipal Prosecutor:						
Salaries and Wages	17,340.00	17,340.00	17,340.00			
Municipal Court:						
Salaries and Wages	104,220.00	104,220.00	103,686.00			534.00
Other Expenses	9,600.00	9,600.00	6,677.04	887.54		2,035.42
Public Defender:						
Salaries and Wages	13,600.00	13,600.00		900.00		12,700.00
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repair and Maintenance:						
Salaries and Wages	622,552.00	610,552.00	566,836.04			43,715.96
Other Expenses	117,820.00	117,820.00	96,145.40	3,903.95		17,770.65
Solid Waste Collection:						
Garbage and Trash Removal:						
Other Expenses	136,200.00	178,200.00	156,933.17	16,634.06		4,632.77
Recycling (P.L. 1987 Ch. 74):						
Salaries and Wages	6,840.00	6,840.00	6,732.00			108.00
Buildings and Grounds:						
Salaries and Wages	21,644.00	21,644.00	21,132.82			511.18
Other Expenses	99,400.00	99,400.00	80,469.77	825.55		18,104.68

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>PUBLIC WORKS FUNCTIONS (CONTINUED)</u>						
Vehicle Maintenance:						
Other Expenses	\$ 106,000.00	\$ 118,000.00	\$ 111,786.78	\$ 4,342.36	\$ 1,870.86	
Community Services Act:						
Other Expenses	11,000.00	11,000.00	7,750.00		3,250.00	
Safety Regulators Coordinator	500.00	500.00	499.92		0.08	
Hepatitis "B" Immunization	1,250.00	1,250.00	1,144.00		106.00	
<u>HEALTH AND HUMAN SERVICES FUNCTIONS</u>						
Environmental Commission:						
Other Expenses	2,500.00	2,500.00	2,500.00			
Animal Control Services:						
Other Expenses	12,710.00	12,710.00	11,649.00	782.00	279.00	
Contribution to Social Services Agencies:						
Other Expenses	8,500.00	8,500.00	6,045.00	1,705.00	750.00	
<u>PARK AND RECREATION FUNCTIONS</u>						
Recreation:						
Salaries and Wages	76,767.00	76,767.00	75,438.13		1,328.87	
Other Expenses	46,620.00	46,620.00	29,084.25	558.60	16,977.15	
Celebration of Public Events:						
Salaries and Wages	250.00	250.00			250.00	
Other Expenses	17,050.00	17,050.00	14,705.08		2,344.92	
Maintenance of Parks:						
Salaries and Wages	5,000.00	5,000.00	5,000.00			
Other Expenses	33,350.00	33,350.00	30,998.39	53.25	2,298.36	
Senior Citizens Contribution:						
Other Expenses	1,200.00	1,200.00	1,200.00			
Arts at the Beach:						
Other Expenses	8,000.00	8,000.00	7,998.40		1.60	
Historical Museum Contribution:						
Other Expenses	1,000.00	1,000.00	939.08		60.92	
Tourism:						
Salaries and Wages	5,000.00	5,000.00	3,600.01		1,399.99	

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Electricity	\$ 50,000.00	\$ 50,000.00	\$ 44,300.68		\$ 5,699.32	
Street Lighting	80,000.00	67,000.00	65,407.20		1,592.80	
Telephone	25,000.00	25,000.00	22,252.08		2,747.92	
Heat - Gas	32,000.00	32,000.00	22,439.51		9,560.49	
Gasoline	35,000.00	48,000.00	42,009.78	\$ 887.68	5,102.54	
Telecommunication Costs	21,550.00	21,550.00	6,794.71	1,214.11	13,541.18	
Water	19,000.00	19,000.00	13,208.02	608.96	5,183.02	
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>						
<u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u>						
Construction Code Department:						
Salaries and Wages	93,290.00	93,290.00	92,320.23		969.77	
Other Expenses	8,210.00	8,210.00	3,960.70	982.11	3,267.19	
Total Operations within "CAPS"	6,540,677.00	6,484,615.10	5,968,111.85	153,506.39	362,996.86	
<u>CONTINGENT</u>	3,700.00	3,700.00			3,700.00	
Total Operations Including Contingent - within "CAPS"	\$ 6,544,377.00	\$ 6,488,315.10	\$ 5,968,111.85	\$ 153,506.39	\$ 366,696.86	
Detail:						
Salaries and Wages	\$ 3,853,476.00	\$ 3,771,976.60	\$ 3,668,723.23	\$ 900.00	\$ 98,753.36	
Other Expenses (Including Contingent)	2,690,901.00	2,716,338.50	2,299,388.62	152,606.39	267,943.50	
<u>DEFERRED CHARGES AND REGULATORY EXPENDITURES -</u>						
<u>MUNICIPAL WITHIN "CAPS"</u>						
REGULATORY Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 135,717.00	\$ 135,717.00	\$ 133,937.00		\$ 1,780.00	
Social Security System (O.A.S.I.)	149,022.00	149,022.00	145,553.90		3,468.10	
Consolidated Police and Firemen's Pension Fund	11,026.00	11,026.00	11,026.00			

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>DEFERRED CHARGES AND REGULATORY EXPENDITURES -</u>						
<u>MUNICIPAL WITHIN "CAPS" (CONTINUED)</u>						
REGULATORY Expenditures (Continued):						
Police and Firemen's Retirement System of N.J.	\$ 498,739.00	\$ 498,739.00	\$ 498,739.00			
Administrative Fees (PFRS)	200.00	200.00	88.42		\$ 111.58	
	<u> </u>	<u> </u>	<u> </u>			
Total Deferred Charges and Regulatory Expenditures - Municipal within "CAPS"	\$ 794,704.00	\$ 794,704.00	\$ 789,344.32		\$ 5,359.68	
	<u> </u>	<u> </u>	<u> </u>			
Total General Appropriations for Municipal Purposes within "CAPS"	\$ 7,339,081.00	\$ 7,283,019.10	\$ 6,757,456.17	\$ 153,506.39	\$ 372,056.54	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Other Operations - Excluded from "CAPS":						
Maintenance of Free Public Library	\$ 406,777.25	\$ 406,777.25	\$ 358,235.08	2,851.86	\$ 45,690.31	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
Interlocal Municipal Service Agreements:						
Municipal Court Services - Borough of Avon	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00			
	<u> </u>	<u> </u>	<u> </u>			
Public and Private Programs Offset by Revenues:						
Alliance to Prevent Alcoholism and Drug Abuse						
Grant	10,000.00	10,000.00	10,000.00			
Match	2,500.00	2,500.00	2,500.00			
Bullet Proof Vest	885.00	885.00	885.00			
Clean Communities Grant	12,033.48	12,033.48	12,033.48			
Municipal Court Alcohol Education	321.70	321.70	321.70			
Matching Funds for Grant Programs	5,000.00	5,000.00			5,000.00	
Green Acres Lot, Parking Meters, Parks and Playgrounds	5,231.00	5,231.00	5,231.00			
Body Armor Replacement	1,946.21	1,946.21	1,946.21			
	<u> </u>	<u> </u>	<u> </u>			
Total Public and Private Programs Offset by Revenues	\$ 37,917.39	\$ 37,917.39	\$ 32,917.39		\$ 5,000.00	
	<u> </u>	<u> </u>	<u> </u>		<u> </u>	

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
Total Operations - Excluded from "CAPS"	\$ 479,694.64	\$ 479,694.64	\$ 426,152.47	\$ 2,851.86	\$ 50,690.31	
Detail:						
Other Expenses	\$ 479,694.64	\$ 479,694.64	426,152.47	\$ 2,851.86	\$ 50,690.31	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 44,000.00	\$ 44,000.00	\$ 44,000.00			
Paving North End DPW Lot	60,000.00	60,000.00	12,323.69	\$ 31,813.40	\$ 15,862.91	
Installation of Diesel Fuel Truck	10,000.00	10,000.00			10,000.00	
Upgrade to Public Safety Station	10,000.00	10,000.00			10,000.00	
Reserve for Acquisition of Police SUV	1,000.00	57,061.90	57,061.90	-		
Total Capital Improvements Excluded from "CAPS"	\$ 125,000.00	\$ 181,061.90	\$ 113,385.59	\$ 31,813.40	\$ 35,862.91	
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 375,000.00	\$ 375,000.00	\$ 375,000.00			
Payment of Bond Anticipation Notes and Capital Notes	73,000.00	73,000.00	73,000.00			
Interest on Bonds	147,050.00	147,050.00	147,050.00			
Interest on Notes	13,080.00	13,080.00	12,931.13			\$ 148.87
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	24,471.00	24,471.00	24,364.48			106.52
Capital Lease Obligations:						
Principal	154,000.00	154,000.00	154,000.00			
Interest	29,319.00	29,319.00	29,047.76			271.24
Total Municipal Debt Service - Excluded from "CAPS"	\$ 815,920.00	\$ 815,920.00	\$ 815,393.37			\$ 526.63

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</u>						
Special Emergency Authorizations - Revaluation 5 Years (N.J.S. 40A:4-53)	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 1,460,614.64	\$ 1,516,676.54	\$ 1,394,931.43	\$ 34,665.26	\$ 86,553.22	\$ 526.63
Total General Appropriations - Excluded from "CAPS"	\$ 1,460,614.64	\$ 1,516,676.54	\$ 1,394,931.43	\$ 34,665.26	\$ 86,553.22	\$ 526.63
Subtotal General Appropriations	\$ 8,799,695.64	\$ 8,799,695.64	\$ 8,152,387.60	\$ 188,171.65	\$ 458,609.76	\$ 526.63
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>490,349.63</u>	<u>490,349.63</u>	<u>490,349.63</u>			
Total General Appropriations	\$ <u>9,290,045.27</u>	\$ <u>9,290,045.27</u>	\$ <u>8,642,737.23</u>	\$ <u>188,171.65</u>	\$ <u>458,609.76</u>	\$ <u>526.63</u>
Detail:						
Adopted Budget		\$ 9,278,011.79				
Added by N.J.S.A. 40A:4-87		<u>12,033.48</u>				
		\$ <u>9,290,045.27</u>				

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Year	Balance	Tax Levy	Added	Collections		State Share Senior Citizens and Veterans Deductions Allowed	Balance
	December 31, 2017			2017	2018		December 31, 2018
2017	\$ 193,569.16		\$ 4,137.80		\$ 197,706.96		
2018		\$ 16,602,049.28		\$ 1,217,092.16	15,126,193.21	\$ 24,426.71	\$ 234,337.20
	\$ 193,569.16	\$ 16,602,049.28	\$ 4,137.80	\$ 1,217,092.16	\$ 15,323,900.17	\$ 24,426.71	\$ 234,337.20

Analysis of Amount to be Raised by Taxation - Municipal Purposes (B-1):

Collections in 2018 for 2018	\$ 15,126,193.21
Collections in 2017 for 2018	1,217,092.16
Senior Citizens and Veterans Deductions	<u>24,426.71</u>
	\$ 16,367,712.08
Less: Taxes Allocated to School and County Taxes	9,620,724.11
Add: Reserve for Uncollected Taxes	<u>490,349.63</u>
	<u>\$ 7,237,337.60</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

ANALYSIS OF 2018 PROPERTY TAX LEVY

Tax Yield:	
General Purpose Tax	\$ 16,426,907.68
Added Taxes (54:4-63.1 et. seq.)	160,310.95
Other	<u>14,830.65</u>
	<u>\$ 16,602,049.28</u>

TAX LEVY

Local School District Tax:	
Levy School Year July 1, 2018 to June 30, 2019	\$ 6,151,190.00
County Taxes:	
County Tax	\$ 3,043,579.07
County Open Space Tax	337,540.59
County Health Tax	60,391.25
Due County for Added Taxes	<u>28,023.20</u>
	<u>3,469,534.11</u>
Total County Taxes	\$ 9,620,724.11
Local Tax for Municipal Purposes	\$ 6,438,210.15
Local Tax for Municipal Library Purposes	406,777.25
Additional Tax Levied	<u>136,337.77</u>
Total Local Tax for Municipal Purposes Levied	<u>6,981,325.17</u>
Total Tax Levy	<u>\$ 16,602,049.28</u>
 <u>2017 ADDED TAXES</u>	
6% Penalty Added	<u>\$ 4,137.80</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAX TITLE LIENS RECEIVABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

BALANCE, DECEMBER 31, 2017

AND

BALANCE, DECEMBER 31, 2018

\$ 1,928.47

(There was no change during the year)

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF DEFERRED CHARGES

<u>Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance December 31, 2017</u>	<u>Decreased in 2018</u>	<u>Balance December 31, 2018</u>
11/12/2014	Special Emergency Authorization (N.J.S.A. 40A:4-53) - Revaluation	\$ 200,000.00	\$ 40,000.00	\$ <u>80,000.00</u>	\$ <u>40,000.00</u>	\$ <u>40,000.00</u>
				\$ <u><u>80,000.00</u></u>	\$ <u><u>40,000.00</u></u>	\$ <u><u>40,000.00</u></u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	Balance December 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserve	Reserve for Encumbrance			
<u>GENERAL GOVERNMENT FUNCTIONS</u>					
General Administration:					
Salaries and Wages	\$ 576.27		\$ 576.27		\$ 576.27
Other Expenses	892.84	\$ 250.80	1,143.64	\$ 250.80	892.84
Human Resources:					
Other Expenses	1,071.00	429.00	1,500.00	429.00	1,071.00
Mayor and Council:					
Other Expenses	129.51	46.82	176.33	46.82	129.51
Municipal Clerk:					
Salaries and Wages	2,945.95		2,945.95		2,945.95
Other Expenses	12,931.91	5,161.94	18,093.85	5,234.02	12,859.83
Financial Administration:					
Salaries and Wages	8,583.14		8,583.14		8,583.14
Other Expenses	4,451.05	642.42	5,093.47	1,454.35	3,639.12
Audit Services:					
Other Expenses	15,125.00		15,125.00	14,925.00	200.00
Revenue Administration:					
Salaries and Wages	1,033.28		1,033.28		1,033.28
Other Expenses	8,219.39	855.00	9,074.39	1,500.00	7,574.39
Tax Assessment Administration:					
Salaries and Wages	21.65		21.65		21.65
Other Expenses	13,121.97	11.51	13,133.48	12,798.50	334.98
Legal Services:					
Other Expenses	481.25		481.25	481.25	
Engineering Services and Costs:					
Other Expenses	472.50		472.50	472.50	
Architect Services and Costs:					
Other Expenses	3,475.83		3,475.83	3,475.83	
<u>LAND USE ADMINISTRATION</u>					
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	146.32		146.32		146.32
Other Expenses	3,276.03	280.64	3,556.67	542.94	3,013.73
Zoning Board of Adjustment:					
Salaries and Wages	146.33		146.33		146.33
Other Expenses	3,211.51	66.33	3,277.84	2,770.33	507.51

