

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF
BOROUGH OF BRADLEY BEACH**

**701 Main Street
Bradley Beach, New Jersey 07720**

FOR THE YEAR ENDED DECEMBER 31, 2019

**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

January 20, 2021

TO: The Honorable Mayor and Council Members

RE: Comprehensive Annual Financial Report for the
Year Ended December 31, 2019

The Comprehensive Annual Financial Report for the Borough of Bradley Beach, County of Monmouth, State of New Jersey, for the year ended December 31, 2019 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 2019 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 2019, the Current Fund, which encompasses the general government functions of the Borough, had revenues of \$9,117,655.02 exclusive of fund balance, expenditures of \$9,282,328.62 and a decrease of \$231,476.89 in fund balance at year-end. The Current Fund revenues decreased approximately \$142,717.39 or 1.39% under 2018. Below is a comparison of the Current Fund revenues.

	<u>2019</u>	<u>2018</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Local Sources:				
Fund Balance Utilized	\$ 997,000.00	\$ 997,000.00	\$	%
Current Tax Revenue	7,169,083.65	7,237,337.60	(68,253.95)	(0.94)
Delinquent Tax Revenue	138,252.66	197,706.96	(59,454.30)	(30.07)
Miscellaneous Revenue				
Anticipated	944,474.76	917,846.64	26,628.12	2.90
Nonbudget Revenues	87,374.49	84,337.33	3,037.16	3.60
Other Credits to Income	<u>392,261.20</u>	<u>437,431.49</u>	<u>(45,170.29)</u>	<u>(10.33)</u>
 Total Revenues from Local Sources	 \$ 9,728,446.76	 \$ 9,871,660.02	 \$ (143,213.26)	 (1.45) %
 State Aid	 355,290.00	 355,290.00		
Grants	<u>30,918.26</u>	<u>30,417.39</u>	<u>500.87</u>	<u>1.65</u>
 Total Current Fund Revenues	 <u>\$ 10,114,655.02</u>	 <u>\$ 10,257,367.41</u>	 <u>\$ (142,712.39)</u>	 <u>(1.39) %</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 decrease in expenditures in 2019 over 2018 was \$7,716.65 or .08% and is detailed as follows:

	<u>2019</u>	<u>2018</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 724,569.00	\$ 658,436.00	\$ 66,133.00	10.04 %
Land Use	24,563.00	27,296.00	(2,733.00)	(10.01)
Code Enforcement	97,054.00	107,987.00	(10,933.00)	(10.12)
Insurance	1,063,347.00	1,230,711.00	(167,364.00)	(13.60)
Public Safety	2,790,053.00	2,751,682.10	38,370.90	1.39
Public Works	1,167,096.00	1,165,206.00	1,890.00	0.16
Health and Human Services	23,710.00	23,710.00		
Parks and Recreation	181,799.00	194,237.00	(12,438.00)	(6.40)
Library	445,563.69	406,777.25	38,786.44	9.54
Utilities Expenses and Bulk Purchases	226,500.00	262,550.00	(36,050.00)	(13.73)
Uniform Construction Code	104,472.00	101,500.00	2,972.00	2.93
Deferred Charges and				
Statutory Expenditures	916,792.00	834,704.00	82,088.00	9.83
Federal and State Programs	38,418.26	37,917.39	500.87	1.32
Capital Improvements	170,600.00	181,061.90	(10,461.90)	(5.78)
Municipal Debt Service	827,834.48	815,920.00	11,914.48	1.46
Reserve for Uncollected Taxes	479,957.19	490,349.63	(10,392.44)	(2.12)
Total Current Fund Expenditures	\$ <u>9,282,328.62</u>	\$ <u>9,290,045.27</u>	\$ <u>(7,716.65)</u>	<u>(0.08) %</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 \$1,993,588.85 exclusive of fund balance, and incurred operating expenses of \$1,887,039.00 resulting in an increase in fund balance of \$106,549.85. The decrease in operating expenses from 2018 to 2019 was \$79,299.00 or 4.03%. The following schedule summarizes revenues and expenses for 2019 and 2018:

	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 168,164.00	\$ 163,557.00	\$ 4,607.00	2.82 %
Bathing Badges	1,558,917.00	1,410,845.60	148,071.40	10.50
Concession Rents	80,500.00	84,794.84	(4,294.84)	(5.06)
Parking Meters	93,616.61	74,663.07	18,953.54	25.39
Reserve for FEMA	82,000.00	82,000.00	0.00	
Beach Locker Fees	81,590.00	80,400.00	1,190.00	1.48
Nonbudget Revenue	23,025.69	15,556.17	7,469.52	48.02
Other Credits to Income	73,939.55	228,172.51	(154,232.96)	(67.59)
	<u>\$ 2,161,752.85</u>	<u>\$ 2,139,989.19</u>	<u>\$ 21,763.66</u>	<u>1.02 %</u>
<u>Expenditures</u>				
Operating	\$ 1,550,213.00	\$ 1,600,365.00	\$ (50,152.00)	(3.13) %
Capital Improvements		25,000.00	(25,000.00)	(100.00)
Debt Service	255,826.00	247,973.00	7,853.00	3.17
Deferred Charges and Statutory Expenditures	81,000.00	93,000.00	(12,000.00)	(12.90)
	<u>\$ 1,887,039.00</u>	<u>\$ 1,966,338.00</u>	<u>\$ (79,299.00)</u>	<u>(4.03) %</u>

SEWER UTILITY FUND

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

The Sewer Utility Operating Fund generated operating revenues of \$2,254,730.23 exclusive of fund balance, and incurred operating expenses of \$2,002,221.00 resulting in an increase in fund balance of \$252,509.23. The decrease in operating expenses from 2018 to 2019 was \$150,174.00 or 8.11%. The sewer utility has 150 commercial customer units and 3,245 residential customer units. The following schedule summarizes revenues and expenses for 2019 and 2018:

	<u>2019</u>	<u>2018</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 120,771.00	\$ 29,317.00	\$ 91,454.00	311.95 %
Rents	1,980,980.66	2,007,359.43	(26,378.77)	(1.31)
Nonbudget Revenue	44,516.09	20,616.88	23,899.21	115.92
Other Credits to Income	<u>229,233.48</u>	<u>447,142.04</u>	<u>(217,908.56)</u>	<u>(48.73)</u>
	<u>\$ 2,375,501.23</u>	<u>\$ 2,504,435.35</u>	<u>\$ (128,934.12)</u>	<u>(5.15) %</u>
<u>Expenditures</u>				
Operating	\$ 1,592,826.00	\$ 1,545,972.00	\$ 46,854.00	3.03 %
Capital Improvements	94,000.00	28,000.00	66,000.00	235.71
Debt Service	227,749.00	189,991.00	37,758.00	19.87
Deferred Charges and Statutory Expenditures	<u>87,646.00</u>	<u>88,084.00</u>	<u>(438.00)</u>	<u>(0.50)</u>
	<u>\$ 2,002,221.00</u>	<u>\$ 1,852,047.00</u>	<u>\$ 150,174.00</u>	<u>8.11 %</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 2019 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 2019 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 2019, the Borough continued to demonstrate important indicators of continued financial strength as follows:

- During 2019, total real estate tax revenues decreased by \$68,253.95, or .94% to \$7,169,083.65. The current collection rate (cash basis) of real estate tax revenue (an important indicator of fiscal health) was 98.44% in 2019. 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 2019. Assessed values increased to \$1,336,939,000.00.
- 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, 2019, all cash funds on deposit were in registered depositories and were covered by these insurers.

During 2019, 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 0.310% of its equalized value.

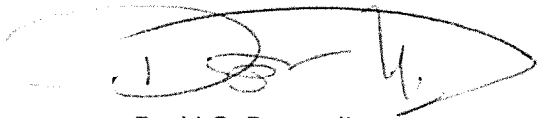
RISK MANAGEMENT

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.