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	<u>Balance</u> <u>December 31, 2017</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserve</u>	<u>Reserve for</u> <u>Encumbrance</u>	<u>After</u> <u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
<u>CODE ENFORCEMENT AND ADMINISTRATION</u>					
Other Code Enforcement Functions (Code Enforcement Officer):					
Salaries and Wages	\$ 10,423.55		\$ 10,423.55		\$ 10,423.55
Other Expenses	2,721.02	\$ 1,967.05	4,688.07	\$ 2,403.22	2,284.85
<u>INSURANCE</u>					
Worker Compensation Insurance	4,806.64		4,806.64		4,806.64
Employee Group Insurance	65,177.98	70,873.07	136,051.05	54,223.20	81,827.85
<u>PUBLIC SAFETY FUNCTIONS</u>					
Police:					
Salaries and Wages	6,373.27		6,373.27		6,373.27
Other Expenses	5,389.27	14,196.14	19,585.41	11,878.57	7,706.84
Police Dispatch/911:					
Salaries and Wages	326.55		326.55		326.55
Other Expenses	1,412.19	2,043.93	3,456.12	1,992.83	1,463.29
Office of Emergency Management:					
Salaries and Wages	1,600.00		1,600.00		1,600.00
Other Expenses	3,993.85		3,993.85		3,993.85
Fire:					
Salaries and Wages	3,496.00	204.00	3,700.00	204.00	3,496.00
Other Expenses	25,331.64	32,910.02	58,241.66	49,584.55	8,657.11
Fire Hydrants:					
Other Expenses	2,863.20	5,772.80	8,636.00	5,772.80	2,863.20
Fire Prevention Bureau:					
Salaries and Wages	12.79		12.79		12.79
Other Expenses	752.05	500.00	1,252.05	500.00	752.05
Municipal Court:					
Salaries and Wages					
Other Expenses	496.61	1,071.00	1,567.61	1,071.00	496.61
Public Defender:					
Salaries and Wages	13,600.00		13,600.00		13,600.00

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	Balance December 31, 2017		Balance After	Paid or	Balance
	<u>Reserve</u>	<u>Reserve for Encumbrance</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
<u>PUBLIC WORKS FUNCTIONS</u>					
Road Repair and Maintenance:					
Salaries and Wages	\$ 13,088.22		\$ 13,088.22		\$ 13,088.22
Other Expenses	8,625.39	\$ 16,948.40	25,573.79	\$ 17,207.68	8,366.11
Solid Waste Collection:					
Garbage and Trash Removal:					
Other Expenses	5,410.11	38,798.76	44,208.87	8,221.30	35,987.57
Recycling (P.L. 1987 Ch. 74):					
Salaries and Wages	45.00		45.00		45.00
Buildings and Grounds:					
Salaries and Wages	767.17		767.17		767.17
Other Expenses	1,349.83	6,427.17	7,777.00	4,745.39	3,031.61
Vehicle Maintenance:					
Other Expenses	409.43	4,383.24	4,792.67	4,528.24	264.43
Community Services Act:					
Other Expenses	7,250.00		7,250.00	3,000.00	4,250.00
Safety Regulators Coordinator	0.08		0.08		0.08
Hepatitis "B" Immunization	1,250.00		1,250.00		1,250.00
<u>HEALTH AND HUMAN SERVICES FUNCTIONS</u>					
Environmental Commission:					
Other Expenses	265.00	1,900.00	2,165.00		2,165.00
Animal Control Services:					
Other Expenses		2,120.00	2,120.00	2,118.00	2.00
Contribution to Social Services Agencies:					
Other Expenses		2,765.00	2,765.00	1,860.00	905.00
<u>PARK AND RECREATION FUNCTIONS</u>					
Recreation:					
Salaries and Wages	2,624.88		2,624.88		2,624.88
Other Expenses	3,525.73	1,806.25	5,331.98	800.00	4,531.98
Celebration of Public Events:					
Salaries and Wages	250.00		250.00		250.00
Other Expenses	3,381.45	835.09	4,216.54	938.47	3,278.07

**BOROUGH OF BRADLEY BEACH
 CURRENT FUND
 STATEMENT OF 2017 APPROPRIATION RESERVES
 YEAR ENDED DECEMBER 31, 2018**

	Balance December 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Reserve</u>	<u>Reserve for Encumbrance</u>			
<u>PARK AND RECREATION FUNCTIONS (CONTINUED)</u>					
Maintenance of Parks:					
Salaries and Wages					
Other Expenses	\$ 9,848.94	\$ 3,422.18	\$ 13,271.12	\$ 3,023.18	\$ 10,247.94
Historical Museum Contribution:					
Other Expenses	399.95		399.95		399.95
Tourism:					
Salaries and Wages	3,066.66		3,066.66		3,066.66
<u>UTILITY EXPENSES AND BULK PURCHASES</u>					
Electricity	2,937.89		2,937.89		2,937.89
Street Lighting	2,636.90	9,831.65	12,468.55	9,831.65	2,636.90
Telephone	465.39	3,658.47	4,123.86	1,478.47	2,645.39
Heat - Gas	9,988.53	2,696.46	12,684.99	2,696.46	9,988.53
Gasoline		121.58	121.58		121.58
Telecommunication Costs	3,491.25		3,491.25		3,491.25
Water	3,375.01	1,290.71	4,665.72	1,290.71	3,375.01
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>					
<u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u>					
Construction Code Department:					
Salaries and Wages	971.62		971.62		971.62
Other Expenses	913.06	2,741.61	3,654.67	3,654.67	
<u>CONTINGENT</u>	3,700.00		3,700.00		3,700.00
<u>DEFERRED CHARGES AND REGULATORY EXPENDITURES -</u>					
<u>MUNICIPAL WITHIN "CAPS"</u>					
Regulatory Expenditures:					
Contribution to:					
Public Employees' Retirement System	0.08		0.08		0.08
Social Security System (O.A.S.I.)	9,833.55		9,833.55	7,413.52	2,420.03
Consolidated Police and Firemen's Pension Fund	0.16		0.16		0.16
Administrative Fees (PFRS)	29.23		29.23		29.23

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	<u>Balance</u> <u>December 31, 2017</u>		<u>Balance</u> <u>After</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Reserve</u>	<u>Reserve for</u> <u>Encumbrance</u>	<u>Transfers</u>		
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
Other Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	\$ 5,482.98		\$ 5,482.98	\$ 5,482.98	
Interlocal Municipal Service Agreement:					
Municipal Court Services- Borough of Avon	8,647.80		8,647.80		\$ 8,647.80
Public and Private Programs Offset by Revenues:					
Matching Funds for Grant Programs	5,000.00		5,000.00		5,000.00
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Improvements to Sylvan Lake	48,000.00		48,000.00		48,000.00
Acquisition of DPW Generator	13,000.00		13,000.00		13,000.00
Cushman and Gator Equipment	838.46		838.46		838.46
Office Furniture - Borough Hall	7,050.62		7,050.62	6,920.00	130.62
Acquisition of Garbage Truck		\$ 8,500.00	8,500.00	8,500.00	
Beach Front Foundation Repairs	954.41	3,510.08	4,464.49	2,406.25	2,058.24
	<u>954.41</u>	<u>3,510.08</u>	<u>4,464.49</u>	<u>2,406.25</u>	<u>2,058.24</u>
Total	<u>\$ 417,964.12</u>	<u>\$ 249,039.12</u>	<u>\$ 667,003.24</u>	<u>\$ 268,128.48</u>	<u>\$ 398,874.76</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>BALANCE, DECEMBER 31, 2017</u>		
School Taxes Payable	\$ 641,892.00	
Deferred School Taxes	<u>2,576,184.00</u>	\$ 3,218,076.00
 <u>INCREASED BY</u>		
Levy - School Year July 1, 2018 to June 30, 2019		<u>6,151,190.00</u>
		9,369,266.00
 <u>DECREASED BY</u>		
Cash Disbursed		<u>6,088,634.00</u>
 <u>BALANCE, DECEMBER 31, 2018</u>		
School Taxes Payable	\$ 704,448.00	
Deferred School Taxes	<u>2,576,184.00</u>	<u>\$ 3,280,632.00</u>
 <u>2018 LIABILITY FOR LOCAL DISTRICT SCHOOL TAX</u>		
2018 School Taxes Paid		\$ 6,088,634.00
Less: School Taxes Payable, December 31, 2017		<u>641,892.00</u>
		\$ 5,446,742.00
 Add: School Taxes Payable, December 31, 2018		<u>704,448.00</u>
 <u>AMOUNT CHARGED TO OPERATIONS</u>		<u>\$ 6,151,190.00</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
AS OF DECEMBER 31, 2018 AND 2017

	December 31,	
	<u>2018</u>	<u>2017</u>
Reserve for:		
State Tax Appeals	\$ 45,533.25	\$ 23,467.50
Green Acres Parking Rec.	1,555.00	1,555.00
Revaluation	13,856.00	22,739.00
Compensated Absences	6,380.16	65,722.04
Snow Removal	13,397.67	13,397.67
Special Emergency Sandy	30,115.67	30,115.67
Fire Department	1,023.09	1,023.09
Deposit on Bids	115.00	115.00
Off-Duty Police Services	4,237.71	4,237.71
	<u>\$ 116,213.55</u>	<u>\$ 162,372.68</u>

BOROUGH OF BRADLEY BEACH
GRANT FUND
STATEMENT OF GRANTS RECEIVABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>Grant</u>	Balance December 31, <u>2,017</u>	2018 Budget Revenue <u>Realized</u>	Added By N.J.S.A. <u>40A:4-87</u>	<u>Receipt</u>	<u>Canceled</u>	Balance December 31, <u>2018</u>
State:						
Alcohol Education and Rehabilitation Fund		\$ 321.70		\$ 321.70		
Clean Communities Grant			\$ 12,033.48	12,033.48		
Alliance to Prevent Alcoholism and Drug Abuse:						
2015	\$ 13,361.00				\$ 13,361.00	
2016	3,420.00				3,420.00	
2017	19,119.40			6,800.00		\$ 12,319.40
2018		10,000.00				10,000.00
Green Acres Parking Lot Meters		5,231.00		5,231.00		
Bullet Proof Vests		1,946.21		1,946.21		
Body Worn Camera	3,000.00					3,000.00
Body Armor Replacement Program		885.00		885.00		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total State Grants Receivable	\$ <u>38,900.40</u>	\$ <u>18,383.91</u>	\$ <u>12,033.48</u>	\$ <u>27,217.39</u>	\$ <u>16,781.00</u>	\$ <u>25,319.40</u>
 Total Grants Receivable	 <u>\$ 38,900.40</u>	 <u>\$ 18,383.91</u>	 <u>\$ 12,033.48</u>	 <u>\$ 27,217.39</u>	 <u>\$ 16,781.00</u>	 <u>\$ 25,319.40</u>
Detail:						
Cash Receipt				\$ 23,588.77		
Transfer from Unappropriated Reserves				<u>3,628.62</u>		
				<u>\$ 27,217.39</u>		

BOROUGH OF BRADLEY BEACH
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Balance December 31, <u>2,017</u>	Transferred from 2018 Budget <u>Appropriations</u>	Cash <u>Disbursed</u>	Reserve for Encumbrances/ <u>(Canceled)</u>	<u>Canceled</u>	Balance December 31, <u>2,018</u>
State:						
Drunk Driving Enforcement Fund						
2013	\$ 655.95		\$ 600.23			\$ 55.72
2015	2,004.54					2,004.54
2016	5,268.23					5,268.23
2017	3,386.89					3,386.89
Alcohol Education and Rehabilitation Fund						
2013	45.90		45.90			-
2015	530.40		275.80			254.60
2016	241.73					241.73
2018		\$ 321.70				321.70
Bullet Proof Vest Program	1,395.56		885.00			510.56
Bullet Proof Vest 2018		1,946.21				1,946.21
Fletcher Lake - Phase I	5,745.00					5,745.00
Green Acres Lot Parking Meter Fees:						
2009	7,885.00		7,755.00			130.00
2010	4,817.16		4,817.16			
2011	19.75		19.75			
2012	2,234.87		2,234.87			
2013	2,639.83		2,639.83			
2014	1,055.95		1,055.95			
2015	415.86		415.86			
2016	9,119.00		6,775.27			2,343.73
2017	7,212.82		5,351.75			1,861.07
2018		5,231.00	140.68			5,090.32
Alliance to Prevent Alcoholism and Drug Abuse:						
Grant Portion						
2015	10,000.00				\$ 10,000.00	
2016	9,197.34				9,197.34	
2017	20,000.00		6,800.00			13,200.00
2018		10,000.00	5,200.00	\$ 4,800.00		

BOROUGH OF BRADLEY BEACH
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Balance December 31, <u>2,017</u>	Transferred from 2018 Budget <u>Appropriations</u>	Cash <u>Disbursed</u>	Reserve for Encumbrances/ <u>(Canceled)</u>	<u>Canceled</u>	Balance December 31, <u>2,018</u>
State (continued)						
Alliance to Prevent Alcoholism and Drug Abuse: (Continued)						
Matching Portion						
2012	\$ 1,420.69				\$ 1,420.69	
2013	2,013.83				2,013.83	
2014	1,897.16				1,897.16	
2015	598.31				598.31	
2016	2,314.20				2,314.20	
2017	5,000.00					\$ 5,000.00
2018		\$ 2,500.00	\$ 1,300.00	\$ 1,200.00		
Clean Communities - 2017	12,571.71				12,571.71	
Clean Communities Grant- 2018		12,033.48	12,033.48			
NJ Clean Communities Program	14,797.86				14,797.86	
NJ Corporation Wetlands Restoration	452.78					452.78
NJ Corporation Wetlands Restoration - 2013	141.91					141.91
Body Armor Replacement Program - 2018		885.00	885.00			-
Body Worn Camera	<u>3,000.00</u>					<u>3,000.00</u>
	<u>\$ 138,080.23</u>	<u>\$ 32,917.39</u>	<u>\$ 59,231.53</u>	<u>\$ 6,000.00</u>	<u>\$ 54,811.10</u>	<u>\$ 50,954.99</u>
	<u>\$ 138,080.23</u>	<u>\$ 32,917.39</u>	<u>\$ 59,231.53</u>	<u>\$ 6,000.00</u>	<u>\$ 54,811.10</u>	<u>\$ 50,954.99</u>
Detail:						
Adopted Budget		\$ 18,383.81				
Added by N.J.S.A. 40A:4-87		12,033.48				
Matching Portion		<u>2,500.00</u>				
		<u>\$ 32,917.29</u>				
Canceled Grants Receivable (B-10):						\$ 16,781.00
Canceled Grant Appropriation Reserves (B-1):						<u>54,811.10</u>
						<u>\$ 38,030.10</u>

BOROUGH OF BRADLEY BEACH
GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>Grant</u>	Balance December 31, <u>2,017</u>	Transferred to 2018 Budget <u>Revenue</u>
State:		
Bullet Proof Vest	\$ 885.00	\$ 885.00
Alcohol Education and Rehabilitation Program	321.70	321.70
Body Armor Replacement Program	<u>1,946.21</u>	<u>1,946.21</u>
	<u>\$ 3,152.91</u>	<u>\$ 3,152.91</u>

TRUST AND AGENCY FUNDS

BOROUGH OF BRADLEY BEACH
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2018 AND 2017

	<u>Payroll</u>		<u>Animal Control</u>		<u>Other</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 13,588.12	\$ 14,814.98	\$ 4,514.65	\$ 5,070.41	\$ 694,993.20	\$ 592,219.83
Interfund Receivable:						
Due from Current Fund	4,234.83	1,756.29				
Due from Grant Fund		116.19				
Other Receivable					283.00	62.50
Total Assets	<u>\$ 17,822.95</u>	<u>\$ 16,687.46</u>	<u>\$ 4,514.65</u>	<u>\$ 5,070.41</u>	<u>\$ 695,276.20</u>	<u>\$ 592,282.33</u>
<u>LIABILITIES AND RESERVES</u>						
Other Liabilities and Reserves:						
Reserve for New Jersey Unemployment Compensation					\$ 202,649.62	\$ 175,906.60
Payroll Deductions Payable	\$ 17,822.95	\$ 16,687.46				
Various Reserves			\$ 4,514.65	\$ 4,529.76	492,626.58	416,375.73
Reserve for Encumbrances				540.65		
Total Liabilities and Reserves	<u>\$ 17,822.95</u>	<u>\$ 16,687.46</u>	<u>\$ 4,514.65</u>	<u>\$ 5,070.41</u>	<u>\$ 695,276.20</u>	<u>\$ 592,282.33</u>

BOROUGH OF BRADLEY BEACH
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2018 AND 2017

	<u>Public Assistance</u>		<u>Tourism</u>		<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 4,889.88	\$ 4,889.88	\$ 11,642.72	\$ 5,910.99	\$ 729,628.57	\$ 622,906.09
Interfund Receivable:						
Due from Current Fund					4,234.83	1,756.29
Due from Grant Fund						116.19
Other Receivable					283.00	62.50
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 4,889.88</u>	<u>\$ 4,889.88</u>	<u>\$ 11,642.72</u>	<u>\$ 5,910.99</u>	<u>\$ 734,146.40</u>	<u>\$ 624,841.07</u>
<u>LIABILITIES AND RESERVES</u>						
Other Liabilities and Reserves:						
Reserve for New Jersey Unemployment Compensation					\$ 202,649.62	\$ 175,906.60
Payroll Deductions Payable					17,822.95	16,687.46
Various Reserves	\$ 4,889.88	\$ 4,889.88	\$ 11,642.72	\$ 5,910.99	513,673.83	431,706.36
Reserve for Encumbrances						540.65
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Reserves	<u>\$ 4,889.88</u>	<u>\$ 4,889.88</u>	<u>\$ 11,642.72</u>	<u>\$ 5,910.99</u>	<u>\$ 734,146.40</u>	<u>\$ 624,841.07</u>

BOROUGH OF BRADLEY BEACH
TRUST FUND
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE/(RECEIVABLE)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Balance December 31, <u>2017</u>	Increased By <u>Receipts</u>	Decreased By <u>Disbursements</u>	Balance December 31, <u>2018</u>
Federal Withholding Tax		\$ 558,238.22	\$ 558,238.22	
Social Security and Medicare Tax		523,605.39	523,605.39	
Police and Firemen's Retirement System	\$ 9,390.04	206,774.70	205,531.65	\$ 10,633.09
Police and Firemen's Retirement System Back Pension	1,803.70		2,165.40	(361.70)
Police and Firemen's Retirement System Contributory	(40.46)	5,099.46	5,099.46	(40.46)
Police and Firemen's Retirement System Loans	(11.96)	62,958.20	62,023.16	923.08
Public Employees Retirement System	4,512.93	119,893.30	120,589.15	3,817.08
Public Employees Back Deduction	1,490.64	7,882.06	7,687.94	1,684.76
Public Employees Retirement System Loans	(397.90)	46,353.64	45,326.84	628.90
Public Employees Retirement System Contributory Insurance	(105.04)	7,835.29	7,916.27	(186.02)
Contributory Insurance Back	(369.37)	1,069.88	625.77	74.74
New Jersey Gross Income Tax		187,070.21	187,070.21	
New Jersey State Unemployment Compensation Insurance	(289.46)	31,972.82	31,972.82	(289.46)
P.B.A. Dues - Local #50	(40.00)	15,787.50	15,787.50	(40.00)
Deferred Compensation Plan	(144.90)	33,077.51	33,077.51	(144.90)
Bradley Beach Police Association	5.00	1,010.00	1,010.00	5.00
Medical Insurance	612.71	6,437.16	6,439.02	610.85
Prescription Plan	(0.09)	181,490.47	181,490.47	(0.09)
Garnishments		28,925.00	28,925.00	
Union Dues - AFL-CIO	271.62	12,288.38	12,051.92	508.08
	<u>\$ 16,687.46</u>	<u>\$ 2,037,769.19</u>	<u>\$ 2,036,633.70</u>	<u>\$ 17,822.95</u>

Bracketed Amount Denotes Receivable.

BOROUGH OF BRADLEY BEACH
TRUST FUND
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>BALANCE, DECEMBER 31, 2017</u>		\$ 4,529.76
<u>INCREASED BY</u>		
Dog License Fees Collected	\$ 2,788.99	
Miscellaneous	<u>541.17</u>	<u>3,330.16</u>
		\$ 7,859.92
<u>DECREASED BY</u>		
Expenditures Under R.S. 4:19-15.11		<u>3,345.27</u>
<u>BALANCE, DECEMBER 31, 2018</u>		<u>\$ 4,514.65</u>

LICENSES COLLECTED

<u>Year</u>	<u>Amount</u>
2017	\$ 2,067.00
2016	<u>2,372.00</u>
	<u>\$ 4,439.00</u>

AUDITOR'S NOTE

R.S. 4:19-15.11

"There shall be transferred from such special account to the general funds of the Municipality any amounts then in such account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

BOROUGH OF BRADLEY BEACH
TRUST OTHER FUND
STATEMENT OF VARIOUS RESERVES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Balance December 31, 2017	Increased by		Decreased by Disbursements /Adjustments	Balance December 31, 2018
		Receipts	Due From Municipal Court		
Reserve for:					
Recycling Program (per N.J.S. 40A:4-39)	\$ 13,459.66	\$ 4,720.35		\$ 6,427.00	\$ 11,753.01
Insurance Commission (per N.J.S.A. 40A:4-39)	866.67	3.38		3.38	866.67
Parking Offenses Adjudication Act (per N.J.S.A. 40A:4-39)	3,507.03	914.50	\$ 58.00	20.50	4,459.03
Escrow Fees (per N.J.S. 40A:4-39)	27,645.47	89,846.86		63,286.32	54,206.01
Alcohol and Drug Abuse Alliance (per N.J.S. 40A:4-39)	443.11	1.73			444.84
Law Enforcement Trust	13,034.42	50.98		3,618.65	9,466.75
Relocation Assistance (N.J.S.A. 40A:4-39)	1,084.47	7.11			1,091.58
Fire Prevention Fees (N.J.S.A. 40A:4-39)	2,349.21	15.40			2,364.61
Public Defender Fees (N.J.S.A. 40A:4-39)	1,057.40	2,330.38	225.00	2,700.00	912.78
Shade Tree Commission	2,646.01				2,646.01
Outside Employment	56,344.30	165,224.50		129,960.00	91,608.80
Redemption of Tax Title Liens	2,589.06	227,132.62		228,399.74	1,321.94
Tax Sale Premiums	146,400.00			8,300.00	138,100.00
Street Opening Deposit	11,830.50				11,830.50
Bid Monies	2,000.00				2,000.00
Insurance	57,027.99	14,925.00		24,189.40	47,763.59
Light Pole	182.00	32,534.95			32,716.95
Jr. Lifeguard Program	11,393.73	7,765.00		7,402.77	11,755.96
Scholarships	1,651.26				1,651.26
Concession Security	19,060.35	1,004.93		5,009.54	15,055.74
Memorial Day Parade/Craft Fair	11,826.02	12,201.69		20,587.21	3,440.50
Arts Council Donations	60.52	2,000.00		315.80	1,744.72
Beach Foundation	3,484.31	150.00		523.33	3,110.98
OEM Trust	2,000.00	2,000.00		300.00	3,700.00
Snow Removal for Prior Year	14,020.49				14,020.49
Rec Sign Donations	75.00	325.00			400.00
Memorial Benches	2,111.41	24,100.00		22,514.90	3,696.51
Miscellaneous	8,225.34	15,763.92		3,491.91	20,497.35
	<u>\$ 416,375.73</u>	<u>\$ 603,018.30</u>	<u>\$ 283.00</u>	<u>527,050.45</u>	<u>\$ 492,626.58</u>

BOROUGH OF BRADLEY BEACH
TRUST OTHER FUND
STATEMENT OF RESERVE FOR NEW JERSEY UNEMPLOYMENT
COMPENSATION INSURANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>BALANCE, DECEMBER 31, 2017</u>	\$ 175,906.60
<u>INCREASED BY</u>	
Budget Appropriation	<u>60,168.94</u>
	\$ 175,906.60
<u>DECREASED BY</u>	
Unemployment Compensation Claims Paid	<u>33,425.92</u>
<u>BALANCE, DECEMBER 31, 2018</u>	<u>\$ 142,480.68</u>

BOROUGH OF BRADLEY BEACH
TRUST OTHER FUND
STATEMENT OF RESERVE FOR TOURISM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>BALANCE, DECEMBER 31, 2017</u>	\$ 5,910.99
<u>INCREASED BY</u>	
Cash Receipts	<u>61,877.74</u>
	\$ 67,788.73
<u>DECREASED BY</u>	
Cash Disbursed	<u>56,146.01</u>
<u>BALANCE, DECEMBER 31, 2018</u>	<u>\$ 11,642.72</u>

GENERAL CAPITAL FUND

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2018 AND 2017

	<u>Balance December 31, 2018</u>	<u>Balance December 31, 2017</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>640,049.84</u>	\$ <u>681,331.62</u>
Intergovernmental Accounts Receivable	<u>431,000.00</u>	<u>303,143.00</u>
Due From Current Fund	<u>36.74</u>	<u> </u>
Deferred Charges to Future Taxation:		
Funded	2,927,112.04	3,323,414.22
Unfunded	<u>1,841,023.00</u>	<u>1,270,023.00</u>
	<u>4,768,135.04</u>	<u>4,593,437.22</u>
Obligations Under Capital Lease - Unfunded	<u>517,000.00</u>	<u>671,000.00</u>
Total Assets	<u>\$ <u>6,356,221.62</u></u>	<u>\$ <u>6,248,911.84</u></u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2018 AND 2017

	<u>Balance December 31, 2018</u>	<u>Balance December 31, 2017</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Serial Bonds	\$ <u>2,790,000.00</u>	\$ <u>3,165,000.00</u>
Due to State of New Jersey - Green Trust Loan	<u>137,112.04</u>	<u>158,414.22</u>
Bond Anticipation Notes	<u>781,000.00</u>	<u>579,000.00</u>
Capital Lease Obligations Payable - Principal	<u>517,000.00</u>	<u>671,000.00</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	107,090.01	97,846.26
Reserve for Encumbrances	957,099.81	77,729.77
Reserve for Receivable	215,000.00	
Various Reserves	<u>294,036.17</u>	<u>263,036.44</u>
	<u>1,573,225.99</u>	<u>438,612.47</u>
Improvement Authorizations:		
Funded	242,108.05	504,998.78
Unfunded	<u>232,715.99</u>	<u>691,556.99</u>
	<u>474,824.04</u>	<u>1,196,555.77</u>
Fund Balance	<u>83,059.55</u>	<u>40,329.38</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ <u>6,356,221.62</u></u>	<u>\$ <u>6,248,911.84</u></u>

There were Bonds and Notes Authorized But Not Issued of \$1,060,023 at December 31, 2018

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>BALANCE, DECEMBER 31, 2017</u>	\$ 40,329.38
<u>INCREASED BY</u>	
Cancellation of Various Reserves	<u>42,730.17</u>
<u>BALANCE, DECEMBER 31, 2018</u>	<u>\$ 83,059.55</u>

**BOROUGH OF BRADLEY BEACH
 GENERAL CAPITAL FUND
 ANALYSIS OF CASH AND CASH EQUIVALENTS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

	Balance December 31, 2017	Receipts		Disbursements		Transfers		Balance December 31, 2018
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Capital Fund Balance	\$ 40,329.38						\$ 42,730.17	\$ 83,059.55
Capital Improvement Fund	97,846.26		\$ 44,000.00			\$ 34,756.25		107,090.01
Reserve for Regional Contribution Agreement - Interest Income	19,610.41		136.29					19,746.70
Due From Current Fund			2,680.58		\$ 2,717.32			(36.74)
Due from State of New Jersey - Department of Transportation						55,000.00		(55,000.00)
Due from County of Monmouth - Open Space Grant (Ord. 11-09)	(161,000.00)							(161,000.00)
Reserve for Encumbrances	77,729.77							957,099.81
Reserve for Fletcher Lake Improvements, Unappropriated	20.00					31,037.73	957,099.81	957,099.81
Reserve for Recreation Building, Unappropriated	1,231.86					20.00		1,231.86
Reserve for Payment of Bonds	36,860.17					36,860.17		
Reserve for Sylvan Lake Aerator	4,500.00							4,500.00
Reserve for Interlocal Agreement - Salt Dome	11,808.57							11,808.57
Reserve for Solar Panels	500.00							500.00
Reserve for NJLM 2010 Sustainable Grant	1,009.01							1,009.01
Reserve for Library Accessibility	22,854.01							22,854.01
Reserve for PW Roof Repairs	50,000.00							50,000.00
Reserve for Sylvan Lake Improvements	91,642.41		11,084.50		402.79			102,324.12
Reserve for Surveillance Camera	10,000.00							10,000.00
Reserve for Public Works Generator	13,000.00							13,000.00
Reserve for Acquisition of PD SUV			57,061.90					57,061.90

Ordinance
 Number

Description

98-04	Development and Implementation of a Housing Rehabilitation Program	15,235.76						15,235.76
08-06	Replacement of the Sylvan Lake Bulkhead - Phase IV	10,520.01						10,520.01
08-07	Various 2008 Roadway Improvements	14,062.57						14,062.57

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

Ordinance Number	Description	Balance December 31, 2017	Receipts		Disbursements		Transfers		Balance December 31, 2018
			Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
10-05/11-18 12-07	Various 2010 Roadway Improvements	\$ 82,074.44							\$ 82,074.44
11-08/11-21 12-08	Various 2011 Roadway Improvements	38,159.96							38,159.96
11-09	Various Improv. to Lake Terrace Park	1,580.64							1,580.64
13-01/13-10	LaReine Ave Road Improvements	38,917.43					\$ 3,772.29		42,689.72
14-06	Improvements to Library	36,786.41			\$ 25,100.00			4,447.67	16,134.08
14-11	Police Communication Equipment	21,650.87							21,650.87
15-08	Ocean Ave Curbs and Sidewalks	47.85			31.00			6,419.02	6,435.87
16-01	Acquisition of Real Property	486.14			158.00				328.14
16-05/18-18	Ocean Park Avenue Improvements	15,477.00			23,806.75		\$ 261,055.75	55,000.00	(214,385.50)
17-16	Improvements to Sylvan Lake and Sylvan Lake Park	116,533.69	\$ 125,000.00		176,886.40		140,125.60	11,305.00	(64,173.31)
17-19/18-10	Improvements to Riley Park	(28,143.00)	150,000.00	\$ 142,143.00	296,029.50			2,000.00	(30,029.50)
18-11	Improvements to Fletcher Lake				1,564.25		192,727.20	10,000.00	(184,291.45)
18-23	Acquisition of Various Non-Passenger Vehicles for the Department of Public Works						363,191.26	22,000.00	(341,191.26)
		<u>\$ 681,331.62</u>	<u>\$ 275,000.00</u>	<u>\$ 257,106.27</u>	<u>\$ 523,575.90</u>	<u>\$ 49,812.15</u>	<u>\$ 1,114,773.96</u>	<u>\$ 1,114,773.96</u>	<u>\$ 640,049.84</u>

Bracketed () Amount Denotes Deficit.