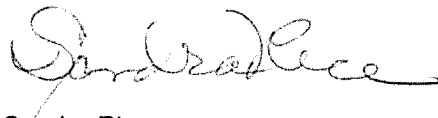
ACKNOWLEDGMENTS

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,

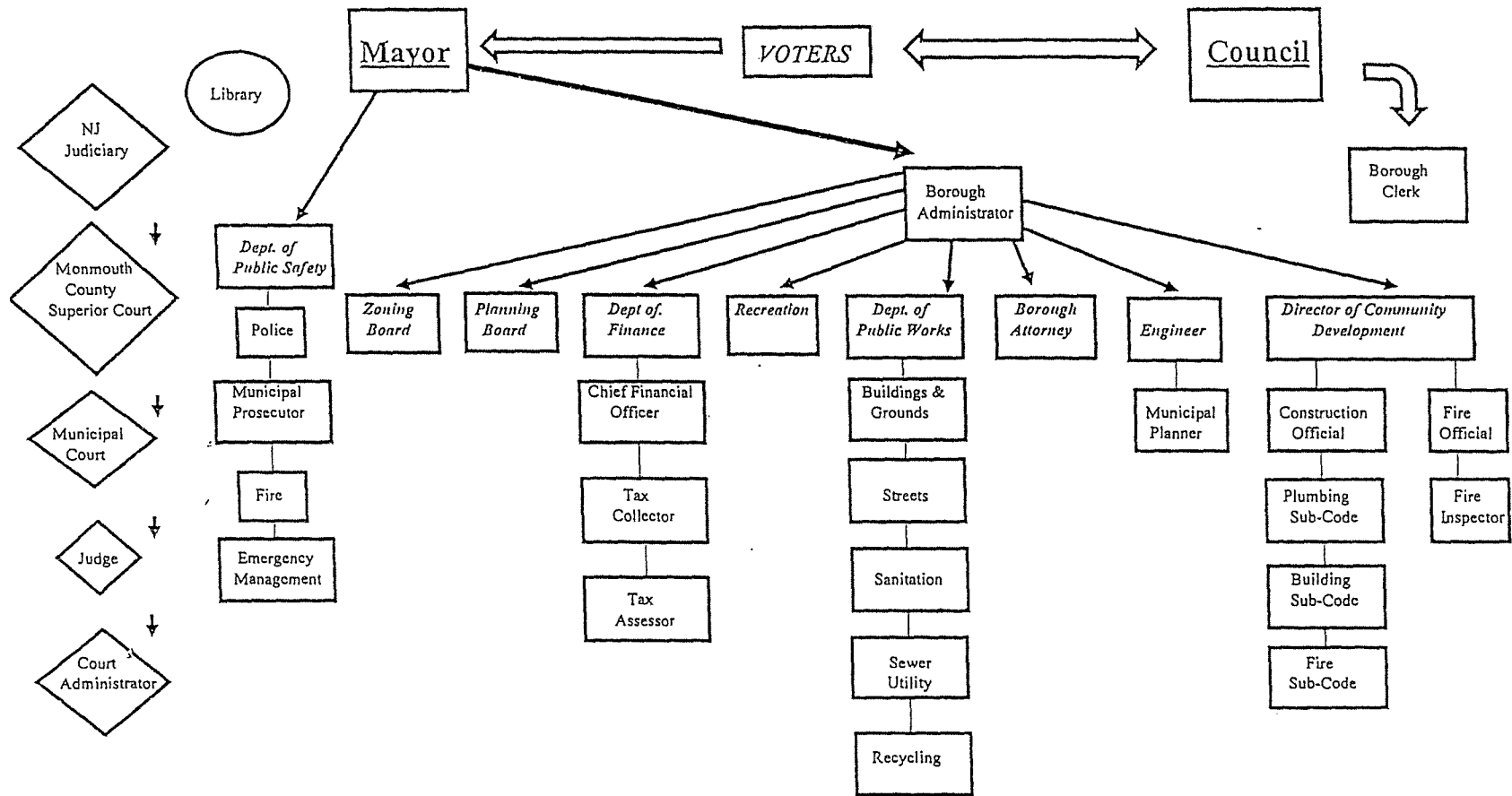
A handwritten signature in black ink, appearing to read "D. G. Brown, II", enclosed within a large, loopy oval shape.

David G. Brown, II
Business Administrator

A handwritten signature in black ink, appearing to read "Sandra Rice", written in a cursive style.

Sandra Rice
Chief Financial Officer

BOROUGH OF BRADLEY BEACH - TABLE OF ORGANIZATION



BOROUGH OF BRADLEY BEACH

ROSTER OF OFFICIALS

DECEMBER 31, 2019

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 [*through December 30, 2019*]

Joseph Munzo, Chief Financial Officer [*December 31, 2019 to February 28, 2020*]

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, 2019

AUDIT FIRM

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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, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
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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, 2019, 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, 2019, 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 January 20, 2021, 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
January 20, 2021

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
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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, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated January 20, 2021.

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. 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.

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*.

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
January 20, 2021

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, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	<u>Governmental Funds</u>					General	<u>Totals</u>	
		General	Trust	<u>Utilities</u>		Fixed Assets	<u>Memorandum Only</u>	
	<u>Current</u>	<u>Capital</u>	<u>Funds</u>	<u>Operating</u>	<u>Capital</u>	<u>Account</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS AND OTHER DEBITS</u>								
Cash and Cash Equivalents	\$ 3,947,408.24	\$ 528,293.06	\$ 659,418.78	\$ 3,019,057.80	\$ 1,611,117.44		\$ 9,765,295.32	\$ 9,481,718.76
Investment								40,000.00
Intergovernmental Accounts Receivable	500.00	498,276.31					498,776.31	431,000.00
Receivables and Other Assets:								
Delinquent Property Taxes	336,127.41						336,127.41	234,337.20
Consumer Accounts Receivable				71,287.32			71,287.32	64,362.72
Liens Receivable	2,254.42						2,254.42	1,928.47
Other Accounts Receivable	50.00		259.00				309.00	
Revenue Accounts Receivable	4,577.81						4,577.81	12,192.78
Interfunds Receivable	83,942.30			40,000.00			123,942.30	15,123.89
Obligations Under Capital Lease - Unfunded		380,000.00					380,000.00	517,000.00
Deferred Charges		4,264,681.00					4,264,681.00	4,808,135.04
Fixed Capital					11,230,265.98		11,230,265.98	9,127,704.21
Fixed Capital Authorized and Uncompleted					3,002,650.84		3,002,650.84	5,101,913.36
Fixed Assets						19,934,297.85	19,934,297.85	19,774,640.38
Grant Fund:								
Grants Receivable	30,519.40						30,519.40	25,319.40
Interfund Receivable	12,687.34						12,687.34	31,635.59
Total Assets and Other Debits	\$ 4,418,066.92	\$ 5,671,250.37	\$ 659,677.78	\$ 3,130,345.12	\$ 15,844,034.26	19,934,297.85	\$ 49,657,672.30	\$ 49,667,011.80

See Notes to 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, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	Governmental Funds			Utilities		General Fixed Assets Account	Totals Memorandum Only	
	Current	General Capital	Trust Funds	Operating	Capital		2019	2018
LIABILITIES, RESERVES AND FUND BALANCE								
Liabilities and Reserves:								
Appropriation Reserves	\$ 742,707.95			\$ 321,761.87			\$ 1,064,469.82	\$ 654,388.08
Other Liabilities and Reserves	1,300,544.30	\$ 474,721.18	\$ 642,231.34	364,810.40	\$ 3,669,062.34		6,451,369.56	7,356,993.01
Improvement Authorizations		785,061.64			496,083.77		1,281,145.41	1,136,664.15
Reserve for Amortization					6,498,725.75		6,498,725.75	6,242,725.75
Deferred Reserve for Amortization					2,559,103.40		2,559,103.40	2,559,103.40
Interfunds Payable	52,687.34		17,446.44	66,495.86			136,629.64	46,759.48
Serial Bonds		2,395,000.00			1,715,000.00		4,110,000.00	4,640,000.00
Bond Anticipation Note		1,283,000.00			829,000.00		2,112,000.00	1,851,000.00
Special Emergency Notes								40,000.00
Loans Payable		115,381.69					115,381.69	137,112.04
Capital Lease Obligations Payable		380,000.00					380,000.00	517,000.00
Reserve for Receivables and Other Assets	426,951.94	155,026.31		71,287.32			653,265.57	463,175.45
Grant Fund:								
Reserve for Encumbrances								6,000.00
Unappropriated/Appropriated Reserves	43,206.74						43,206.74	50,954.99
Total Liabilities and Reserves	\$ 2,566,098.27	\$ 5,588,190.82	\$ 659,677.78	\$ 824,355.45	\$ 15,766,975.26		\$ 25,405,297.58	\$ 25,701,876.35
Equity and Other Credits:								
Investment in General Fixed Assets						19,934,297.85	19,934,297.85	\$ 19,774,640.38
Fund Balance	\$ 1,851,968.65	\$ 83,059.55		\$ 2,305,989.67	\$ 77,059.00		\$ 4,318,076.87	4,190,495.07
Total Equity and Other Credits	\$ 1,851,968.65	\$ 83,059.55		\$ 2,305,989.67	\$ 77,059.00	19,934,297.85	\$ 24,252,374.72	\$ 23,965,135.45
Total Liabilities, Reserves and Fund Balance	\$ 4,418,066.92	\$ 5,671,250.37	\$ 659,677.78	\$ 3,130,345.12	\$ 15,844,034.26	19,934,297.85	\$ 49,657,672.30	\$ 49,667,011.80

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, 2019

	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		\$ 288,935.00	\$ 288,935.00	
Rents				3,518,325.00	3,795,604.27	\$ 277,279.27
Miscellaneous Revenues	880,940.24	944,474.76	\$ 63,534.52	82,000.00	82,000.00	
State Aid	355,290.00	355,290.00				
Grants	30,918.26	30,918.26				
	\$ 2,264,148.50	\$ 2,327,683.02	\$ 63,534.52	\$ 3,889,260.00	\$ 4,166,539.27	\$ 277,279.27
Receipts from Delinquent Taxes	138,300.00	138,252.66	(47.34)			
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	6,879,880.12	7,169,083.65	289,203.53			
Budget Totals	\$ 9,282,328.62	\$ 9,635,019.33	\$ 352,690.71	\$ 3,889,260.00	\$ 4,166,539.27	\$ 277,279.27
Nonbudget Revenues		87,374.49	87,374.49		67,541.78	67,541.78
Other Credits to Income		392,261.20	392,261.20		303,173.03	303,173.03
Taxes Allocated to School and County	10,050,609.15	10,050,609.15				
	\$ 19,332,937.77	\$ 20,165,264.17	\$ 832,326.40	\$ 3,889,260.00	\$ 4,537,254.08	\$ 647,994.08

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, 2019

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 723,259.00	\$ 723,259.00				
Land Use	24,563.00	24,563.00				
Code Enforcement	97,054.00	97,054.00				
Insurance	1,063,347.00	1,063,347.00				
Public Safety	2,755,063.00	2,755,063.00				
Public Works	1,167,096.00	1,167,096.00				
Health and Human Services	23,710.00	23,710.00				
Parks and Recreation	181,799.00	181,799.00				
Utility Expenses and Bulk Purchases	226,500.00	226,500.00				
Deferred Charges and Statutory						
Expenditures	876,792.00	876,792.00				
Uniform Construction Code	104,472.00	104,472.00				
Excluded from "CAPS":						
Public Safety	35,000.00	35,000.00				
Library	446,863.69	446,863.69				
Grants	38,418.26	38,418.26				
Utility Operating				\$ 3,143,039.00	\$ 3,143,039.00	
Capital Improvements	170,600.00	170,600.00		94,000.00	94,000.00	
Municipal Debt Service	827,834.48	827,834.48		483,575.00	483,575.00	
Deferred Charges	40,000.00	40,000.00		168,646.00	168,646.00	
Reserve for Uncollected Taxes	479,957.19	479,957.19				
Total Budget Expenditures	\$ 9,282,328.62	\$ 9,282,328.62		\$ 3,889,260.00	\$ 3,889,260.00	

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, 2019

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
County and School Taxes	\$ 10,050,609.15	\$ 10,050,609.15				
Other Expenses		66,803.39	\$ (66,803.39)			
Total Expenditures	\$ 19,332,937.77	\$ 19,399,741.16	\$ (66,803.39)	\$ 3,889,260.00	\$ 3,889,260.00	
Excess in Revenues over Expenditures/ Statutory Excess to Fund Balance	-	\$ 765,523.01	\$ 765,523.01		\$ 647,994.08	\$ 647,994.08
Fund Balance, January 1, 2019		2,083,445.64	2,083,445.64		1,946,930.59	1,946,930.59
		\$ 2,848,968.65	\$ 2,848,968.65		\$ 2,594,924.67	\$ 2,594,924.67
Decreased By:						
Utilization as Anticipated Revenue		\$ 997,000.00	\$ 997,000.00		\$ 288,935.00	\$ 288,935.00
Fund Balance, December 31, 2019		\$ 1,851,968.65	\$ 1,851,968.65		\$ 2,305,989.67	\$ 2,305,989.67

(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, 2019

BALANCE, DECEMBER 31, 2018

AND

<u>BALANCE, DECEMBER 31, 2019</u>	\$ <u><u>83,059.55</u></u>
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(There was no change during the year.)

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, 2019

	Beach Utility <u>Capital Fund</u>	Sewer Utility <u>Capital Fund</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2018</u>	\$ 32,532.60	\$ 44,526.79	\$ 77,059.39
<u>DECREASED BY</u>			
Cancellation of Various Reserve	<u>0.39</u>	<u> </u>	<u>0.39</u>
<u>BALANCE, DECEMBER 31, 2019</u>	\$ <u>32,532.21</u>	\$ <u>44,526.79</u>	\$ <u>77,059.00</u>

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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.

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.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- 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, 2019. The Borough does not expect this Statement to impact its financial statements.

- 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, 2019. 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, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- GASB Statement No. 87. Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Borough does not expect this Statement to impact its financial statements.

- GASB Statement No. 88. *Certain Disclosure Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that 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, 2019. The Borough does not expect this Statement to impact its financial statements.

- 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, 2020. Earlier application is encourage. 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, 2019

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. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. 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, 2021. 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, 2019

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. **Other Accounting Standards (Continued)**

- *GASB Statement 92. Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

Effective Date: The requirements of this Statement are effective as follows:

(a) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

(b) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.

(c) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.

(d) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. Implementation has been postponed to June 15, 2021. The Borough does not expect this Statement to impact its financial statement.

- *GASB Statement 93. Replacement of Interbank Offered Rates.* The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR).

Effective Date: The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021; per *GASB Statement No. 95* implementation has been delayed one year. Earlier application is encouraged. The Borough does not expect this Statement to impact its financial statement.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. **Other Accounting Standards (Continued)**

- *GASB Statement 94. Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and all PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated). Implementation has been postponed to June 15, 2021. The Borough does not expect this Statement to impact its financial statement.

- *GASB Statement 95. Postponement of the Effective Dates of Certain Authoritative Guidance.* The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2019 and later; per *GASB Statement No. 95* implementation has been delayed one year.

Effective Date: The requirements of this Statement are effective immediately. The Borough does not expect this Statement to impact its financial statement.

- *GASB Statement 96. Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. **Other Accounting Standards (Continued)**

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Station..

- *GASB Statement 97. Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would performs; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Effective Date: The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2019 through January 20, 2021 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).

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, 2019

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, 2019, 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, 2019, was \$10,129,903.31. 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, 2019

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, 2019

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	\$ 1.266	\$ 1.384	\$ 1.414	\$ 1.398	\$ 1.396
Apportionment of Tax Rate:					
Municipal:					
Regular	0.481	0.542	0.570	0.571	0.569
Library	0.034	0.034	0.034	0.033	0.032
County:					
Regular	0.241	0.256	0.264	0.260	0.264
Open Space	0.028	0.029	0.016	0.015	0.014
Health	0.005	0.005	0.005	0.005	0.005
Local School	0.477	0.518	0.525	0.514	0.512

Assessed Valuation (Net Taxable Value)

<u>Year</u>	<u>Amount</u>
2019	\$ 1,336,939,000.00
2018	1,188,301,100.00
2017	1,149,597,400.00
2016	1,146,191,500.00
2015	1,131,026,920.00

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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>
2019	\$ 17,007,625.36	\$ 16,742,911.29	98.44%
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%

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>
2019	\$ 2,254.42	\$ 336,127.41	\$ 338,381.83	1.98%
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%

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>
2019	\$ 1,987,905.26	\$ 1,980,980.66
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

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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 tourists 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>
2019	\$ 1,555,917.00
2018	1,650,703.51
2017	1,686,392.47
2016	1,842,532.15
2015	1,928,322.91

* 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, 2019

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>				
2019	\$ 1,851,968.65	\$ 897,000.00	\$ N/A	48.43%
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%
<u>Beach Utility Operating Fund</u>				
2019	\$ 288,925.15	\$ 212,000.00	\$ None	73.38%
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%
<u>Sewer Utility Operating Fund</u>				
2019	\$ 2,017,064.52	\$ 325,000.00	\$ 200,000.00	26.03%
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%

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
Issued			
General:			
Bonds, Notes and Loans	\$ 3,793,381.59	\$ 3,708,112.04	\$ 3,902,414.22
Beach Utility:			
Bonds and Notes	1,559,000.00	1,865,000.00	1,850,000.00
Sewer Utility:			
Bonds and Notes	<u>985,000.00</u>	<u>1,055,000.00</u>	<u>1,085,000.00</u>
Net Debt Issued	<u>\$ 6,337,381.59</u>	<u>\$ 6,628,112.04</u>	<u>\$ 6,837,414.22</u>
Less Deductions:			
NJDOT Grant			
Ord.#16-05/18-18	<u>155,026.31</u>	<u>215,000.00</u>	<u>None</u>
Authorized but Not Issued			
General:			
Bonds and Notes	\$ 471,299.31	\$ 1,060,023.00	\$ 691,023.00
Beach Utility:			
Bonds and Notes	132,788.42	320,000.00	500,000.00
Sewer Utility:			
Bonds and Notes	<u>2,495,000.00</u>	<u>2,495,000.00</u>	<u>2,495,000.00</u>
Total Authorized but Not Issued	<u>\$ 3,099,087.73</u>	<u>\$ 3,875,023.00</u>	<u>\$ 3,686,023.00</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 9,281,443.01</u>	<u>\$ 10,503,135.04</u>	<u>\$ 10,523,437.22</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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 0.310%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 638,000.00	\$ 638,000.00	None
Beach Utility	1,691,785.42	1,691,785.42	None
Sewer Utility	3,480,000.00	3,480,000.00	None
General	<u>4,264,680.90</u>	<u>155,026.31</u>	<u>\$ 4,109,654.59</u>
	<u>\$ 10,074,466.32</u>	<u>\$ 5,964,811.73</u>	<u>\$ 4,109,654.59</u>

Net Debt \$4,109,654.59 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$1,326,375.83 equals 0.310%. The Annual Debt Statement has been filed.

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

3½% of Equalized Valuation Basis (Municipal)	\$ 46,423,152.41
Net Debt	<u>4,109,654.59</u>
Remaining Borrowing Power	<u>\$ 42,313,497.82</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, 2019

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	\$ 2,087,813.30
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Deductions:

Operating and Maintenance Costs	\$ 1,631,213.00
Debt Service	<u>253,588.75</u>

Total Deductions	<u>1,884,801.75</u>
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Excess in Revenue	\$ <u>203,011.55</u>
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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	\$ 2,146,267.75
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Deductions:

Operating and Maintenance Costs	\$ 1,680,472.00
Debt Service	<u>227,749.00</u>

Total Deductions	<u>1,908,221.00</u>
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Excess in Revenue	\$ <u>238,046.75</u>
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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, 2019

Note 6. MUNICIPAL DEBT (CONTINUED)

Noncurrent (Long-Term) Debt

As of December 31, 2019, 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%. \$ 785,000.00 *

\$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%. 575,000.00 *

\$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 rate of 5.00%. 1,035,000.00 **

\$ 2,395,000.00

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 \$110,000.00 and \$155,000.00 at interest rate of 5.00%. \$ 1,045,000.00 *

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%. 670,000.00 *

\$ 4,110,000.00

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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:

Year	General Capital Fund		
	Principal	Interest	Total
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
2024	95,000.00	47,550.00	142,550.00
	<u>1,485,000.00</u>	<u>387,450.00</u>	<u>1,872,450.00</u>
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
2029	125,000.00	20,050.00	145,050.00
	<u>580,000.00</u>	<u>158,500.00</u>	<u>738,500.00</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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)

General Capital Fund (Continued)			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2034	50,000.00	1,625.00	51,625.00
	<u>330,000.00</u>	<u>30,975.00</u>	<u>360,975.00</u>
	\$ <u>2,395,000.00</u>	\$ <u>576,925.00</u>	\$ <u>2,971,925.00</u>

Beach Utility Capital Fund			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2024	135,000.00	28,750.00	163,750.00
	<u>605,000.00</u>	<u>202,660.00</u>	<u>807,660.00</u>
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>440,000.00</u>	<u>44,750.00</u>	<u>484,750.00</u>
	\$ <u>1,045,000.00</u>	\$ <u>247,410.00</u>	\$ <u>1,292,410.00</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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)