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Total</u>	<u>Community Development Block Grant (Ord. # 17-19)</u>	<u>Due From County of Monmouth Open Space Grant (Ord. # 17-16)</u>	<u>NJ DOT Ord #16-05/ #18-18</u>
<u>BALANCE, DECEMBER 31, 2017</u>	\$ 303,143.00	\$ 142,143.00	\$ -161,000.00	
<u>INCREASED BY</u>				
Grants Awarded	<u>270,000.00</u>	<u> </u>	<u> </u>	\$ <u>270,000.00</u>
	\$ 573,143.00	\$ 142,143.00	\$ 161,000.00	\$ 270,000.00
<u>DECREASED BY</u>				
Cash Receipt	<u>142,143.00</u>	<u>142,143.00</u>	<u> </u>	<u> </u>
<u>BALANCE, DECEMBER 31, 2018</u>	<u>\$ 431,000.00</u>	<u>\$ 142,143.00</u>	<u>\$ 161,000.00</u>	<u>\$ 270,000.00</u>
Detail:				
Reserved	\$ 215,000.00			\$ 215,000.00
Unreserved	<u>55,000.00</u>			<u>55,000.00</u>
	<u>\$ 270,000.00</u>			<u>\$ 270,000.00</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION, UNFUNDED
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Ordinance Date/ Number	Improvements	Balance December 31, 2017	2018 Authorizations	2018 Budget Appropriation	Balance December 31, 2018	Analysis of Balance December 31, 2018		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
15-08	Ocean Avenue Curbs and Sidewalks	\$ 95,000.00		\$ 12,000.00	\$ 83,000.00	\$ 83,000.00		
16-01	Real Property Acquisition	484,000.00		61,000.00	423,000.00	423,000.00		
16-05/18-18	Ocean Park Avenue Improvements	309,523.00			309,523.00		\$ 214,385.50	\$ 95,137.50
17-16	Improvements to Sylvan Lake and Sylvan Lake Park	227,000.00			227,000.00	125,000.00	64,173.31	37,826.69
17-19/ 18-10	Improvements to Riley Park	154,500.00	\$ 33,000.00		187,500.00	150,000.00	30,029.50	7,470.50
18-11	Improvements to Fletcher Lake		198,000.00		198,000.00		184,291.45	13,708.55
18-23	Acquisition of Various Non-Passenger Vehicles for the Department of Public Works		413,000.00		413,000.00		341,191.26	71,808.74
		<u>\$ 1,270,023.00</u>	<u>\$ 644,000.00</u>	<u>\$ 73,000.00</u>	<u>\$ 1,841,023.00</u>	<u>\$ 781,000.00</u>	<u>\$ 834,071.02</u>	<u>\$ 225,951.98</u>

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding December 31, 2018		Interest Rate	Balance December 31, 2017	Decreased	Balance December 31, 2018
			Date	Amount				
General Improvement Bonds	12/24/14	\$ 1,030,000.00	12/1/19	\$ 55,000.00	4.00%	\$ 890,000.00	\$ 50,000.00	\$ 840,000.00
			12/1/20	55,000.00	4.00%			
			12/1/21	60,000.00	5.00%			
			12/1/22	60,000.00	5.00%			
			12/1/23	65,000.00	5.00%			
			12/1/24	65,000.00	5.00%			
			12/1/25	70,000.00	5.00%			
			12/1/26	75,000.00	5.00%			
			12/1/27	80,000.00	5.00%			
			12/1/28	80,000.00	5.00%			
			12/1/29	85,000.00	5.00%			
			12/1/30	90,000.00	5.00%			
			Library Improvement Bonds	12/24/14	780,000.00			
12/1/20	25,000.00	4.00%						
12/1/21	30,000.00	5.00%						
12/1/22	30,000.00	5.00%						
12/1/23	30,000.00	5.00%						
12/1/24	30,000.00	5.00%						
12/1/25	35,000.00	5.00%						
12/1/26	35,000.00	5.00%						
12/1/27	40,000.00	5.00%						
12/1/28	40,000.00	5.00%						
12/1/29	40,000.00	5.00%						
12/1/30	45,000.00	5.00%						
12/1/31	45,000.00	4.00%						
12/1/32	50,000.00	4.00%						
12/1/33	50,000.00	3.25%						
12/1/34	50,000.00	3.25%						
MCIA Refunding Bonds	03/24/16	1,665,000.00	12/1/19	315,000.00	4.00%	1,650,000.00	300,000.00	1,350,000.00
			12/1/20	330,000.00	5.00%			
			12/1/21	345,000.00	5.00%			
			12/1/22	360,000.00	5.00%			
						\$ 3,165,000.00	\$ 375,000.00	\$ 2,790,000.00
2018 Budget Appropriation						\$ 375,000.00		

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF DUE TO STATE OF NEW JERSEY - GREEN TRUST LOAN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturity of Loan Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
Parks, Playground and Recreation Improvements - Green Trust Loan	9/22/04	\$ 400,000.00	3/22/2019	\$ 10,811.12	2.00%	\$ 158,414.22	\$ 21,302.18	\$ 137,112.04
			9/22/2019	10,919.23				
			3/22/2020	11,028.42				
			9/22/2020	11,138.71				
			3/22/2021	11,250.09				
			9/22/2021	11,362.59				
			3/22/2022	11,476.22				
			9/22/2022	11,590.98				
			3/22/2023	11,706.89				
			9/22/2023	11,823.96				
			3/22/2024	11,942.20				
			9/22/2024	12,061.63				

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Original Date Issued</u>	<u>Date Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Increased</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2018</u>
15-08	Ocean Avenue Curbs and Sidewalks	5/23/16	05/18/18	5/17/19	2.00%	\$ 95,000.00		\$ 12,000.00	\$ 83,000.00
16-01	Acquisition of Real Property	5/23/16	05/18/18	5/21/18	2.00%	484,000.00		61,000.00	423,000.00
17-19/ 18-10	Improvements Riley Park	5/18/18	05/18/18	5/17/19	2.00%		\$ 150,000.00		150,000.00
17-16	Improvements Sylvan Lake and Sylvan Lake Park	5/18/18	05/18/18	5/17/19	2.00%		125,000.00		125,000.00
						<u>\$ 579,000.00</u>	<u>\$ 275,000.00</u>	<u>\$ 73,000.00</u>	<u>\$ 781,000.00</u>

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

Ordinance Number	Description	Ordinance		Balance December 31, 2017		2018 Authorizations			Cancellation of Reserve for Encumbrances	Paid or Charged	Balance December 31, 2018	
		Date	Amount	Funded	Unfunded	Deferred Charges to Future Taxation	Capital Improvement Fund	Grants			Funded	Unfunded
98-04	Development and Implementation of a Housing Rehabilitation Program	05/18/98	\$ 1,900,000.00	\$ 15,235.76							\$ 15,235.76	
08-06	Replacement of Sylvan Head Bulkhead - Phase IV (CDBG \$194,000)	06/10/08	400,000.00	10,520.01								10,520.01
08-07	Various 2008 Roadway Improvements (NJDOT \$160,000)	06/10/08	330,000.00	14,062.57								14,062.57
10-05/ 11-18/ 12-07	Various 2010 Roadway Improvements (NJDOT \$210,000)	Various	497,000.00	82,074.44								82,074.44
11-08/ 11-21/12-08	Various 2011 Roadway Improvements	Various	640,000.00	38,159.96								38,159.96
11-09	Improvements to Lake Terrace Park	11/09/11	60,000.00	1,580.64								1,580.64
13-01/13-10	LaReine Ave Road Improvements	02/27/13	730,000.00	38,917.43				\$ 3,772.29				42,689.72
14-06	Improvements to the Library	03/11/14	900,000.00	36,786.41				4,447.67	\$ 25,100.00			16,134.08
14-11	Police Communications Equipment	04/22/14	150,000.00	21,650.87								21,650.87
15-08	Ocean Avenue Curbs and Sidewalks	05/26/15	125,000.00	\$ 47.85				6,419.02	31.00		\$ 6,435.87	
16-01	Acquisition of Real Property	01/26/16	635,000.00		486.14					158.00		328.14
16-05/ 18-18	Ocean Park Avenue Improvements (NJDOT \$270,000)	06/12/18	380,000.00	15,477.00	309,523.00		\$ 55,000.00			284,862.50		95,137.50

**BOROUGH OF BRADLEY BEACH
 GENERAL CAPITAL FUND
 STATEMENT OF IMPROVEMENT AUTHORIZATIONS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

Ordinance Number	Description	Ordinance		Balance December 31, 2017		2018 Authorizations			Cancellation of Reserve for Encumbrances	Paid or Charged	Balance December 31, 2018	
		Date	Amount	Funded	Unfunded	Deferred Charges to Future Taxation	Capital Improvement Fund	Grants			Funded	Unfunded
17-16	Improvements to Sylvan Lake and Sylvan Lake Park	06/13/17	\$ 400,000.00	\$ 116,533.69	\$ 227,000.00				\$ 11,305.00	\$ 317,012.00	\$	37,826.69
17-19/ 18-10	Improvements to Riley Park	7/25/2017, 04/24/18	340,000.00	114,000.00	154,500.00	\$ 33,000.00	\$ 2,000.00			296,029.50		7,470.50
18-11	Improvements to Fletcher Lake	05/08/18	208,000.00			198,000.00	10,000.00			194,291.45		13,708.55
18-23	Acquisition of Various Non-Passenger Vehicles for the Department of Public Works	11/20/18	435,000.00			413,000.00	22,000.00			363,191.26		71,808.74
				\$ 504,998.78	\$ 691,556.99	\$ 644,000.00	\$ 34,000.00	\$ 55,000.00	\$ 25,943.98	\$ 1,480,675.71	\$ 242,108.05	\$ 232,715.99

Encumbrances \$ 957,099.81
 Cash Disbursed 523,575.90
\$ 1,480,675.71

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>BALANCE, DECEMBER 31, 2017</u>		\$	97,846.26
<u>INCREASED BY</u>			
2017 Budget Appropriation			<u>44,000.00</u>
		\$	141,846.26
<u>DECREASED BY</u>			
Miscellaneous	\$	750.25	
Appropriated to Finance Improvement			
Authorizations		<u>34,000.00</u>	<u>34,750.25</u>
<u>BALANCE, DECEMBER 31, 2018</u>		\$	<u><u>107,096.01</u></u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
AS OF DECEMBER 31, 2018 AND 2017

	December 31	
	<u>2018</u>	<u>2017</u>
Reserve for:		
Fletcher Lake Improvements, Unappropriated		\$ 20.00
Recreation Building, Unappropriated	\$ 1,231.86	1,231.86
Payment of Bonds		36,860.17
Sylvan Lake Aerator	4,500.00	4,500.00
Interlocal Agreement - Salt Dome	11,808.57	11,808.57
Preliminary Costs - Solar Panels	500.00	500.00
NJM Sustainable Grant	1,009.01	1,009.01
Library Accessibility	22,854.01	22,854.01
Regional Contribution Agreement - Interest Income	19,746.70	19,610.41
PW Roof Repairs	50,000.00	50,000.00
Sylvan Lake Improvements	102,324.12	91,642.41
Surveillance System	10,000.00	10,000.00
Public Works Generator	13,000.00	13,000.00
Acquisition of Police SUV	57,061.90	
	<u>\$ 294,036.17</u>	<u>\$ 263,036.44</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>Ordinance Number</u>	<u>Improvements</u>	<u>Balance December 31, 2017</u>	<u>2018 Authorizations</u>	<u>Decreased by Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2018</u>
16-05/ 18-18	Ocean Park Avenue Improvement	\$ 309,523.00			\$ 309,523.00
17-16	Improvements to Sylvan Lake and Sylvan Lake Park	227,000.00		\$ 125,000.00	102,000.00
17-19/ 18-10	Improvements to Riley Park	154,500.00	\$ 33,000.00	150,000.00	37,500.00
18-11	Improvements to Fletcher Lake		198,000.00		198,000.00
18-23	Acquisition of Various Non-Passenger Vehicles for the Department of Public Works		413,000.00		413,000.00
		<u>\$ 691,023.00</u>	<u>\$ 644,000.00</u>	<u>\$ 275,000.00</u>	<u>\$ 1,060,023.00</u>

UTILITY OPERATING FUNDS - COMBINED STATEMENTS

BOROUGH OF BRADLEY BEACH
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - STATUTORY BASIS
AS OF DECEMBER 31, 2018 AND 2017

	<u>Beach Utility</u>		<u>Sewer Utility</u>		<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>						
Operating Fund:						
Cash and Cash Equivalents	\$ 489,982.04	\$ 636,337.55	\$ 1,923,621.99	\$ 2,197,686.24	\$ 2,413,604.03	\$ 2,834,023.79
Consumer Accounts Receivable			64,362.72	75,106.77	64,362.72	75,106.77
Investment- Special Emergency Note			40,000.00	80,000.00	40,000.00	80,000.00
Interfunds Receivable:						
Current Fund	2,468.00				2,468.00	
Sewer Operating	8,088.00				8,088.00	
Total Assets	<u>\$ 500,538.04</u>	<u>\$ 636,337.55</u>	<u>\$ 2,027,984.71</u>	<u>\$ 2,352,793.01</u>	<u>\$ 2,528,522.75</u>	<u>\$ 2,989,130.56</u>
<u>LIABILITIES, RESERVES</u>						
<u>AND FUND BALANCE</u>						
Operating Fund:						
Liabilities:						
Appropriation Reserves	<u>\$ 71,823.76</u>	<u>\$ 182,617.23</u>	<u>\$ 123,954.56</u>	<u>\$ 279,969.88</u>	<u>\$ 195,778.32</u>	<u>\$ 462,587.11</u>
Other Liabilities and Reserves:						
Reserve for Encumbrances	\$ 19,595.57	\$ 34,167.04	\$ 24,554.72	\$ 199,477.51	\$ 44,150.29	\$ 233,644.55
Prepaid Bathing Badges	148,048.00	157,560.00			148,048.00	157,560.00
Sewer Rent Overpayments			791.78	2,411.22	791.78	2,411.22
Prepaid Sewer Rents			9,699.93	10,681.08	9,699.93	10,681.08
Accrued Interest on Bonds and Notes	13,349.21	13,193.80	6,957.26	7,580.03	20,306.47	20,773.83
Due to Lienholder				6.81		6.81
Various Reserves	65,070.33	59,718.33	25,000.00	77,714.05	90,070.33	137,432.38
Interfunds Payable:						
Due to Beach Utility Capital Fund	275.87			558,361.72	275.87	558,361.72
Due to Sewer Utility Capital			20.45		20.45	
Due to Beach Operating			8,088.00		8,088.00	
Total Liabilities, Reserves and Fund Balance	<u>\$ 246,338.98</u>	<u>\$ 264,639.17</u>	<u>\$ 75,112.14</u>	<u>\$ 856,232.42</u>	<u>\$ 321,451.12</u>	<u>\$ 1,120,871.59</u>
Reserve for Receivables			<u>\$ 64,362.72</u>	<u>\$ 75,106.77</u>	<u>\$ 64,362.72</u>	<u>\$ 75,106.77</u>
Fund Balance	<u>\$ 182,375.30</u>	<u>\$ 189,081.15</u>	<u>\$ 1,764,555.29</u>	<u>\$ 1,141,483.94</u>	<u>\$ 1,946,930.59</u>	<u>\$ 1,330,565.09</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 500,538.04</u>	<u>\$ 636,337.55</u>	<u>\$ 2,027,984.71</u>	<u>\$ 2,352,793.01</u>	<u>\$ 2,528,522.75</u>	<u>\$ 2,989,130.56</u>