Sewer Utility Capital Fund			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2024	40,000.00	23,800.00	63,800.00
	<u>170,000.00</u>	<u>135,450.00</u>	<u>305,450.00</u>
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
2029	50,000.00	13,300.00	63,300.00
	<u>220,000.00</u>	<u>88,250.00</u>	<u>308,250.00</u>
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
2034	60,000.00	1,950.00	61,950.00
	<u>280,000.00</u>	<u>31,050.00</u>	<u>311,050.00</u>
	\$ <u><u>670,000.00</u></u>	\$ <u><u>254,750.00</u></u>	\$ <u><u>924,750.00</u></u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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>
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
2024	270,000.00	100,100.00	370,100.00
	<u>2,260,000.00</u>	<u>725,560.00</u>	<u>2,985,560.00</u>
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
2029	175,000.00	33,350.00	208,350.00
	<u>1,240,000.00</u>	<u>291,500.00</u>	<u>1,531,500.00</u>
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
2034	110,000.00	3,575.00	113,575.00
	<u>610,000.00</u>	<u>62,025.00</u>	<u>672,025.00</u>
	<u>\$ 4,110,000.00</u>	<u>\$ 1,079,085.00</u>	<u>\$ 5,189,085.00</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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
<u>General Capital Fund</u>					
Ordinance 15-08	5/23/2016	2.14%	\$ 71,000.00	2019	2026
Ordinance 16-01	5/23/2016	2.14%	362,000.00	2019	2026
Ordinance 17-16	5/18/2018	2.14%	112,000.00	2021	2028
Ordinance 17-19/18-10	5/18/2018	2.14%	135,000.00	2021	2028
Ordinance 17-19/18-10	5/18/2019	2.14%	33,000.00	2022	2028
Ordinance 18-11	5/18/2019	2.14%	190,000.00	2022	2029
Ordinance 18-23	5/18/2019	2.14%	380,000.00	2022	2029
			<u>\$ 1,283,000.00</u>		
<u>Beach Capital Fund</u>					
Ordinance 16-02	5/23/2016	2.14%	\$ 460,000.00	2019	2026
Ordinance 17-13	5/18/2018	2.14%	54,000.00	2021	2028
			<u>\$ 514,000.00</u>		
<u>Sewer Capital Fund</u>					
Ordinance 17-11	5/22/2017	2.14%	\$ 315,000.00	2020	2027
			<u>315,000.00</u>		
			<u>\$ 2,112,000.00</u>		

Subsequent Event:

Subsequent to yearend the Borough issued BAN's in the amount of \$1,824,000, which consisted of budgeted pay down \$288,000, the BAN's will mature on March 15, 2021 at an interest rate of 2.14%.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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 \$11,028.42 to \$12,061.63. Repayment for the next five (5) years is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2024	<u>24,003.83</u>	<u>240.04</u>	<u>24,243.87</u>
	\$ <u>115,381.69</u>	\$ <u>6,320.09</u>	\$ <u>121,701.78</u>

Bonds and Notes Authorized but not Issued

At December 31, 2019, the Borough of Bradley Beach has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 471,299.31
Beach Utility Capital Fund	132,788.42
Sewer Utility Capital Fund	<u>2,495,000.00</u>
	\$ <u>3,099,087.73</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 6. MUNICIPAL DEBT (CONTINUED)

Improvement Authorization

Subsequent to yearend, the Borough adopted an Improvement Authorization in the amount of \$1,800,000.00 funded by \$285,000.00 of a NJDOT grant, bonds and notes authorized of \$1,425,000.00 and capital improvement fund of \$90,000.00

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.

NJI-Bank Loan Sewer Utility Improvement

The Borough is a participant in a Sewer Infrastructure Improvement Program (Improvement Authorization #17-11) in conjunction with the State of New Jersey DEP, a financing program provided by the New Jersey Infrastructure Bank ("NJI-Bank"). The loans are at net, favorable interest rates and funds are provided by the federal and state governments. The maximum amount is \$2,850,000.00. The closing on the loan(s) are expected to occur in the next few years and financing will be long term. Funds have been advanced in the amount of \$1,732,842.00.

Note 7. LEASES

Monmouth County Improvement Borough (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 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, 2019

Note 7. LEASES (CONTINUED)

Operating Leases (Continued)

Debt Service - MCIA

Year	2011		2013	
	Principal	Interest	Principal	Interest
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>\$ 12,000.00</u>	<u>\$ 900.00</u>	<u>\$ 152,000.00</u>	<u>\$ 15,480.00</u>

Year	2015		2017		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest
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
2024	12,000.00	1,200.00	8,000.00	1,570.00	20,000.00	2,770.00
	<u>85,000.00</u>	<u>11,910.00</u>	<u>94,000.00</u>	<u>15,850.00</u>	<u>343,000.00</u>	<u>44,140.00</u>
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>12,000.00</u>	<u>600.00</u>	<u>25,000.00</u>	<u>2,470.00</u>	<u>37,000.00</u>	<u>3,070.00</u>
	<u>\$ 97,000.00</u>	<u>\$ 12,510.00</u>	<u>\$ 119,000.00</u>	<u>\$ 18,320.00</u>	<u>\$ 380,000.00</u>	<u>\$ 47,210.00</u>

Continuing Disclosure Requirements

As a result of the lease agreements with the Monmouth County Improvement Borough, 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, 2019

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>2019</u>	<u>2018</u>	<u>Increase</u>
Balance of Tax	\$ 3,397,410.00	\$ 3,280,632.00	\$ 116,778.00
Deferred Portion	<u>2,576,184.00</u>	<u>2,576,184.00</u>	<u>-</u>
	<u><u>\$ 5,973,594.00</u></u>	<u><u>\$ 5,856,816.00</u></u>	<u><u>\$ 116,778.00</u></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, 2019 the following deferred charges are shown on Balance Sheets of various funds:

	<u>Balance, December 31, 2019</u>	<u>2020 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Beach Utility Capital Fund: Improvement Authorization #13-02	<u><u>\$ 3,299.25</u></u>	<u><u>None</u></u>	<u><u>\$ 3,299.25</u></u>

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

Subsequent to yearend as a result of the COVID-19 coronavirus pandemic, the Borough adopted a Special Emergency appropriation in the amount of \$115,000.00 to provide funds to support the extraordinary expenses. The amounts will be raised over the next five (5) years.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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, 2019

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, 2019

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 2019 were seven and 50/100th 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, 2019

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

	PERS		
	2019	2018	2017
Covered Payroll	\$ 1,513,519	\$ 1,225,981	\$ 1,370,290
Actuarial Contribution Requirements	179,798	186,418	194,851
Total Contributions Employer Share	179,798	186,418	194,851
Percent of Covered Employee - Payroll	11.88 %	15.21 %	14.22 %
Employee's Share	113,514	117,592	99,666
Percent of Covered Payroll	7.50 %	9.59 %	7.27 %

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, 2020 would be needed in the amount of \$218,922.00 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, 2019

Note 10. PENSION PLANS (CONTINUED)

Contributions Required to be Made (Continued)

PFRS

	PFRS		
	2019	2018	2017
Covered Payroll	\$ 1,981,590	\$ 2,042,886	\$ 1,941,966
Actuarial Contribution Requirements	568,129	498,739	512,073
Total Contributions Employer Share	568,129	498,739	512,073
Percent of Covered Employee - Payroll	28.67 %	24.41 %	26.37 %
Employee's Share	198,159	204,383	194,197
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, 2020 would be needed in the amount of \$628,376.00 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, 2019

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, 2019 and June 30, 2018 Independent Auditor's Report dated June 5, 2020 and May 15, 2019 respectively.

The Borough's reported liability of \$4,055,331.00 and \$3,559,078.00 for its proportionate share of the net pension liability at December 31, 2019 and December 31, 2018 respectively. The net pension liability was measured as of June 30, 2019 and June 30, 2018 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>2019</u>	<u>2018</u>
Local Group Share	\$ 18,143,832,135	\$ 19,689,501,539
Borough Proportionate Percentage	0.0225065052 %	0.0180760200 %
Difference - Decrease	0.0044304852 %	

For the year ended December 31, 2019, the Borough's recognizable pension expense of \$86,768.00. At December 31, 2019, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 404,940	\$ 1,407,592
Net difference between expected and actual experience	72,788	17,915
Net difference between projected and actual investment earnings on pension plan investment	-	64,015
Changes in proportion	902,769	493,570
Borough contributions subsequent to yearend	218,922	
Total	<u>\$ 1,599,419</u>	<u>\$ 1,983,092</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The \$218,922.00 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, 2019, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the Borough year ended December 31, 2020. 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>
2020	\$ (117,099)
2021	(379,868)
2022	(339,200)
2023	(159,272)
2024	(16,354)

Additional Information:

Collective (local employers) balances are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,476,736,226
Collective net pension liability	18,143,832,135	19,689,501,539
Collective pension expense	974,471,686	1,099,708,157
Borough's proportion (of Local Group)	0.0225065052 %	0.0180760200 %

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

Inflation	2.75%
Salary Increases:	
Through 2026	2.00 – 6.00% (based on years of service)
Thereafter	3.00 – 5.00% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2000 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates; the larger the impact on future financial statements.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation/Strategies	3.00 %	4.67 %
Cash Equivalent	5.00	2.00
U.S. Treasurer	5.00	2.68
Investment Grade Credit	10.00	4.25
High Yield	2.00	5.37
Real Estate	7.50	8.33
Real Assets	2.50	9.31
Private Credit	6.00	10.85
Private Equity	12.00	9.00
U.S. Equity	28.00	8.26
Non-U.S. Developed Markets Equity	12.50	9.01
Emerging Market Equities	<u>6.50</u>	11.37
	<u>100.00 %</u>	

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of The 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, 2019 and 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, 2019				
<u>[Measurement Date June 30, 2019]</u>				
	1% Decrease	At Current	1% Increase	
	<u>5.28%</u>	<u>6.28%</u>	<u>7.28%</u>	
Borough's proportionate share				
of the pension liability	\$ 5,106,595	\$ 4,055,331	\$ 3,155,764	
December 31, 2018				
<u>[Measurement Date June 30, 2018]</u>				
	1% Decrease	At Current	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	

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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, 2019 and June 30, 2018 Independent Auditor's Report dated June 5, 2020 and May 15, 2019 respectively.

The Borough reported liability net of the Special Funding situation, is \$7,612,980.00 and \$7,863,492.00 for its proportionate share of the net pension liability at December 31, 2019 and December 31, 2018, respectively. The net pension liability was measured as of June 30, 2019 and June 30, 2018 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>2019</u>	<u>2018</u>
Local Group Share	\$ 14,170,193,618	\$ 13,531,648,591
Borough Proportionate Percentage	0.0622086336 %	0.0581118549 %
Difference - Increase	0.0040967787	

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 10. PENSION PLANS (CONTINUED)

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

For the year ended December 31, 2019, the Borough's recognizable pension expense was \$180,379.00. At December 31, 2019, 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	\$ 260,862	\$ 2,460,445
Net difference between expected and actual experience	64,263	48,199
Net difference between projected and actual investment earnings on pension plan investment	-	103,153
Changes in proportion	858,928	455,635
Borough contributions subsequent to yearend	<u>628,376</u>	
Total	<u>\$ 1,812,429</u>	<u>\$ 3,067,432</u>

The \$628,376.00 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>
2020	\$ (399,115)
2021	(837,806)
2022	(593,342)
2023	(292,477)
2024	(163,931)

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$ 1,198,936,924	\$ 4,286,994,294
Collective deferred inflows of resources	\$ 4,874,748,912	\$ 1,988,215,695
Collective pension expense	1,325,963,796	1,270,762,352
Collective net pension liability		
Local Group	\$ 14,170,193,618	\$ 15,369,699,278
Less: Special Funding Situation (1)	1,932,374,825	1,838,050,687
	<u>\$ 12,237,818,793</u>	<u>\$ 13,531,648,591</u>
 Borough's proportion (of Local Group)	 0.0622086336 %	 0.0581118549 %

(1) 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.

	State Proportionate Share Net Pension Liability <u>Attributed to Borough</u>	State Pension <u>Expense Proportion</u>
June 30, 2019	\$ 1,202,104.00	\$ 139,675.00
June 30, 2018	1,068,125.00	125,618.00
June 30, 2017	974,461.00	119,199.00

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 10. PENSION PLANS (CONTINUED)

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

Actuarial Assumptions

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

Inflation:	
Police	2.75%
Wages	3.00%
Salary Increases:	
Through all Future Years	3.25 – 15.25% (based on years of services)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	4.67 %
Cash Equivalent	5.00	2.00
U.S. Treasurer	5.00	2.68
Investment Grade Credit	10.00	4.25
High Yield	2.00	5.37
Private Credit	6.00	7.92
Real Assets	2.50	9.31
Real Estate	7.50	8.33
U.S. Equity	28.00	8.26
Non-U.S. Developed Markets Equity	12.50	9.00
Emerging Market Equities	6.50	11.37
Private Equity	<u>12.00</u>	10.85
	<u>100.00 %</u>	

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the *Bond Buyer* Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the 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, 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2076, 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, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1- percentage point lower or 1- percentage-point higher than the current rate:

December 31, 2019				
<u>[Measurement Date June 30, 2018]</u>				
	1% Decrease	At Current	1% Increase	
	<u>5.85%</u>	<u>6.85%</u>	<u>7.85%</u>	
Borough's proportionate share of the pension liability	\$ 10,289,604	\$ 7,612,980	\$ 5,397,187	
December 31, 2018				
<u>[Measurement Date June 30, 2018]</u>				
	1% Decrease	At Current	1% Increase	
	<u>5.51%</u>	<u>6.51%</u>	<u>7.51%</u>	
Borough's proportionate share of the pension liability	\$ 11,953,861	\$ 7,863,442	\$ 6,438,816	

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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, 2018 had "local employees" statewide of 66,213 active and 29,812 retired for a total of 96,025 members. The Borough at December 31, 2019 had 44 active and 24 retired employees for a total participation of 68.

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, 2019

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>
2019	24	\$ 347,097.36
2018	25	326,314.26
2017	25	517,282.46

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, 2019

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, 2019

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:

<u>December 31 [Measurement Date]</u>	
<u>2019</u>	<u>2018</u>
\$ 6,177,550.00	\$ 8,168,888.00

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

<u>December 31 [Measurement Date]</u>	
<u>2019</u>	<u>2018</u>
0.045604 %	0.052142 %

Total Nonemployer OPEB Liability

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

Inflation rate	2.50%
<u>PERS:</u>	<u>(based on age)</u>
Salary increases:	
through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
<u>PFRS:</u>	
Police and Firemen's Retirement	
System Rate for Future Years	3.25% - 15.25%

Mortality: PERS – Preretirement mortality rates were based on Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Mortality: PFRS – Post-retirement mortality rates were based on Pub-2010 “Safety” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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

Total Nonemployer OPEB Liability (Continued)

Certain actuarial assumptions used in the June 30, 2018 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, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

Health Care Trend Assumptions

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

Discount Rate

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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

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

The following represents the total nonemployer OPEB liability as of June 30, 2019 and 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, 2019 <i>[Measurement Date]</i>		
<u>At 1% Decrease (1.00%)</u>	<u>At Discount Rate (3.50%)</u>	<u>At 1% Increase (1.00%)</u>
\$ 7,142,819	\$ 6,177,550	\$ 5,393,140

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

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, 2019 <i>[Measurement Date]</i>		
<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
\$ 5,213,091	\$ 6,177,550	\$ 7,407,880

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2011 – June 30, 2014.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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

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

For the year ended June 30, 2019, the Borough recognized OPEB benefit of \$167,017.00 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, 2019 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	\$ 5,089	
Difference between Expected and Actual Expenses		\$ 1,806,556
Changes in Assumptions		2,189,186
Changes in Proportion	<u>920,236</u>	<u>1,687,574</u>
Sub-total	<u>\$ 925,325</u>	<u>\$ 5,683,316</u>

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,

2020	\$ (649,949)
2021	(649,949)
2022	(650,348)
2023	(650,993)
2024	(651,582)
Total Thereafter	(737,834)

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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

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>2019</u>	<u>2018</u>
Deferred outflows of resources	\$ 2,410,248,763	\$ 1,943,490,463
Deferred inflows of resources	7,456,321,741	5,841,224,248
Net OPEB liability	8,020,352,361	9,452,773,649
Total expenses (benefit) - non-employer	(53,011,396)	421,637,696
Borough proportionate percentage	0.045604000 %	0.052142000 %

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

	<u>[Measurement Date]</u>	
	<u>2019</u>	<u>2018</u>
	<u>Total OPEB Liability</u>	
Balance as of June 30,	\$ 15,981,103,227	\$ 20,629,044,656
Changes Recognized for the Fiscal Year:		
Service Cost	\$ 666,574,660	\$ 896,235,148
Interest on the Total OPEB Liability	636,082,461	764,082,232
Changes of Assumptions	(1,635,760,217)	(2,314,240,675)
Change in Benefit Term	(1,903,958)	
Difference between Expected and Actual Expenses	(1,399,921,930)	(3,626,384,047)
Gross Benefit Payments	(470,179,613)	(421,621,253)
Contributions from the Member	43,249,952	53,987,166
Net Changes	\$ (2,161,858,645)	\$ (4,647,941,429)
Balance as of June 30	<u>\$ 13,819,244,582</u>	<u>\$ 15,981,103,227</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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

Additional Information (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate to 3.50% in 2019 from 3.87% in 2018. The component of the Net OPEB Collective (Total) Liability is as follows:

	<i>Measurement Date</i>	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB Liability	\$ 13,819,244,582	\$ 15,981,103,227
Plan Fiduciary Net Position	<u>273,182,482</u>	<u>314,485,086</u>
Net OPEB Liability	\$ <u>13,546,062,100</u>	\$ <u>15,666,618,141</u>
Net Position as a Percentage of OPEB Liability	2.00%	1.97%
Special Funding Situation	\$ 5,525,718,739	\$ 6,213,844,492
Non-special Funding Situation	<u>8,293,525,843</u>	<u>9,767,258,735</u>
	\$ <u>13,819,244,582</u>	\$ <u>15,981,103,227</u>

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 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:

<u>Year</u>	<u>Number of Employees</u>	<u>Amount</u>
2019	7	\$ 16,917.60
2018	12	15,142.80
2017	11	13,217.80

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 11 POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Special Funding Situation – PFRS

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation direction to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The Borough has the following attributed to it related to the Special Funding Situation:

<u>December 31,</u>	<u># of</u>	<u>Percent of</u>	<u>State</u>	<u>Expense and</u>
	<u>Employees</u>	<u>Total State</u>	<u>Proportionate</u>	<u>Related Revenue</u>
		<u>Liability</u>	<u>Share of Net</u>	<u>Attributed</u>
			<u>OPEB Liability</u>	<u>to Borough</u>
2019	16	0.053670 %	\$ 2,965,653	\$ 39,310
2018	18	0.063345	3,936,160	119,152
2017	18	0.064667	5,623,063	402,421

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 Borough 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, 2019, 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.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 12. RISK MANAGEMENT (CONTINUED)

Property and Liability Insurance (Continued)

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.