BEACH UTILITY OPERATING FUND

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 163,557.00	\$ 401,966.00
Bathing Badges	1,410,845.60	1,440,178.95
Concession Rents	84,794.84	81,077.00
Parking Meters	74,663.07	78,261.52
Beach Locker Fees	80,400.00	86,875.00
Beach Utility Capital Reserve FEMA	82,000.00	
Nonbudget Revenue	15,556.17	25,863.97
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	136,205.26	113,556.86
Cancellation of Current Appropriations	<u>91,967.25</u>	<u>3,851.43</u>
Total Income	<u>\$ 2,139,989.19</u>	<u>\$ 2,231,630.73</u>
Expenditures:		
Operating:		
Salaries and Wages	\$ 1,099,727.00	\$ 1,075,849.00
Other Expenses	500,638.00	537,252.00
Capital Improvements	25,000.00	105,950.00
Debt Service	247,973.00	311,999.00
Deferred Charges and Statutory Expenditures	93,000.00	93,000.00
Refund of Prior Year Revenue	<u>16,800.04</u>	
Total Expenditures	<u>\$ 1,983,138.04</u>	<u>\$ 2,124,050.00</u>
Statutory Excess to Fund Balance	\$ 156,851.15	\$ 107,580.73
Fund Balance, January 1	<u>189,081.15</u>	<u>483,466.42</u>
	\$ 345,932.30	\$ 591,047.15
Decreased by:		
Utilization as Anticipated Revenue	<u>163,557.00</u>	<u>401,966.00</u>
Fund Balance, December 31	<u><u>\$ 182,375.30</u></u>	<u><u>\$ 189,081.15</u></u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 163,557.00	\$ 163,557.00	
Bathing Badges	1,426,000.00	1,348,989.60	\$ (77,010.40)
Increase in Daily Badges	44,560.00	44,560.00	
Season Badge - Rate increase	17,296.00	17,296.00	
Concession Rents	81,000.00	84,794.84	3,794.84
Locker Rental Maintenance Fees	73,925.00	80,400.00	6,475.00
Beach Utility Capital Reserve for FEMA	82,000.00	82,000.00	
Parking Meters	<u>78,000.00</u>	<u>74,663.07</u>	<u>(3,336.93)</u>
	\$ 1,966,338.00	\$ 1,896,260.51	\$ (70,077.49)
Nonbudget Revenue	<u> </u>	<u>15,556.17</u>	<u>15,556.17</u>
	<u>\$ 1,966,338.00</u>	<u>\$ 1,911,816.68</u>	<u>\$ (54,521.32)</u>

ANALYSIS OF NONBUDGET REVENUE

Interest on Investment	\$ 8,018.30
Lifeguard Tournament Fees	320.00
Gazebo Rental	2,400.00
Miscellaneous	1,177.87
Check Fee	40.00
Gazebo Parking Space	100.00
Sign Sponsorship	<u>3,500.00</u>
	<u>\$ 15,556.17</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>OPERATING</u>						
Salaries and Wages	\$ 1,099,727.00	\$ 1,099,727.00	\$ 990,055.97		\$ 27,671.03	\$ 82,000.00
Other Expenses	500,638.00	500,638.00	444,363.75	\$ 19,595.57	36,678.68	
Total Operating	<u>\$ 1,600,365.00</u>	<u>\$ 1,600,365.00</u>	<u>\$ 1,434,419.72</u>	<u>\$ 19,595.57</u>	<u>\$ 64,349.71</u>	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Outlay	\$ 25,000.00	\$ 25,000.00	\$ 23,915.09		\$ 1,084.91	
Total Capital Improvements	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 23,915.09</u>		<u>\$ 1,084.91</u>	
<u>DEBT SERVICE</u>						
Payment of Bond Principal	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00			
Payment of Bond Anticipation Notes and Capital Notes	65,000.00	65,000.00	65,000.00			
Interest on Bonds	59,017.00	59,017.00	59,016.50			\$ 0.50
Interest on Notes	23,956.00	23,956.00	13,988.75			9,967.25
Total Debt Service	<u>\$ 247,973.00</u>	<u>\$ 247,973.00</u>	<u>\$ 238,005.25</u>			<u>\$ 9,967.75</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	\$ 83,000.00	\$ 83,000.00	\$ 76,610.86		\$ 6,389.14	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Statutory Expenditures	<u>\$ 93,000.00</u>	<u>\$ 93,000.00</u>	<u>\$ 86,610.86</u>		<u>6,389.14</u>	
Total Beach Utility Appropriations	<u>\$ 1,966,338.00</u>	<u>\$ 1,966,338.00</u>	<u>\$ 1,782,950.92</u>	<u>\$ 19,595.57</u>	<u>\$ 71,823.76</u>	<u>\$ 91,967.75</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF 2017 APPROPRIATION RESERVES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Balance</u> <u>December 31, 2017</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Appropriation</u> <u>Reserves</u>	<u>Reserve for</u> <u>Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 49,750.89		\$ 49,750.89		\$ 49,750.89
Other Expenses	108,686.60	\$ 25,667.04	134,353.64	\$ 52,079.01	82,274.63
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay	22,583.56	8,500.00	31,083.56	28,500.00	2,583.56
<u>DEFERRED CHARGES AND STATUTORY</u>					
<u>EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	<u>1,596.18</u>		<u>1,596.18</u>		<u>1,596.18</u>
	<u>\$ 182,617.23</u>	<u>\$ 34,167.04</u>	<u>\$ 216,784.27</u>	<u>\$ 80,579.01</u>	<u>\$ 136,205.26</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>BALANCE, DECEMBER 31, 2017</u>					\$ 13,193.80
<u>INCREASED BY</u>					
Budget Appropriations:					
Interest on Bonds		\$ 59,016.50			
Interest on Notes		<u>13,988.75</u>		<u>73,005.25</u>	
					\$ 86,199.05
<u>DECREASED BY</u>					
Cash Disbursed:					
Bonds		\$ 59,349.84			
Notes		<u>13,500.00</u>		<u>72,849.84</u>	
<u>BALANCE, DECEMBER 31, 2018</u>					<u>\$ 13,349.21</u>

ANALYSIS OF BALANCE

		Amount Outstanding December 31, <u>2018</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Accrual Period</u>	<u>Accrual</u>
Bond Anticipation Note	\$	715,000.00	2.00%	05/18/18	12/31/18	223 Days	\$ 8,736.71
Serial Bonds - 2014		1,150,000.00	Various	12/01/18	12/31/18	1 Month	<u>4,612.50</u>
							<u>\$ 13,349.21</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
SCHEDULE OF VARIOUS RESERVES
AS OF DECEMBER 31, 2018 AND 2017

	December 31,	
	<u>2018</u>	<u>2017</u>
Reserve for:		
Compensated Absences	\$ 10,000.00	\$ 10,000.00
Beach Enhancement Donations	4,705.53	4,705.53
Sand Replenishment Costs	39,778.00	39,778.00
Green Acres (Unappropriated)	10,586.80	5,234.80
	\$ 65,070.33	\$ 59,718.33

SEWER UTILITY OPERATING FUND

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 29,317.00	\$ 32,648.00
Rents	2,007,359.43	1,994,577.34
Nonbudget Revenue	20,616.88	12,589.77
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	269,202.22	146,894.37
Cancellation of Current Appropriations	120,225.77	107,447.18
Cancellation Reserve for TNSA	<u>57,714.05</u>	<u> </u>
Total Income	<u>\$ 2,504,435.35</u>	<u>\$ 2,294,156.66</u>
Expenditures:		
Operating:		
Salaries and Wages	\$ 327,282.00	\$ 350,290.00
Other Expenses	1,218,690.00	1,194,180.00
Capital Improvements	28,000.00	127,000.00
Debt Service	189,991.00	174,740.00
Deferred Charges and Statutory Expenditures	<u>88,084.00</u>	<u>91,438.00</u>
Total Expenditures	<u>\$ 1,852,047.00</u>	<u>\$ 1,937,648.00</u>
Excess in Revenue/Statutory Excess to Fund Balance	\$ 652,388.35	\$ 356,508.66
Fund Balance, January 1	<u>1,141,483.94</u>	<u>817,623.28</u>
	<u>\$ 1,793,872.29</u>	<u>\$ 1,174,131.94</u>
Decreased by:		
Utilization as Anticipated Revenue	<u>\$ 29,317.00</u>	<u>\$ 32,648.00</u>
Fund Balance, December 31	<u><u>\$ 1,764,555.29</u></u>	<u><u>\$ 1,141,483.94</u></u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATING</u>						
Salaries and Wages	\$ 327,282.00	\$ 327,282.00	\$ 320,435.85		\$ 6,846.15	
Other Expenses	436,912.00	436,912.00	316,328.29	\$ 24,554.72	96,028.99	
Sewer Service Agreement with the Neptune Township - Sewerage Authority	<u>781,778.00</u>	<u>781,778.00</u>	<u>774,113.50</u>		<u>7,664.50</u>	
Total Operating	<u>\$ 1,545,972.00</u>	<u>\$ 1,545,972.00</u>	<u>\$ 1,410,877.64</u>	<u>\$ 24,554.72</u>	<u>\$ 110,539.64</u>	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Outlay	<u>\$ 28,000.00</u>	<u>\$ 28,000.00</u>	<u>16,454.27</u>		<u>\$ 11,545.73</u>	
Total Capital Improvements	<u>\$ 28,000.00</u>	<u>\$ 28,000.00</u>	<u>16,454.27</u>		<u>\$ 11,545.73</u>	
<u>DEBT SERVICE</u>						
Payment of Bond Principal	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00			
Interest on Bonds	32,300.00	32,300.00	32,300.00			
Interest on Bond Anticipation Notes	9,585.00	9,585.00	7,465.23			\$ 2,119.77
NJEIT Principal and Interest	<u>118,106.00</u>	<u>118,106.00</u>				<u>118,106.00</u>
Total Debt Service	<u>\$ 189,991.00</u>	<u>\$ 189,991.00</u>	<u>\$ 69,765.23</u>			<u>\$ 120,225.77</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 47,084.00	\$ 47,084.00	\$ 47,084.00			
Social Security System (O.A.S.I.)	26,000.00	26,000.00	24,130.81		\$ 1,869.19	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	<u>15,000.00</u>	<u>15,000.00</u>	<u>15,000.00</u>			
Total Deferred Charges and Statutory Expenditures	<u>\$ 88,084.00</u>	<u>\$ 88,084.00</u>	<u>\$ 86,214.81</u>		<u>\$ 1,869.19</u>	
Total Sewer Utility Appropriations	<u>\$ 1,852,047.00</u>	<u>\$ 1,852,047.00</u>	<u>\$ 1,583,311.95</u>	<u>\$ 24,554.72</u>	<u>\$ 123,954.56</u>	<u>\$ 120,225.77</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2017</u>		\$ 75,106.77
 <u>INCREASED BY</u>		
Sewer Charges Levied	\$ 1,996,615.38	
Refund of Charges	<u>2,620.48</u>	
		<u>1,999,235.86</u>
		\$ 2,074,342.63
 <u>DECREASED BY</u>		
Receipts	\$ 1,996,887.61	
Prepayments Applied	10,681.08	
Overpayments Applied	<u>2,411.22</u>	
		<u>2,009,979.91</u>
 <u>BALANCE, DECEMBER 31, 2018</u>		 <u>\$ 64,362.72</u>

**BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF 2017 APPROPRIATION RESERVES**

	Balance December 31, 2017		Balance	Paid or	Balance
	<u>Appropriation</u>	<u>Reserve for</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
	<u>Reserves</u>	<u>Encumbrances</u>	<u>Transfers</u>		
<u>OPERATING</u>					
Salaries and Wages	\$ 33,666.25		\$ 33,666.25	\$ 21,763.16	\$ 11,903.09
Other Expenses	104,193.62	\$ 10,995.51	115,189.13		115,189.13
Sewer Service Agreement with the Neptune Township Sewerage Authority	15,079.00	188,482.00	203,561.00	188,482.00	15,079.00
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay	127,000.00		127,000.00		127,000.00
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	<u>31.01</u>	<u> </u>	<u>31.01</u>	<u> </u>	<u>31.00</u>
	<u>\$ 279,969.88</u>	<u>\$ 199,477.51</u>	<u>\$ 479,447.39</u>	<u>\$ 210,245.16</u>	<u>\$ 269,202.22</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES

<u>BALANCE, DECEMBER 31, 2017</u>		\$ 7,580.03
<u>INCREASED BY</u>		
Budget Appropriations:		
Interest on Bonds	\$ 32,300.00	
Interest on BAN	<u>7,465.23</u>	<u>39,765.23</u>
		\$ 47,345.26
<u>DECREASED BY</u>		
Cash Disbursed:		
Interest on Bonds	\$ 32,400.00	
Interest on BAN	<u>7,988.00</u>	<u>40,388.00</u>
<u>BALANCE, DECEMBER 31, 2018</u>		<u>\$ 6,957.26</u>

ANALYSIS OF BALANCE

	Amount Outstanding December 31, <u>2018</u>	Interest <u>Rate</u>	From	To	Accrual <u>Period</u>	<u>Accrual</u>
Serial Bonds - 2014	\$ 700,000.00	Various	12/1/2018	12/31/2018	1 Month	\$ 2,600.00
Bond Anticipation Note	355,000.00	2.00%	5/21/2018	12/31/2018	224 Days	<u>4,357.26</u>
						<u>\$ 6,957.26</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
SCHEDULE OF VARIOUS RESERVES
AS OF DECEMBER 31, 2018 AND 2017

	December 31,	
	2018	2017
Reserve for:		
Compensated Absences	\$ 25,000.00	\$ 20,000.00
TNSA		57,714.05
	\$ 25,000.00	\$ 77,714.05

UTILITY CAPITAL FUNDS - COMBINED STATEMENTS

**BOROUGH OF BRADLEY BEACH
 COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
 BEACH UTILITY AND SEWER UTILITY CAPITAL FUNDS - REGULATORY BASIS
 AS OF DECEMBER 31, 2018 AND 2017**