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>
2019	\$ 37,619.37	\$ 0.00	\$ 12,165.19	\$ 228,103.80
2018	60,168.54	0.00	33,425.52	202,649.62
2017	35,000.00	15.52	10,330.39	175,906.60

Note 13. INTERFUNDS RECEIVABLE AND PAYABLE

Interfunds receivable and payable balances at December 31, 2019 were as follows:

<u>Fund</u>	<u>Interfunds</u> <u>Receivable</u>	<u>Interfunds</u> <u>Payable</u>
Current	\$ 83,942.60	\$ 52,687.64
Grant	12,687.34	
Payroll Trust		17,446.44
Sewer Utility Operating	40,000.00	
Beach Utility Operating		66,495.86
	<u>\$ 136,629.94</u>	<u>\$ 136,629.94</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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, 2019 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 \$	168,164.00	\$ 120,771.00	\$ 288,935.00
Rents	1,814,623.61	1,980,980.66	3,795,604.27
Miscellaneous	<u>82,000.00</u>	<u></u>	<u>82,000.00</u>
Budget Revenue Totals	2,064,787.61	2,101,751.66	4,166,539.27
Other Credits to Income:			
Nonbudget Revenue	23,025.69	44,516.09	67,541.78
Other Credits to Income	<u>73,939.55</u>	<u>229,233.48</u>	<u>303,173.03</u>
Total Revenues	<u>\$ 2,161,752.85</u>	<u>\$ 2,375,501.23</u>	<u>\$ 4,537,254.08</u>
Expenditures:			
Operating	\$ 1,550,213.00	1,592,826.00	\$ 3,143,039.00
Capital Improvements		94,000.00	94,000.00
Debt Service	255,826.00	227,749.00	483,575.00
Deferred Charges and Statutory Expenditures	<u>81,000.00</u>	<u>87,646.00</u>	<u>168,646.00</u>
Total Expenditures	<u>\$ 1,887,039.00</u>	<u>\$ 2,002,221.00</u>	<u>\$ 3,889,260.00</u>
Excess in Revenue	<u>\$ 274,713.85</u>	<u>\$ 373,280.23</u>	<u>\$ 647,994.08</u>
Statutory Excess in Revenue	\$ 274,713.85	\$ 373,280.23	\$ 647,994.08
Fund Balance, January 1	<u>182,375.30</u>	<u>1,764,555.29</u>	<u>1,946,930.59</u>
	<u>\$ 457,089.15</u>	<u>\$ 2,137,835.52</u>	<u>\$ 2,594,924.67</u>
Decreased by:			
Utilization as Anticipated Revenue	<u>\$ 168,164.00</u>	<u>\$ 120,771.00</u>	<u>\$ 288,935.00</u>
Fund Balance, December 31	<u><u>\$ 288,925.15</u></u>	<u><u>\$ 2,017,064.52</u></u>	<u><u>\$ 2,305,989.67</u></u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

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 Borough (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 \$9,864.27, additional excess reserve funded of \$3,500.00 resulting in a total reserve balance at December 31, 2019 to \$400,721.82 which is in the 2019 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, 2019

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 gross potential accrued sick pay liability as of December 31, 2019 for all Borough employees, based on data on file in the Finance Office, is \$1,298,148.60. 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>	<u>Reserve Balance</u> <u>December 31, 2019</u>
Current	\$ 73,825.44
Beach	20,000.00
Sewer	<u>50,000.00</u>
	<u>\$ 143,825.44</u>

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.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Note 17. CONTINGENT LIABILITIES (CONTINUED)

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, 2019 of \$18,000.00 which represents an estimate for several tax appeals that are pending for 2019. In the event the appeals are awarded in excess of that amount, then a charge to Fund Balance/(Operations) will be needed.

F. Length of Service Award Program (LOSAP)

On November 3, 2020, the voters of the Borough approved a Length of Service Award Program (LOSAP) pursuant to section 457(e) of the Internal Revenue Code and P.L. 1997, C. 388 as amended by P.L. 2001, C. 272 of the Statutes of New Jersey. The program provides for fixed annual contributions to a deferred income account for volunteer firefighters and first aid and rescue squad members who meet specified service criteria. The maximum amount of annual funds approved are \$15,000.00, which will be provided for in subsequent year's budgets.

Note 18. SUBSEQUENT EVENT: COVID-19 CORONAVIRUS PANDEMIC

The COVID-19 Coronavirus outbreak in the United States has caused the Governor of the State of New Jersey to mandate closures and a curfew for all nonessential citizens and businesses. The management of the Borough (which is essential) has evaluated the impact of the situation and has determined that overall there is no adverse impact on its December 31, 2019 financial statements (*audited*). Financial impact in 2020 is uncertain at this time. A significant portion of the revenue to support Borough operations is taxation; however, the outcome is uncertain at this time. It is not known at this time if there are any federal or state funds available for impact relief.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF THE BOROUGH PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST SIX (6) 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>
2019	0.0225065052 %	\$ 4,055,331	\$ 1,513,519	267.94 %	56.27 %
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 six (6) 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 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST SIX (6) 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>
2019	\$ 179,798	\$ 179,798	None	\$ 1,513,514	11.88 %
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 six (6) 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 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF THE BOROUGH PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST SIX (6) 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>
2019	0.0622086336 %	\$ 7,612,980	\$ 1,513,519	502.98 %	64.99 %
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 six (6) 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 6.51% as of June 30, 2018 to 6.85% as of June 30, 2019.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST SIX (6) 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>
2019	\$ 568,129	\$ 568,129	None	\$ 1,981,590	28.67 %
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 six (6) 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 6.51% as of June 30, 2018 to 6.85% as of June 30, 2019.

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, 2019 AND 2018

	Balance December 31, <u>2019</u>	Balance December 31, <u>2018</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,947,408.24	\$ 3,796,448.39
Due from State - Veterans and Senior Citizens	500.00	
Receivables and Other Assets with Full Reserves:		
Tax Receivable	336,127.41	234,337.20
Tax Title Liens Receivable	2,254.42	1,928.47
Revenue Accounts Receivable	4,577.81	9,634.78
Due From Beach Utility Operating	66,495.86	
Due from Payroll Fund	17,446.44	
Due from State of NJ - Marriage License	50.00	
Revenue Account Receivable Municipal - Library		2,275.00
Deferred Charges - Special Emergency	<u> </u>	<u>40,000.00</u>
Total Current Fund	\$ <u>4,374,860.18</u>	\$ <u>4,084,623.84</u>
Grant Fund:		
Grants Receivable	\$ 30,519.40	\$ 25,319.40
Interfund Receivable - Due from Current Fund	<u>12,687.34</u>	<u>31,635.59</u>
Total Grant Fund	\$ <u>43,206.74</u>	\$ <u>56,954.99</u>
Total Assets	\$ <u><u>4,418,066.92</u></u>	\$ <u><u>4,141,578.83</u></u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2019 AND 2018

	Balance December 31, <u>2019</u>	Balance December 31, <u>2018</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 742,707.95	\$ 458,609.76
Reserve for Encumbrances	73,988.15	188,171.65
Prepaid Taxes	154,004.41	164,793.38
Accounts Payable	17,234.66	
Special Emergency Note		40,000.00
Tax Overpayments	7,476.64	8,560.17
Due County for Added and Omitted Taxes	17,118.26	28,023.20
Due to State of New Jersey:		
DCA - Marriage License Fee		325.00
Various Reserves	209,496.18	116,213.55
Local District School Tax Payable	821,226.00	704,448.00
Interfunds Payable:		
Due to Beach Utility Operating Fund		2,468.00
Due to Grant Fund	12,687.34	31,635.59
Due to Payroll Fund		4,234.83
Due to Sewer Utility Operating Fund	40,000.00	
Due to General Capital Fund		36.74
Due to Municipal Library		5,482.98
	\$ 2,095,939.59	\$ 1,753,002.85
Reserve for Receivables and Other Assets	426,951.94	248,175.45
Fund Balance	1,851,968.65	2,083,445.54
Total Current Fund	\$ 4,374,860.18	\$ 4,084,623.84
Grant Fund:		
Reserve for Grants:		
Appropriated	\$ 43,206.74	\$ 50,954.99
Reserve for Encumbrances		6,000.00
Total Grant Fund	\$ 43,206.74	\$ 56,954.99
Total Liabilities, Reserves and Fund Balance	\$ 4,418,066.92	\$ 4,141,578.83

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 997,000.00	\$ 997,000.00
Miscellaneous Revenue Anticipated	944,474.76	917,846.64
State Aid	355,290.00	355,290.00
Grants	30,918.26	30,417.39
Receipts from Delinquent Taxes	138,252.66	197,706.96
Amount to be Raised by Taxation for Support of		
Municipal Budget	7,169,083.65	7,237,337.60
Nonbudget Revenue	87,374.59	84,337.33
Other Credits to Income:		
Unexpended Balance of Approp. Res. and Encumbrances	343,375.12	398,874.76
Current Appropriations Canceled	43,886.08	526.63
Cancellation of Grant		
Appropriated Reserves	5,000.00	38,030.10
Taxes Allocated to School and County Taxes	<u>10,050,609.15</u>	<u>9,620,724.11</u>
Total Income	<u>\$ 20,165,264.27</u>	<u>\$ 19,878,091.52</u>
Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	\$ 723,259.00	\$ 658,436.00
Land Use	24,563.00	27,296.00
Code Enforcement	97,054.00	107,987.00
Insurance	1,063,347.00	1,230,711.00
Public Safety	2,755,063.00	2,716,682.10
Public Works	1,167,096.00	1,165,206.00
Health and Human Services	23,710.00	23,710.00
Park and Recreation	181,799.00	194,237.00
Utility Expenses and Bulk Purchases	226,500.00	262,550.00
Deferred Charges and Statutory Expenditures	876,792.00	794,704.00
Uniform Construction Code	104,472.00	101,500.00
Excluded from "CAPS":		
Public Safety	35,000.00	35,000.00
Library	446,863.69	406,777.25
Grants	38,418.26	37,917.39
Capital Improvements	170,600.00	181,061.90
Municipal Debt Service	827,834.48	815,920.00
Deferred Charges	40,000.00	40,000.00
Reserve for Uncollected Taxes	479,957.19	490,349.63