	<u>Beach Utility Capital Fund</u>		<u>Sewer Utility Capital Fund</u>		<u>Total (Memorandum Only)</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
ASSETS						
Cash and Cash Equivalents	\$ 1,112,418.61	\$ 502,248.04	\$ 789,569.32	\$ 886,623.67	\$ 1,901,987.93	\$ 1,388,871.71
Interfunds Receivable-						
Due from Current Fund		50,375.40				50,375.40
Due from Sewer Utility Operating Fund		558,361.72	20.45		20.45	558,361.72
Due From Beach Utility Operating Fund	275.87				275.87	
	<u>275.87</u>	<u>608,737.12</u>	<u>20.45</u>		<u>296.32</u>	<u>608,737.12</u>
Fixed Capital	4,465,318.47	\$ 3,390,929.15	4,662,385.74	\$ 4,662,385.74	9,127,704.21	8,053,314.89
Fixed Capital Authorized and Uncompleted	2,251,913.36	3,310,648.56	2,850,000.00	2,851,385.61	5,101,913.36	6,162,034.17
	<u>6,717,231.83</u>	<u>\$ 6,701,577.71</u>	<u>7,512,385.74</u>	<u>\$ 7,513,771.35</u>	<u>14,229,617.57</u>	<u>14,215,349.06</u>
Total Assets	\$ 7,829,926.31	\$ 7,812,562.87	\$ 8,301,975.51	\$ 8,400,395.02	\$ 16,131,901.82	\$ 16,212,957.89
LIABILITIES, RESERVES AND FUND BALANCE						
Serial Bonds	\$ 1,150,000.00	\$ 1,250,000.00	\$ 700,000.00	\$ 730,000.00	\$ 1,850,000.00	\$ 1,980,000.00
Bond Anticipation Notes	715,000.00	600,000.00	355,000.00	355,000.00	1,070,000.00	955,000.00
Improvement Authorizations:						
Funded	47,576.57	62,030.55		1,385.61	47,576.57	63,416.16
Unfunded	138,465.55	462,878.19	475,797.99	618,074.19	614,263.54	1,080,952.38
	<u>186,042.12</u>	<u>524,908.74</u>	<u>475,797.99</u>	<u>619,459.80</u>	<u>661,840.11</u>	<u>1,144,368.54</u>
Capital Improvement Fund	35,399.61	45,899.61	191,251.94	191,251.94	226,651.55	237,151.55
Reserve for Encumbrances	19,211.05	168,391.87	1,715,689.39	2,177,900.75	1,734,900.44	2,346,292.62
Various Reserves	852,297.52	862,582.59	857,323.66	391,609.77	1,709,621.18	1,254,192.36
	<u>906,908.18</u>	<u>1,076,874.07</u>	<u>2,764,264.99</u>	<u>2,760,762.46</u>	<u>3,671,173.17</u>	<u>3,837,636.53</u>
Reserve for Amortization	2,451,340.01	2,309,685.89	3,791,385.74	3,762,771.35	6,242,725.75	6,072,457.24
Deferred Reserve for Amortization	2,388,103.40	2,041,891.82	171,000.00	171,000.00	2,559,103.40	2,212,891.82
Fund Balance	32,532.60	9,202.35	44,526.79	1,401.41	77,059.39	10,603.76
Total Liabilities, Reserves and Fund Balance	\$ 7,829,926.31	\$ 7,812,562.87	\$ 8,301,975.51	\$ 8,400,395.02	\$ 16,131,901.82	\$ 16,212,957.89

As of December 31, 2018, there were Bonds and Notes Authorized but not Issued in the Beach Utility Capital Fund of \$320,000.00 and Bonds and Notes Authorized but not Issued in the Sewer Utility Capital Fund of \$2,495,000.00.

BEACH UTILITY CAPITAL FUND

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>BALANCE, DECEMBER 31, 2017</u>	\$	9,202.35
<u>INCREASED BY</u>		
Cancellation of Funded Improvement Authorizations		<u>23,330.25</u>
<u>BALANCE, DECEMBER 31, 2018</u>	\$	<u><u>32,532.60</u></u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS

	Balance December 31, <u>2017</u>	<u>Receipts</u>		<u>Disbursements</u>		<u>Transfers</u>		Balance December 31, <u>2018</u>	
		<u>Bond Anticipation Notes</u>	<u>Miscellaneous</u>	<u>Improvement Authorizations</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>		
Capital Fund Balance	\$ 9,202.35						\$ 23,330.25	\$ 32,532.60	
Capital Improvement Fund	45,899.61					\$ 10,500.00		35,399.61	
Reserve for Encumbrances	168,391.87				\$ 27,313.36	141,078.51	19,211.05	19,211.05	
Reserve for Upgrade to Public Safety Station	22,820.00		\$ 20,000.00		42,642.42			177.58	
Reserve for Public Works Generator	13,000.00							13,000.00	
Due from Sewer Utility Operating Fund	(558,361.72)		558,361.72						
Reserve for FEMA Grant	826,762.59		94,357.35		82,000.00			839,119.94	
Due from Current Fund	(50,375.40)		50,375.40						
Due to Beach Operating Fund			3,329.94		3,605.81			(275.87)	
<u>Ordinance</u>									
<u>Number</u>	<u>Description</u>								
00-09	Beach Erosion Control Project		13,040.85			13,040.85			
07-11	Acquisition of a Beach Tractor		2,519.59			2,519.59			
09-13	Acquisition of a Load and Pack Vehicle		3,301.66			3,301.66			
10-02	Concession Trailer		2,108.28			2,108.28			
12-09	Beach Rake Acquisition		2,359.87			2,359.87			
13-02	Various Beach Improvements		25,257.50		\$ 128,823.74	12,053.82	141,063.91	25,443.85	
14-05	Parking Meter Pay Station Installation		13,442.80					13,442.80	
16-02	Real Property Acquisition		2,862.00		1,463.24		14.60	1,413.36	
17-13	Improvements to Beach Railing on the Boardwalk		(39,983.81)	\$ 180,000.00	\$ 307,211.58	315,806.77	7,157.23	124,263.77	
18-8	Upgrades to Old Sewer Plant				1,810.08		10,500.00	8,689.92	
		\$ <u>502,248.04</u>	\$ <u>180,000.00</u>	\$ <u>1,033,635.99</u>	\$ <u>447,903.83</u>	\$ <u>155,561.59</u>	\$ <u>194,119.81</u>	\$ <u>194,119.81</u>	\$ <u>1,112,418.61</u>

Bracketed () Amount Denotes Deficit.

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

<u>BALANCE, DECEMBER 31, 2017</u>		\$ 3,390,929.15
<u>INCREASED BY</u>		
Transfer from Fixed Capital Authorized and Uncompleted	\$ 1,045,889.32	
Budget Appropriation - Capital Outlay - 2018	<u>28,500.00</u>	<u>1,074,389.32</u>
<u>BALANCE, DECEMBER 31, 2018</u>		<u>\$ 4,465,318.47</u>

Detail:

Beach Cleaning Equipment		\$ 75,000.00
Pavilion Roof		9,169.17
Computer System		6,500.00
Improvement to the Public Beach Front - 1993		1,850,154.00
Modification to Groin Fields		285,352.05
Improvement to Second Ave. Pump Station		80,000.00
Improvement to the Public Beach Front - 1999		30,000.00
Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe		41,124.50
Acquisition of a Beach Tractor		30,357.74
2016 Land Acquisition		633,586.64
Beach Erosion Control Project		114,959.15
Capital Outlay - 2002		8,311.89
Capital Outlay - 2003		8,000.00
Capital Outlay - 2004		4,070.00
Capital Outlay - 2005		5,000.00
Capital Outlay - 2006		22,000.00
Capital Outlay - 2007		7,199.34
Capital Outlay - 2008		902.03
Capital Outlay - 2009		17,591.76
Capital Outlay - 2010		11,490.00
Capital Outlay - 2011		56,421.66
Capital Outlay - 2012		44,331.80
Capital Outlay - 2013		45,334.57
Capital Outlay - 2014		16,392.30
Capital Outlay - 2015		23,749.00
Capital Outlay - 2016		83,150.40
Various Beachfront Improvements		747,480.41
Acquisition of a Load and Pack Vehicle		120,698.34
Concession Trailer		58,491.72
Capital Outlay 2017		<u>28,500.00</u>
		<u>\$ 4,465,318.47</u>

**BOROUGH OF BRADLEY BEACH
 BEACH UTILITY CAPITAL FUND
 STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date Authorized</u>	<u>Original Amount</u>	<u>Balance December 31, 2017</u>	<u>Fixed Capital Authorization</u>	<u>Transferred to Fixed Capital</u>	<u>Cancelled</u>	<u>Balance December 31, 2018</u>
00-09	Beach Erosion Control Project	8/8/2000	\$ 398,000.00	\$ 128,000.00		\$ 114,959.15	\$ 13,040.85	
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	3/22/2004	43,500.00	2,375.50			2,375.50	
06-17	Various Beachfront Improvements	11/28/2006	750,000.00	750,000.00		747,480.41	2,519.59	
09-13	Acquisition of a Load and Pack Vehicle	11/10/2009	124,000.00	124,000.00		120,698.34	3,301.66	
10-02	Concession Trailer	2/23/2010	60,600.00	60,600.00		58,491.72	2,108.28	
13-02	Various Beach Improvements	2/27/2013	1,600,000.00	1,600,000.00				\$ 1,600,000.00
14-05	Acquisition of Parking Meter Stations	2/27/2014	140,000.00	140,000.00				140,000.00
16-02	Real Property Acquisition	1/26/2016	635,000.00	5,673.06		4,259.70		1,413.36
17-13	Improvements to Beach Railing on the Boardwalk	5/9/2017	500,000.00	500,000.00				500,000.00
18-8	Improvements to the Pump Station	4/10/2018	10,500.00		\$ 10,500.00			10,500.00
				<u>\$ 3,310,648.56</u>	<u>\$ 10,500.00</u>	<u>1,045,889.32</u>	<u>23,345.88</u>	<u>\$ 2,251,913.36</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding 12/31/18</u>		<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
Beach Improvement Bonds (MCIA)	12/24/14	\$ 1,525,000.00	12/01/19	\$ 105,000.00	4.00%	\$ <u>1,250,000.00</u>	\$ <u>100,000.00</u>	\$ <u>1,150,000.00</u>
			12/01/20	110,000.00	5.00%			
			12/01/21	115,000.00	5.00%			
			12/01/22	120,000.00	5.00%			
			12/01/23	125,000.00	5.00%			
			12/01/24	135,000.00	5.00%			
			12/01/25	140,000.00	5.00%			
			12/01/26	145,000.00	5.00%			
			12/01/27	155,000.00	5.00%			
					\$ <u>1,250,000.00</u>	\$ <u>100,000.00</u>	\$ <u>1,150,000.00</u>	

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
16-02	Land Acquisition	5/23/16	05/18/18	05/17/19	2.00%	\$ 600,000.00		\$ 65,000.00	\$ 535,000.00
17-13	Improvement to Beach Railings on Boardwalk	5/18/18	5/18/18	05/17/19	2.00%		\$ 180,000.00		180,000.00
						\$ 600,000.00	\$ 180,000.00	\$ 65,000.00	\$ 715,000.00
							2018 Budget Appropriation	\$ 65,000.00	

**BOROUGH OF BRADLEY BEACH
 BEACH UTILITY CAPITAL FUND
 STATEMENT OF IMPROVEMENT AUTHORIZATIONS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2017		2018 Authorizations	Paid or Charged	Cancelled	Balance December 31, 2018		
				Funded	Unfunded				Funded	Unfunded	
00-09	Beach Erosion Control Project (County of Monmouth Grant - \$241,769.00)	8/8/2000	\$ 640,000.00	\$ 13,040.85				\$ 13,040.85			
07-11	Various Beachfront Improvements	11/28/2006	750,000.00	2,519.59				2,519.59			
09-13	Acquisition of a Load and Pack Vehicle	11/10/2009	124,000.00	3,301.66				3,301.66			
10-02	Concession Trailer	2/25/2010	60,600.00	2,108.28				2,108.28			
12-09	Beach Rake Acquisition	7/10/2012	45,000.00	2,359.87				2,359.87			
13-02	Various Beach Improvements	2/27/2013	1,600,000.00	25,257.50			\$ 140,877.56	(141,063.91)	\$ 25,443.85		
14-05	Parking Meter Pay Station Improvements	2/27/2014	140,000.00	13,442.80					13,442.80		
16-02	Real Property Acquisition	1/26/2016	635,000.00		\$ 2,862.00		1,463.24	(14.60)		\$ 1,413.36	
17-13	Improvements to Beach Railing on the Boardwalk	5/9/2017	500,000.00		460,016.19		322,964.00			137,052.19	
18-8	Improvement to the Pump Station	4/10/2018	10,500.00			\$ 10,500.00	1,810.08		8,689.92		
					\$ 62,030.55	\$ 462,878.19	\$ 10,500.00	\$ 467,114.88	\$ (117,748.26)	\$ 47,576.57	\$ 138,465.55

Analysis of Cancelled:	\$ (117,748.26)
Reserve for Encumbrances	10,289.90
Improvement Authorization Fund	\$ (107,458.36)

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>BALANCE DECEMBER 31 2017</u>	\$	45,899.61
<u>DECREASED BY</u>		
Appropriated to Finance Improvement Authorizations		<u>10,500.00</u>
<u>BALANCE DECEMBER 31 2018</u>	\$	<u>35,399.61</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
AS OF DECEMBER 31, 2018 AND 2017

	December 31,	
	<u>2018</u>	<u>2017</u>
Reserve for:		
FEMA Grant	\$ 839,119.94	\$ 826,762.59
Upgrade to Public Safety Station	177.58	22,820.00
Public Works Generator	13,000.00	13,000.00
	\$ 852,297.52	\$ 862,582.59

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2017</u>	Bond Anticipation Note <u>Issued</u>	Balance December 31, <u>2018</u>
17-13	Improvements to Beach Railing on the Broadway	\$ <u>500,000.00</u>	\$ <u>180,000.00</u>	\$ <u>320,000.00</u>
		<u>500,000.00</u>	<u>\$ 180,000.00</u>	<u>\$ 320,000.00</u>

SEWER UTILITY CAPITAL FUND

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>BALANCE, DECEMBER 31, 2017</u>		\$	1,401.41
<u>INCREASED BY</u>			
Cancellation of Funded Improvement Authorizations	\$	1,385.61	
Cancellation of Various Reserve		<u>39,539.77</u>	
			<u>40,925.38</u>
<u>BALANCE, DECEMBER 31, 2018</u>		\$	<u><u>42,326.79</u></u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS

	Balance December 31, <u>2017</u>	<u>Receipts</u>		<u>Disbursement</u>		<u>Transfers</u>		Balance December 31, <u>2018</u>
		<u>Miscellaneous</u>	<u>Improvement Authorizations</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>		
Fund Balance	\$ 1,401.41	\$ 2,200.00				\$ 40,925.38	\$	44,526.79
Capital Improvement Fund	191,251.94							191,251.94
Reserve for Roof Repairs - PW Building	100,000.00							100,000.00
Due (from)/to Sewer Utility Operating Fund		2,490.21		\$ 2,510.66				(20.45)
Reserve for Encumbrances	2,177,900.75			552,933.87		90,722.51		1,715,689.39
Reserve for Manhole Resetting	100,000.00			2,020.38				97,979.62
Reserve for Video Inspection of Sewer Lines	25,000.00							25,000.00
Reserve for PW Generator	13,000.00							13,000.00
Reserve for Sewer Infrastructure Upgrades	114,070.00			66,060.95	\$ 10,660.01			37,349.04
Reserve for Payment of Bonds	39,539.77				39,539.77			
<u>Ordinance Number</u>		<u>Improvement Authorizations</u>						
12-13/13-06		Reconstruction of Sewer Pump Station	1,385.61			1,385.61		
17-11		Improvements to Sanitary Sewer System	<u>(1,876,925.81)</u>	<u>583,995.00</u>	<u>\$ 62,213.70</u>	<u>80,062.50</u>		<u>(1,435,207.01)</u>
			<u>\$ 886,623.67</u>	<u>\$ 588,685.21</u>	<u>\$ 62,213.70</u>	<u>\$ 131,647.89</u>	<u>\$ 131,647.89</u>	<u>\$ 789,569.32</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

BALANCE, DECEMBER 31, 2017

AND

BALANCE, DECEMBER 31, 2018

\$ 4,662,385.74

(There was no change during the year.)