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Expenditures (Continued):		
County Taxes	\$ 3,663,692.89	\$ 3,441,510.91
County Added and Omitted Taxes	17,118.26	28,023.20
Local District School Taxes	6,369,798.00	6,151,190.00
Prior Year Senior Citizens' Deductions Disallowed	257.53	
Refund of Prior Years Revenue		14,446.99
Due From Municipal Library - Advanced		2,275.00
Interfund Advanced-Beach Utility Operating Fund	66,495.86	
Due from State of NJ Advanced	<u>50.00</u>	
Total Expenditures	\$ <u>19,399,741.16</u>	\$ <u>18,927,491.37</u>
Excess in Revenue Over Expenditures	\$ 765,523.11	\$ 950,600.15
Statutory Excess to Fund Balance	\$ 765,523.11	\$ 950,600.15
Fund Balance, January 1	<u>2,083,445.54</u>	<u>2,129,845.39</u>
	\$ 2,848,968.65	\$ 3,080,445.54
Decreased by:		
Utilized as Anticipated Revenue	<u>997,000.00</u>	<u>997,000.00</u>
Fund Balance, December 31	\$ <u><u>1,851,968.65</u></u>	\$ <u><u>2,083,445.54</u></u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	Budget As <u>Modified</u>	<u>Realized</u>	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	\$ 17,500.00	\$ 20,000.00	\$ 2,500.00
Other	4,500.00	6,434.00	1,934.00
Fees and Permits	100,105.00	96,865.74	(3,239.26)
Fines and Costs:			
Municipal Court	217,000.00	164,498.34	(52,501.66)
Interest and Costs on Taxes	34,000.00	33,982.11	(17.89)
Parking Meters	74,000.00	82,648.00	8,648.00
Interest on Investments and Deposits	20,000.00	49,782.45	29,782.45
Concession Rents	66,500.00	66,495.86	(4.14)
Cable T.V. Franchise Fees	<u>54,793.00</u>	<u>54,793.00</u>	<u> </u>
	\$ <u>588,398.00</u>	\$ <u>575,499.50</u>	\$ <u>(12,898.50)</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>128,700.00</u>	\$ <u>170,869.00</u>	\$ <u>42,169.00</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>35,000.00</u>	\$ <u>65,535.00</u>	\$ <u>30,535.00</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	Budget As <u>Modified</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Special Items of Revenue Offset with Appropriations:			
Clean Communities Program	\$ 13,428.28	\$ 13,428.28	
Municipal Alliance on Alcoholism & Drug Abuse Funding	10,000.00	10,000.00	
Green Acres Lot Parking Meter Fees	5,352.00	5,352.00	
Body Armor Replacement Fund	<u>2,137.98</u>	<u>2,137.98</u>	
	<u>\$ 30,918.26</u>	<u>\$ 30,918.26</u>	
Special Items of Revenue with Prior Consent of the Director:			
Uniform Fire Safety Act	\$ 2,700.00	\$ 2,899.00	\$ 199.00
Cell Tower Rental Fees	57,257.00	60,787.02	3,530.02
Library Payment of Services	2,275.00	2,275.00	
Verizon Franchise Fees	<u>31,610.24</u>	<u>31,610.24</u>	
	<u>\$ 93,842.24</u>	<u>\$ 97,571.26</u>	<u>\$ 3,729.02</u>
Subtotal Miscellaneous Revenue Anticipated	<u>\$ 1,267,148.50</u>	<u>\$ 1,330,683.02</u>	<u>\$ 63,534.52</u>
Receipts from Delinquent Taxes	<u>\$ 138,300.00</u>	<u>\$ 138,252.66</u>	<u>\$ (47.34)</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	\$ 6,433,316.43	\$ 6,722,519.96	\$ 289,203.53
Minimum Library Levy	<u>446,563.69</u>	<u>446,563.69</u>	
	<u>\$ 6,879,880.12</u>	<u>7,169,083.65</u>	<u>289,203.53</u>
Budget Totals	\$ 9,282,328.62	\$ 9,635,019.33	\$ 352,690.71
Nonbudget Revenue		<u>87,374.49</u>	<u>87,374.49</u>
	<u>\$ 9,282,328.62</u>	<u>\$ 9,722,393.82</u>	<u>\$ 440,065.20</u>
Detail:			
Adopted Budget	\$ 9,268,900.34		
Added by N.J.S.A. 40A:4-87	<u>13,428.28</u>		
	<u>\$ 9,282,328.62</u>		

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<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	\$ 113,349.00	\$ 113,349.00	\$ 113,348.80		\$ 0.20	
Other Expenses	4,250.00	4,250.00	2,268.93	\$ 300.67	1,680.40	
Mayor and Council:						
Salaries and Wages	14,400.00	14,400.00	14,400.00			
Other Expenses	14,300.00	14,300.00	11,743.85		2,556.15	
Municipal Clerk:						
Salaries and Wages	151,138.00	151,138.00	150,520.82		617.18	
Other Expenses	45,750.00	45,750.00	36,412.83	745.79	8,591.38	
Financial Administration:						
Salaries and Wages	77,573.00	77,573.00	77,561.30		11.70	
Other Expenses	34,992.00	34,992.00	28,828.57	13.06	6,150.37	
Audit Services:						
Other Expenses	21,470.00	21,470.00	2,000.00	19,470.00		
Revenue Administration:						
Salaries and Wages	32,161.00	32,161.00	32,160.00		1.00	
Other Expenses	13,928.00	13,928.00	11,506.96	13.76	2,407.28	
Tax Assessment Administration:						
Salaries and Wages	28,148.00	28,148.00	28,147.20		0.80	
Other Expenses	14,100.00	14,100.00	4,223.80		9,876.20	
Legal Services:						
Salaries and Wages	100,000.00	100,000.00	100,000.00			
Other Expenses	19,000.00	19,000.00	9,010.00	0.08	9,989.92	
Engineering Services and Costs:						
Other Expenses	30,000.00	30,000.00	24,360.00		5,640.00	
Architect Services and Costs:						
Other Expenses	5,000.00	5,000.00	2,000.00	66.00	2,934.00	

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<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	\$ 5,830.00	\$ 5,830.00	\$ 5,830.00			
Other Expenses	6,109.00	6,109.00	1,835.89		4,273.11	
Zoning Board of Adjustment:						
Salaries and Wages	5,830.00	5,830.00	5,829.97		0.03	
Other Expenses	6,794.00	6,794.00	3,243.20	\$ 202.50	3,348.30	
<u>CODE ENFORCEMENT AND ADMINISTRATION</u>						
Other Code Enforcement Functions -						
(Code Enforcement Officer):						
Salaries and Wages	86,150.00	86,150.00	79,093.62		7,056.38	
Other Expenses	10,904.00	10,904.00	6,608.40	71.66	4,223.94	
<u>INSURANCE</u>						
Surety Bond Premium	878.00	878.00	878.00			
Liability Insurance	97,210.00	97,210.00	97,210.00			
Worker Compensation Insurance	141,719.00	141,719.00	141,719.00		\$	
Employee Group Insurance	823,540.00	823,540.00	736,923.60	8,951.03	77,665.37	
<u>PUBLIC SAFETY FUNCTIONS</u>						
Police:						
Salaries and Wages	2,157,761.00	2,157,761.00	2,019,934.95		137,826.05	
Other Expenses	123,925.00	123,925.00	118,566.51	801.46	4,557.03	
Police Dispatch/911:						
Salaries and Wages	154,666.00	154,666.00	136,275.64		18,390.36	
Other Expenses	3,600.00	3,600.00	1,651.16	1,041.99	906.85	
Office of Emergency Management:						
Salaries and Wages	8,000.00	8,000.00	7,983.00		17.00	
Other Expenses	2,500.00	2,500.00	1,351.51		1,148.49	
Aid to Volunteer Ambulance Company	35,000.00	35,000.00	34,937.00		63.00	

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<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	98,380.00	98,380.00	\$ 42,785.03	\$ 4,548.31	51,046.66	
Fire Hydrants:						
Other Expenses	37,500.00	37,500.00	32,513.91	2,080.63	2,905.46	
Fire Prevention Bureau:						
Salaries and Wages	9,360.00	9,360.00	9,360.00			
Other Expenses	2,988.00	2,988.00	2,187.50		800.50	
Municipal Prosecutor:						
Salaries and Wages	17,340.00	17,340.00	17,340.00			
Municipal Court:						
Salaries and Wages	82,928.00	82,928.00	71,671.26		11,256.74	
Other Expenses	10,615.00	10,615.00	8,505.01	824.30	1,285.69	
Public Defender:						
Salaries and Wages	7,500.00	7,500.00	5,200.00		2,300.00	
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repair and Maintenance:						
Salaries and Wages	596,990.00	596,990.00	560,373.34		36,616.66	
Other Expenses	116,746.00	116,746.00	67,316.48	4,545.28	44,884.24	
Solid Waste Collection:						
Garbage and Trash Removal:						
Other Expenses	199,200.00	199,200.00	187,986.76	6,251.60	4,961.64	
Recycling (P.L. 1987 Ch. 74):						
Salaries and Wages	6,732.00	6,732.00	6,732.00			
Buildings and Grounds:						
Salaries and Wages	21,778.00	21,778.00	21,428.84		349.16	
Other Expenses	97,400.00	97,400.00	73,644.89	\ 7,451.25	16,303.86	