Detail:

Improvement of Sewer System, Stage I - 1973	\$	100,000.00
Improvement of Sewer System, Stage II - 1976		690,267.47
Improvement of Sewer System, Stage II - 1981		30,718.44
Improvement of Sewer System, Stage II - 1981		257,244.41
Improvement of Sewer System - 1998		73,257.61
Purchase of Equipment - 1994		39,814.00
Purchase of Jet Sewer Cleaner - 1992		19,000.00
Computer System - 1995		9,750.00
Improvement to Municipal Sewer Building		35,543.02
Improvements to the Pump Station- 1996		294,666.45
Improvements to the Pump Station- 1997		93,665.00
Sewer Utility Improvements - 1999		282,005.65
Sewer Utility Improvements - 2000		297,425.54
Improvement of Sewer System - 2000		200,000.00
Improvement of Sewer System - 2001		230,000.00
Sanitary Sewer Pump Station Reahabilitation - 2006		322,469.33
Sewer Evaluation, Cleaning and Rehabilitation		265,621.91
Capital Outlay - 2006 Appropriations		25,542.40
Capital Outlay - 2007 Appropriations Reserves		13,550.62
Capital Outlay - 2013 Appropriations Reserves		12,500.00
Capital Outlay - 2015 Appropriations		87,500.00
Capital Outlay - 2015 Appropriations Reserves		39,309.50
Capital Outlay - 2016 Appropriations		252,920.00
Pump Station Reconstruction - 2016		<u>989,614.39</u>
	\$	<u>4,662,385.74</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>Ordinance Number</u>	<u>Description</u>	<u>Date Authorized</u>	<u>Original Amount</u>	<u>Balance December 31, 2017</u>	<u>Canceled</u>	<u>Balance December 31, 2018</u>
12-13/13-06	Reconstruction of Sewer Pump Station	11/28/2012 5/28/2013	\$ 991,000.00	\$ 1,385.61	\$ 1,385.61	
17-11	Improvements to the Sanitary Sewer System	2/28/2017	2,850,000.00	<u>2,850,000.00</u>		\$ <u>2,850,000.00</u>
				<u>\$ 2,851,385.61</u>	<u>\$ 1,385.61</u>	<u>\$ 2,850,000.00</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Balance December 31, 2018</u>
17-11	Improvements to the Sanitary Sewer System	05/22/17	05/22/18	05/21/19	2.00%	\$ <u>355,000.00</u>	\$ <u>355,000.00</u>
						\$ <u><u>355,000.00</u></u>	\$ <u><u>355,000.00</u></u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2017</u>		<u>Canceled</u>	<u>Balance December 31, 2018</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
12-13/ 13-06	Reconstruction of Sewer Pump Station	11/28/12 05/28/13	\$ 791,000.00	\$ 1,385.61		\$ 1,385.61		
17-11	Improvements to the Sanitary Sewer System	02/28/17	2,850,000.00		\$ 618,074.19	142,276.20		\$ 475,797.99
				\$ 1,385.61	\$ 618,074.19	\$ 143,661.81		\$ 475,797.99

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

BALANCE, DECEMBER 31, 2017

AND

BALANCE, DECEMBER 31, 2018

\$ 191,251.94

(There was no change during the year.)

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
AS OF DECEMBER 31, 2018 AND 2017

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Reserve for:		
Roof Repairs	\$ 100,000.00	\$ 100,000.00
Payment of Bonds		39,539.77
Video Inspection of Sewer Lines	25,000.00	25,000.00
Public Works Generator	13,000.00	13,000.00
Sewer Infrastructure Upgrades	37,349.04	114,070.00
Manhole Resetting	97,979.62	100,000.00
NJI-Bank Loan	<u>583,995.00</u>	<u> </u>
	<u>\$ 857,323.66</u>	<u>\$ 391,609.77</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2017</u>	Balance December 31, <u>2018</u>
17-11	Improvements to the Sanitary Sewer System	\$ <u>2,495,000.00</u>	\$ <u>2,495,000.00</u>
		\$ <u><u>2,495,000.00</u></u>	\$ <u><u>2,495,000.00</u></u>

CAPITAL ASSETS

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL ASSETS ACCOUNT
COMPARATIVE STATEMENTS OF CAPITAL ASSETS
AS OF DECEMBER 31, 2018 AND 2017

	Balance December 31, <u>2018</u>	Balance December 31, <u>2017</u>
Capital Assets:		
Land	\$ 4,978,400.00	\$ 4,978,400.00
Buildings	9,431,238.00	9,431,238.00
Equipment	2,234,580.00	2,133,107.00
Vehicles	<u>3,130,422.38</u>	<u>3,137,967.00</u>
	<u>\$ 19,774,640.38</u>	<u>\$ 19,680,712.00</u>
Investment in Capital Assets	<u>\$ 19,774,640.38</u>	<u>\$ 19,680,712.00</u>
	<u>\$ 19,774,640.38</u>	<u>\$ 19,680,712.00</u>

STATISTICAL SECTION

(UNAUDITED)

**BOROUGH OF BRADLEY BEACH
CURRENT FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED**

Function	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government	\$ 658,436.00	\$ 674,004.00	\$ 905,319.64	\$ 889,529.30	\$ 995,896.62	\$ 735,700.00	\$ 824,367.13	\$ 613,565.64	\$ 579,643.92	\$ 629,843.00
Land Use	27,296.00	29,838.00	29,474.18	29,291.36	31,487.60	31,713.00	20,792.00	19,050.00	15,050.00	26,300.00
Code Enforcement	107,987.00	109,840.00	94,191.06	87,534.03	83,720.32	73,043.00	89,045.62	87,678.00	123,937.00	130,357.00
Insurance	1,230,711.00	1,270,867.00	1,247,878.00	1,198,072.00	1,170,096.26	1,091,475.00	1,112,853.14	967,182.00	929,364.99	876,820.00
Public Safety	2,751,682.10	2,630,188.00	2,430,916.58	2,497,503.98	2,420,803.45	2,350,780.31	2,361,289.38	2,335,279.51	2,386,501.50	2,236,717.09
Public Works	1,165,206.00	1,094,563.00	1,044,680.48	944,424.52	921,993.31	891,306.00	2,012,070.34	962,089.00	852,082.76	939,529.91
Health and Human Services	23,710.00	23,710.00	23,010.00	24,860.00	24,860.00	24,860.00	24,760.00	24,292.00	23,612.00	24,235.00
Parks and Recreation	194,237.00	184,884.00	184,811.00	154,400.00	137,850.00	122,300.00	131,400.00	119,780.00	106,885.00	120,115.00
Library	406,777.25	394,588.32	377,733.26	363,238.24	365,259.96	376,085.91	379,753.32	387,890.88	392,692.74	388,693.22
Utility Expenses and Bulk Purchases	262,550.00	262,550.00	261,125.00	270,125.00	300,025.00	284,320.00	337,100.00	338,130.00	295,100.00	333,100.00
Uniform Construction Code	101,500.00	99,135.00								
Deferred Charges and Statutory Expenditures	834,704.00	942,966.50	905,763.49	875,899.88	1,105,063.08	1,002,571.93	679,163.52	707,312.70	566,171.73	579,476.75
State and Federal Grants	37,917.39	54,808.71	70,578.87	60,748.16	48,351.59	79,046.49	88,180.72	55,503.68	50,652.64	49,103.35
Capital Improvements	181,061.90	346,753.00	220,000.00	82,500.00	42,400.00	30,000.00	73,065.76	92,500.00	22,163.20	50,000.00
Debt Service	815,920.00	556,894.28	1,217,086.85	1,326,388.95	1,209,019.53	1,118,103.31	1,113,993.81	1,042,034.98	1,077,292.29	1,037,091.62
Reserve for Uncollected Taxes	490,349.63	486,663.32	359,378.09	355,920.28	346,897.25	413,865.73	305,242.79	286,003.15	279,000.66	336,895.60
	<u>\$ 9,290,045.27</u>	<u>\$ 9,162,253.13</u>	<u>\$ 9,371,946.50</u>	<u>\$ 9,160,435.70</u>	<u>\$ 9,203,723.97</u>	<u>\$ 8,625,170.68</u>	<u>\$ 9,553,077.53</u>	<u>\$ 8,038,291.54</u>	<u>\$ 7,700,150.43</u>	<u>\$ 7,758,277.54</u>

Appropriations divided between inside "CAPS" and outside "CAPS" have been combined.

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED

Function	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating	\$ 1,545,972.00	\$ 1,544,470.00	\$ 1,616,253.82	\$ 1,535,029.87	\$ 1,484,826.01	\$ 1,448,808.00	\$ 1,485,835.52	\$ 1,373,018.50	\$ 1,383,860.97	\$ 1,331,441.50
Capital Improvements	28,000.00	127,000.00	252,920.00	147,607.00	32,500.00	75,000.00	105,000.00	40,000.00	6,000.00	25,000.00
Debt Service	189,991.00	174,740.00	64,500.00	263,253.03	216,545.06	221,025.00	224,921.00	230,465.61	232,799.00	221,892.50
Deferred Charges and Statutory Expenditures	88,084.00	91,438.00	87,160.75	86,795.50	86,715.00	77,968.00	79,065.00	66,201.28	66,457.00	56,560.00
	<u>\$ 1,852,047.00</u>	<u>\$ 1,937,648.00</u>	<u>\$ 2,020,834.57</u>	<u>\$ 2,032,685.40</u>	<u>\$ 1,820,586.07</u>	<u>\$ 1,822,801.00</u>	<u>\$ 1,894,821.52</u>	<u>\$ 1,709,685.39</u>	<u>\$ 1,689,116.97</u>	<u>\$ 1,634,894.00</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED

Function	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating	\$ 1,600,365.00	\$ 1,613,101.00	\$ 1,588,921.07	\$ 1,594,797.65	\$ 1,497,164.45	872,462.42	\$ 1,350,223.92	\$ 1,282,476.00	\$ 1,187,357.50	\$ 1,090,450.00
Capital Improvements	25,000.00	105,950.00	87,000.00	47,000.00	20,000.00	448,144.00	56,000.00	82,500.00	11,490.00	19,000.00
Debt Service	247,973.00	311,999.00	267,794.38	262,307.55	129,036.18	60,000.00	108,055.00	102,800.00	193,260.00	194,818.00
Deferred Charges and Statutory Expenditures	<u>93,000.00</u>	<u>93,000.00</u>	<u>96,000.00</u>	<u>84,000.00</u>	<u>85,500.00</u>	<u>121,753.85</u>	<u>76,565.36</u>	<u>75,500.00</u>	<u>64,978.00</u>	<u>65,978.00</u>
	<u>\$ 1,966,338.00</u>	<u>\$ 2,124,050.00</u>	<u>\$ 2,039,715.45</u>	<u>\$ 1,988,105.20</u>	<u>\$ 1,731,700.63</u>	<u>\$ 1,502,360.27</u>	<u>\$ 1,590,844.28</u>	<u>\$ 1,543,276.00</u>	<u>\$ 1,457,085.50</u>	<u>\$ 1,370,246.00</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND REVENUES BY SOURCE
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED

Source	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Surplus Anticipated	\$ 997,000.00	\$ 785,000.00	\$ 785,567.92	\$ 735,626.60	\$ 515,000.00	\$ 413,500.00	\$ 421,312.00	\$ 465,000.00	\$ 400,000.00	\$ 636,000.00
Taxes (1)	7,237,337.60	7,250,782.35	7,153,782.76	6,998,103.98	6,670,722.50	6,566,736.55	6,556,648.27	6,218,381.96	6,093,667.07	5,790,339.69
Delinquent Taxes	197,706.96	151,774.00	168,781.10	202,168.19	259,967.26	182,673.32	194,965.92	207,038.76	160,598.53	132,383.83
Miscellaneous	917,846.64	1,064,248.97	1,206,558.72	1,185,467.64	1,733,438.26	1,167,279.93	974,922.56	901,609.87	773,518.23	805,486.53
State Aid	355,290.00	355,290.00	355,290.00	355,290.00	355,290.00	355,289.60	355,290.00	355,290.00	355,119.02	455,208.00
Grants	30,417.39	44,808.71	54,578.87	50,748.16	43,351.59	133,721.06	75,920.62	49,243.68	44,392.94	40,384.04
Nonbudget Revenues	84,337.33	149,443.71	53,645.02	77,531.92	40,282.93	27,639.48	97,183.41	113,105.60	38,729.49	21,617.03
	<u>\$ 9,819,935.92</u>	<u>\$ 9,801,347.74</u>	<u>\$ 9,778,204.39</u>	<u>\$ 9,604,936.49</u>	<u>\$ 9,618,052.54</u>	<u>\$ 8,846,839.94</u>	<u>\$ 8,676,242.78</u>	<u>\$ 8,309,669.87</u>	<u>\$ 7,866,025.28</u>	<u>\$ 7,881,419.12</u>

(1) Excludes tax allocated to county and school.

BOROUGH OF BRADLEY BEACH
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Municipal</u>	<u>County</u>			<u>School</u>	<u>Total</u>	<u>Collection Rates Current</u>	<u>Delinquent Taxes as Percent of Levy</u>
		<u>Regular</u>	<u>Open Space</u>	<u>Health</u>				
2018	\$ 0.576	\$ 0.256	\$ 0.029	\$ 0.005	\$ 0.518	\$ 1.384	98.59%	1.40%
2017	0.604	0.264	0.016	0.005	0.525	1.414	98.76%	1.20%
2016	0.604	0.260	0.015	0.005	0.514	1.398	99.03%	0.94%
2015	0.601	0.264	0.014	0.005	0.512	1.396	98.93%	1.08%
2014	0.588	0.266	0.015	0.005	0.510	1.384	98.72%	1.28%
2013	0.580	0.270	0.015	0.005	0.499	1.369	98.31%	1.68%
2012	0.573	0.260	0.015	0.005	0.465	1.318	98.77%	1.22%
2011	0.541	0.259	0.016	0.005	0.448	1.269	98.92%	1.37%
2010	0.531	0.253	0.016	0.005	0.444	1.249	98.53%	1.56%
2009	0.497	0.238	0.016	0.005	0.439	1.195	98.94%	1.29%

Source: Tax Collector.

Note: In 2011 a Library Tax Rate was included in the Municipal Tax Rate

BOROUGH OF BRADLEY BEACH
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Total</u> <u>Tax Levy</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percentage</u> <u>of Collections</u>
2018	\$ 16,602,049.28	\$ 16,367,712.08	98.59%
2017	16,285,302.99	16,082,693.51	98.76%
2016	16,055,773.10	15,899,783.52	99.03%
2015	15,810,619.46	15,641,002.73	98.93%
2014	15,428,910.06	15,230,930.19	98.72%
2013	15,268,796.59	15,010,815.82	98.31%
2012	14,895,965.81	14,713,120.70	98.77%
2011	14,374,032.60	14,220,379.01	98.92%
2010	14,172,010.53	13,964,893.94	98.53%
2009	13,464,479.97	13,322,316.24	98.94%

Source: Annual Audit Reports

BOROUGH OF BRADLEY BEACH
DELINQUENT TAXES AND TAX TITLE LIENS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Amount of</u> <u>Tax Title Liens</u>	<u>Amount of</u> <u>Delinquent</u> <u>Taxes</u>	<u>Total</u> <u>Delinquent</u>	<u>Percentage</u> <u>of Tax Levy</u>
2018	\$ 1,928.47	\$ 234,337.20	\$ 236,265.67	1.42%
2017	1,928.47	193,569.16	195,497.63	1.20%
2016	1,754.55	149,682.14	151,436.69	0.94%
2015	1,578.41	169,436.44	171,014.85	1.08%
2014	1,398.32	202,168.19	203,566.51	1.32%
2013	1,310.20	257,360.32	258,670.52	1.69%
2012	689.75	182,718.43	183,408.18	1.23%
2011	523.68	196,942.55	197,466.23	1.37%
2010	282.18	220,314.88	220,597.06	1.56%
2009	274.68	173,804.19	174,078.87	1.29%

Source: Annual Audit Reports

BOROUGH OF BRADLEY BEACH
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended December 31,</u>	<u>Aggregate Assessed Valuations of Real Property</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2018	\$ 1,188,301,100	\$ 1,340,592,396	88.64%
2017	1,151,140,100	1,220,332,980	94.33%
2016	1,148,608,300	1,183,766,155	97.03%
2015	1,133,654,200	1,133,200,920	100.04%
2014	1,112,381,900	1,089,715,811	102.08%
2013	1,121,780,200	1,116,643,639	100.46%
2012	1,133,446,516	1,128,256,536	100.46%
2011	1,138,122,273	1,139,261,535	99.90%
2010	1,130,522,544	1,163,687,642	97.15%
2009	1,126,294,100	1,177,639,168	95.64%

Source: Table of Equalized Valuations, State of New Jersey, Division of Taxation.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF TEN LARGEST TAXPAYERS
FOR 2018
UNAUDITED

<u>Taxpayer</u>	<u>Assessed Value - 2018</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
BB Village LLC	\$ 9,790,400	0.85%
Mariner 5 Association, LLC	3,589,400	0.31%
Bradley Driftwood, LLC	3,159,000	0.27%
Terrace Lake Apartments, LLC	3,099,300	0.27%
Bardis, Spyros & Angela	3,042,700	0.26%
Ocean Beach Apartments LLC	2,749,500	0.24%
Rega Bradley Beach LLC	2,650,100	0.23%
Mac Innes, J & Montedoro,	2,421,000	0.21%
Ocean Gate, LLC	2,300,700	0.20%
Simone Ent. LLC	<u>2,275,600</u>	<u>0.20%</u>
	<u>\$ 35,077,700</u>	<u>3.05%</u>

Source: Municipal Tax Collector.

BOROUGH OF BRADLEY BEACH
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017
UNAUDITED

Average Equalized Valuation	\$ <u>1,179,100,018.33</u>
Borrowing Margin - 3½% of Average Equalized Valuation	\$ 41,268,500.64
Net Debt	<u>4,556,577.05</u>
Remaining Borrowing Power	<u>\$ 36,711,923.59</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of Bradley Beach	\$ <u>11,446,437.22</u>	\$ <u>6,889,860.17</u>	\$ 4,556,577.05
Overlapping Debt Apportioned to the Municipality: County of Monmouth (1)	\$ 462,342,600.35	1.003893%	<u>4,641,423.92</u>
			<u>\$ 9,198,000.97</u>

Source: (1) County of Monmouth Director of Finance.

BOROUGH OF BRADLEY BEACH
RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES AND
LOANS TO EQUALIZED VALUE AND DEBT PER CAPITA
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Borough</u> <u>Population (1)</u>	<u>Equalized</u> <u>Valuation (2)</u>	<u>Net</u> <u>Debt (3)</u>	<u>Ratio of</u> <u>Net Debt to</u> <u>Equalized</u> <u>Valuation</u>	<u>Net</u> <u>Debt Per</u> <u>Capita</u>
2018	4,298	\$ 1,340,592,396.00	\$ 11,286,135.04	0.84%	\$ 2,625.90
2017	4,298	1,220,332,980.00	5,930,000.00	0.49%	\$ 1,379.71
2016	4,298	1,183,766,155.00	7,610,363.49	0.64%	1,770.68
2015	4,298	1,133,200,920.00	7,143,679.23	0.63%	1,662.09
2014	4,298	1,089,715,811.00	4,772,363.49	0.44%	1,110.37
2013	4,298	1,116,643,639.00	5,357,560.03	0.48%	1,246.52
2012	4,298	1,128,256,536.00	7,129,565.05	0.63%	1,658.81
2011	4,298	1,139,261,535.00	6,543,517.33	0.57%	1,522.46
2010	4,298	1,163,687,642.00	6,784,785.73	0.58%	1,578.59
2009	4,793	1,177,639,168.00	7,204,710.85	0.61%	1,503.17

(1) Based on the 2000 U.S. Census for 2009 and 2010 Census for 2010-2018.

(2) Per the State of New Jersey.

(3) Per Annual Debt Statement - Includes Utility Self-Liquidating Net Debt.

BOROUGH OF BRADLEY BEACH
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR BONDED DEBT, BOND ANTICIPATION NOTES AND LOANS (1)
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt</u> <u>Service</u>	<u>Total</u> <u>Current Fund</u> <u>Governmental</u> <u>Fund Expenditures</u>	<u>Ratio of</u> <u>Debt Service to</u> <u>Current Fund</u> <u>Expenditures</u>
2018	\$ 623,302.18	\$ 192,091.24	\$ 815,393.42	\$ 9,290,045.27	8.78%
2017	362,864.48	193,482.16	556,346.64	9,162,253.13	6.07%
2016	978,470.97	227,232.07	1,205,703.04	9,371,946.50	12.87%
2015	1,039,421.55	286,939.46	1,326,361.01	9,160,435.70	14.48%
2014	939,739.32	263,900.72	1,203,640.04	9,203,723.97	13.08%
2013	825,196.58	292,166.72	1,117,363.30	8,625,170.68 (2)	12.95%
2012	816,630.60	297,293.42	1,113,924.02	9,553,077.53	11.66%
2011	734,606.10	307,262.84	1,041,868.94	8,038,291.54	12.96%
2010	733,177.19	343,058.06	1,076,235.25	7,700,150.43	13.98%
2009	658,853.00	361,103.55	1,019,956.55	7,758,277.54	13.15%

(1) Excludes Sewer and Beach Utilities.

(2) 2012 Government Fund Expenditures include \$1,250,000 Special Emergency for Hurricane Sandy.

BOROUGH OF BRADLEY BEACH
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
SEWER UTILITY OPERATING FUND

Cash Receipts from Fees, Rents or Other Charges		\$ 2,057,266.05
Deductions:		
Operating and Maintenance Cost	\$ 1,634,056.00	
Debt Service	<u>69,765.23</u>	
Total Deductions		<u>1,703,821.23</u>
Excess in Revenue		<u><u>\$ 353,444.82</u></u>

BOROUGH OF BRADLEY BEACH
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
BEACH UTILITY OPERATING FUND

Cash Receipts from Fees, Rents or Other Charges		\$ 1,910,638.81
Deductions:		
Operating and Maintenance Cost	\$ 1,611,365.00	
Debt Service	<u>238,005.25</u>	
Total Deductions		<u>1,849,370.25</u>
Excess in Revenue		<u>\$ 61,268.56</u>

BOROUGH OF BRADLEY BEACH
DEMOGRAPHIC STATISTICS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31.</u>	<u>Population</u>	<u>Unemployment</u> <u>Rate (1)</u>	<u>Per Capita</u> <u>Income (1)</u>
2018	4,298	3.7%	45,084
2017	4,298	4.3%	45,084
2016	4,298	4.7%	45,084
2015	4,298	5.6%	45,084
2014	4,298	6.9%	40,976
2013	4,298	5.9%	40,624
2012	4,298	12.7%	N/A
2011	4,298	12.2%	34,802
2010	4,298	7.3%	31,307
2009	4,793	11.7%	25,438

(1) NJ Dept. of Labor & Workforce Development

BOROUGH OF BRADLEY BEACH
MISCELLANEOUS STATISTICS
DECEMBER 31, 2018

Date of Incorporation	March 1893
Form of Government	Small Municipality
Area	0.70 square miles
Employees:	
Administrative	9
Police	18
Public Works	12
Volunteer Firemen	37
Volunteer First Aid Squad	27
Other - Part Time and Seasonal	<u>167</u>
Total Employees	<u><u>270</u></u>

Source: Borough Records.

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2018

Contracts And Agreements Required To Be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$40,000.00 due to the presence of a Qualified Purchasing Agent ("QPA"). The municipality appointed David Brown as their QPA for the 2018 year. Accordingly, the Borough's 2018 bid threshold is \$40,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

Sylvan Lake Rehabilitation
Ocean Park Avenue

Riley Park Improvements

In addition, no items were purchased under State contract or cooperative purchasing agreements.

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

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

Our examination of expenditures did not reveal any individual payments contracts or agreements in excess of \$40,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2018

Collection of Interest on Delinquent Taxes, Utility Charges and Assessments

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

The governing body, on December 12, 2017, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

RESOLVED, that in accordance with N.J.S. 54:4-67, as amended in 1970, it is hereby authorized that the rate of interest for delinquent taxes and assessments be fixed at eight percent (8%) per annum up to \$1,500.00 and eighteen percent (18%) per annum over \$1,500.00 on all delinquent taxes and sewer assessments from the date same were due and payable, and on all delinquencies in excess of \$10,000.00, a penalty pursuant to the provisions of P.L. 1991, Chapter 75, is hereby fixed in the amount of six percent (6%) of such delinquency.

The Borough ordinance establishing the rules and regulations on the Sewer Utility provides, in part, that charges not paid on the due dates shall be subjected to a rate of interest of eight percent (8%) per annum, up to \$1,500.00 and eighteen percent (18%) per annum interest over \$1,500.00.

It appears, from an examination of the Collector's records, that interest on delinquent taxes and utility charges was collected in accordance with the foregoing resolution and ordinance.

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2018 and prior years and tax title liens is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2018, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

There was a tax sale held on July 12, 2018 and the sale was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit. The following comparison is made of the number of tax title liens receivable on December 31st of the last three (3) years.

<u>Year</u>	<u>Number of Liens</u>
2018	1
2017	1
2016	1

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

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2018

Sewer Utility Operating Fund

The Sewer Utility Operating Fund Consumer Accounts Receivable as reflected in this audit report was proven to the detail records.

Beach Utility Revenue

The revenues for Bathing Badges for seasonal, daily and other were verified to the cash receipts records. The unused badges retained for audit purposes were verified to the Borough's control detail and compared to total badges purchased for sale by the Borough and to the net revenues generated.

Cash Balances

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2018 and on August 31, 2019 in connection with the supplemental reconciliations.

Cash counts were made at various dates in all departments of the Borough and bank balances were independently reconciled to the books and records provided for audit.

The change and petty cash funds were counted.

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary.

Expenditures

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute. Our examination of expenditures revealed for the most part, compliance with procedures and requirements has been adhered to.

Payroll

An examination was made of the employees' compensation records for the year 2018 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Our examination of payroll did not cover verification of the validity and reasonableness of the allocation of salaries for individuals whose job encompasses activities that relate to more than one of the Borough's operating funds or Departments.

The allocation of salaries for individuals whose duties encompass more than one fund or appropriation is done at the sole discretion of the management of the Borough. It is proper and legal to allocate salaries amongst funds as long as the duties of the individuals relate to the costs charged to the fund or appropriation.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2018

Miscellaneous Comments

The confirmation sent to the Local Board of Education verified that school taxes were paid during December 31, 2018.

The surety bonds covering the Chief Financial Officer/Tax Collector, the Chief Financial Officer and the Municipal Court employees were tested for adequacy of coverage and were determined to be sufficient.

The Borough's Free Public Library had a separate independent audit as of December 31, 2017 on file and the audit for December 31, 2018 is in process at this time.

Interfunds

The Balance Sheets of various funds reflect Interfund Receivable/Payable as of December 31, 2018. The interfunds will be liquidated subsequent to yearend.

Construction Code Official

Our examination of the Uniform Construction Code Annual Report revealed the revenues for 2018 in accordance with the report were \$137,421.00 and expenditures were \$108,662.00. The excess of revenue over expenditure needs to be reviewed for corrective action. The statutes require that the revenue of the department be sufficient to support the expenditures.

The separate report as required by the Local Finance Board Notice #17-15 for Uniform Construction Code Fee Certificate was filed in conjunction with the issuance of this audit. It appears as though the report excluded allowable fringe benefits and allowable overhead charges, which if factored in would reduce the net excess of revenues over expenditures to a lower level.

Trust Other Reserves

The Trust Other Fund balance sheet reflects reserves for concession rentals escrow, donations, tax title lien redemptions and premiums, police officer outside employment and other miscellaneous reserves that must be monitored on an ongoing basis for accuracy.

Technical Directives – State of New Jersey

The general ledger for 2018 was maintained in accordance with acceptable accounting control standards.

An encumbrance system for budgetary purposes was maintained during 2018.

A fixed assets detail was maintained in 2018.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2018

Review of Procedures

It is suggested that for all financial processes that from time to time that a review, updating and documentation of all procedures be done in order to be in compliance with accounting and auditing requirements related to internal control. Cross training should be considered as part of the review. This review may be helpful in times of transition, in periods of long absences of management and clerical employees and in the ever-changing business technological environment. It should be noted that the Governing Body has the ultimate responsibility to ensure that procedures are in place.

Other Matters

It is suggested that the various matters referred throughout this report which require definite action be referred to the officials directly concerned.

A formal exit conference, in accordance with governmental auditing standards generally accepted in the United States of America was held on the contents of this report.

Appreciation

I desire to express my appreciation for the cooperation received from the Borough Officials and Employees and the courtesies extended during the course of the audit.

RECOMMENDATIONS
DECEMBER 31, 2018

None.

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

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

Very truly yours,



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431
of the Firm
SAMUEL KLEIN AND COMPANY