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<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	\$ 118,000.00	\$ 118,000.00	\$ 87,051.82	\$ 5,411.30	\$ 25,536.88	
Community Services Act:						
Other Expenses	8,500.00	8,500.00	4,750.00		3,750.00	
Safety Regulators Coordinator	500.00	500.00	479.09		20.91	
Hepatitis "B" Immunization	1,250.00	1,250.00	1,199.00		51.00	
<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	12,708.00		2.00	
Contribution to Social Services Agencies:						
Other Expenses	8,500.00	8,500.00	7,905.00		595.00	
<u>PARK AND RECREATION FUNCTIONS</u>						
Recreation:						
Salaries and Wages	81,863.00	81,863.00	78,305.96		3,557.04	
Other Expenses	38,386.00	38,386.00	32,718.26		5,667.74	
Celebration of Public Events:						
Salaries and Wages						
Other Expenses	9,500.00	9,500.00	8,613.00	200.00	687.00	
Maintenance of Parks:						
Salaries and Wages	5,000.00	5,000.00	5,000.00			
Other Expenses	36,850.00	36,850.00	17,176.99	1,054.51	18,618.50	
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	8,000.00			
Historical Museum Contribution:						
Other Expenses	1,000.00	1,000.00	1,000.00			

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<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	\$ 47,000.00	\$ 47,000.00	\$ 46,761.65		\$ 238.35	
Street Lighting	67,000.00	67,000.00	67,000.00			
Telephone	23,500.00	23,500.00	21,942.95	\$ 0.62	1,556.43	
Heat - Gas	24,000.00	24,000.00	19,326.87		4,673.13	
Gasoline	45,000.00	45,000.00	44,789.40	209.60	1.00	
Telecommunication Costs	5,000.00	5,000.00	4,083.53		916.47	
Water	15,000.00	15,000.00	11,466.50	642.93	2,890.57	
<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	98,310.00	98,310.00	92,167.55		6,142.45	
Other Expenses	6,162.00	6,162.00	6,015.45		146.55	
Total Operations within "CAPS"	6,363,163.00	6,363,163.00	5,735,070.55	64,898.33	563,194.12	
<u>CONTINGENT</u>	<u>3,700.00</u>	<u>3,700.00</u>			<u>3,700.00</u>	
Total Operations Including Contingent - within "CAPS"	\$ <u>6,366,863.00</u>	\$ <u>6,366,863.00</u>	\$ <u>5,735,070.55</u>	\$ <u>64,898.33</u>	\$ <u>566,894.12</u>	
Detail:						
Salaries and Wages	\$ 3,865,807.00	\$ 3,865,807.00	\$ 3,638,664.25		\$ 227,142.75	
Other Expenses (Including Contingent)	2,501,056.00	2,501,056.00	2,096,406.30	\$ 64,898.33	339,751.37	
<u>DEFERRED CHARGES AND REGULATORY EXPENDITURES -</u>						
<u>MUNICIPAL WITHIN "CAPS"</u>						
REGULATORY Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 135,437.00	\$ 135,437.00	\$ 128,212.72		\$ 7,224.28	
Social Security System (O.A.S.I.)	152,000.00	152,000.00	134,856.95		17,143.05	
Consolidated Police and Firemen's Pension Fund	11,026.00	11,026.00	11,025.84		0.16	

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<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.	\$ 568,129.00	\$ 568,129.00	\$ 568,129.00			
Administrative Fees (PFRS)	200.00	200.00	68.66		\$ 131.34	
Unemployment Compensation Claims	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>			
Total Deferred Charges and Regulatory Expenditures - Municipal within "CAPS"	<u>\$ 876,792.00</u>	<u>\$ 876,792.00</u>	<u>\$ 852,293.17</u>		<u>\$ 24,498.83</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	<u>\$ 7,243,655.00</u>	<u>\$ 7,243,655.00</u>	<u>\$ 6,587,363.72</u>	<u>\$ 64,898.33</u>	<u>\$ 591,392.95</u>	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Other Operations - Excluded from "CAPS":						
Maintenance of Free Public Library	<u>\$ 446,863.69</u>	<u>\$ 446,863.69</u>	<u>\$ 374,757.62</u>	<u>8,574.82</u>	<u>\$ 63,531.25</u>	
Interlocal Municipal Service Agreements:						
Municipal Court Services - Borough of Avon	<u>\$ 35,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 35,000.00</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			
Clean Communities Grant		13,428.28	13,428.28			
Matching Funds for Grant Programs	5,000.00	5,000.00			5,000.00	
Green Acres Lot, Parking Meters, Parks and Playgrounds	5,352.00	5,352.00	5,352.00			
Body Armor Replacement	<u>2,137.98</u>	<u>2,137.98</u>	<u>2,137.98</u>			
Total Public and Private Programs Offset by Revenues	<u>\$ 24,989.98</u>	<u>\$ 38,418.26</u>	<u>\$ 33,418.26</u>		<u>\$ 5,000.00</u>	

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<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"	\$ 506,853.67	\$ 520,281.95	\$ 443,175.88	\$ 8,574.82	\$ 68,531.25	
Detail:						
Other Expenses	\$ 506,853.67	\$ 520,281.95	443,175.88	\$ 8,574.82	\$ 68,531.25	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 44,000.00	\$ 44,000.00	\$ 44,000.00			
DPW Bobcat Trailer	100.00	100.00			100.00	
Stormwater Management Plan	17,500.00	17,500.00	10,046.25	515.00	6,938.75	
Reserve for Acquisition of Police SUV	1,000.00	1,000.00			1,000.00	
Newark Ave Culvert	36,000.00	36,000.00	18,255.00		17,745.00	
Police Department Radios	25,000.00	25,000.00			25,000.00	
Police Dispatch Console	32,000.00	32,000.00			32,000.00	
Police Department Security Access	15,000.00	15,000.00	15,000.00			
Total Capital Improvements Excluded from "CAPS"	\$ 170,600.00	\$ 170,600.00	\$ 87,301.25	\$ 515.00	\$ 82,783.75	
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 395,000.00	\$ 395,000.00	\$ 395,000.00			
Payment of Bond Anticipation Notes and Capital Notes	101,000.00	101,000.00	101,000.00			
Interest on Bonds	132,050.00	132,050.00	132,038.53			\$ 11.47
Interest on Notes	15,620.00	15,620.00	14,187.09			1,432.91
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	24,364.48	24,364.48	24,364.48			
Capital Lease Obligations:						
Principal	137,000.00	137,000.00	98,000.00			39,000.00
Interest	22,800.00	22,800.00	19,358.30			3,441.70
Total Municipal Debt Service - Excluded from "CAPS"	\$ 827,834.48	\$ 827,834.48	\$ 783,948.40			\$ 43,886.08

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<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"	\$ 1,545,288.15	\$ 1,558,716.43	\$ 1,354,425.53	\$ 9,089.82	\$ 151,315.00	\$ 43,886.08
Total General Appropriations - Excluded from "CAPS"	\$ 1,545,288.15	\$ 1,558,716.43	\$ 1,354,425.53	\$ 9,089.82	\$ 151,315.00	\$ 43,886.08
Subtotal General Appropriations	\$ 8,788,943.15	\$ 8,802,371.43	\$ 7,941,789.25	\$ 73,988.15	\$ 742,707.95	\$ 43,886.08
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>479,957.19</u>	<u>479,957.19</u>	<u>479,957.19</u>			
Total General Appropriations	\$ <u>9,268,900.34</u>	\$ <u>9,282,328.62</u>	\$ <u>8,421,746.44</u>	\$ <u>73,988.15</u>	\$ <u>742,707.95</u>	\$ <u>43,886.08</u>
Detail:						
Adopted Budget		\$ 9,268,900.34				
Added by N.J.S.A. 40A:4-87		<u>13,428.28</u>				
		\$ <u>9,282,328.62</u>				

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Year	Balance December 31, 2018	Tax Levy	Added Taxes	Collections		State Share Senior Citizens and Veterans Deductions Allowed	Adjusted Abated Cancelled	Transfer to TTL	Balance December 31, 2019
				2018	2019				
2018	\$ 234,337.20		\$ 257.53		\$ 138,252.66		\$ 7,462.93	\$ 170.23	\$ 88,708.91
2019		\$ 17,007,625.36		\$ 164,793.38	16,552,617.91	\$ 25,500.00	17,139.85	155.72	247,418.50
	<u>\$ 234,337.20</u>	<u>\$ 17,007,625.36</u>	<u>\$ 257.53</u>	<u>\$ 164,793.38</u>	<u>\$ 16,690,870.57</u>	<u>\$ 25,500.00</u>	<u>\$ 24,602.78</u>	<u>\$ 325.95</u>	<u>\$ 336,127.41</u>

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

Collections in 2019 for 2019	\$ 16,552,617.91
Collections in 2018 for 2019	164,793.38
Senior Citizens and Veterans Deductions	<u>25,500.00</u>
	\$ 16,742,911.29
Less: Taxes Allocated to School and County Taxes	10,050,609.15
Less Allocated to State Tax Appeals	3,178.68
Add: Reserve for Uncollected Taxes	<u>479,957.19</u>
	<u>\$ 7,169,080.65</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

ANALYSIS OF 2019 PROPERTY TAX LEVY

Tax Yield:		
General Purpose Tax		\$ 16,913,671.01
Added Taxes (54:4-63.1 et. seq.)		79,093.87
Other		<u>14,860.48</u>
		<u>\$ 17,007,625.36</u>

TAX LEVY

Local School District Tax:		
Levy School Year July 1, 2019 to June 30, 2020		\$ 6,369,798.00
County Taxes:		
County Tax	\$ 3,226,388.53	
County Open Space Tax	372,329.42	
County Health Tax	64,974.94	
Due County for Added Taxes	<u>17,118.26</u>	<u>3,680,811.15</u>
Total County Taxes		\$ 10,050,609.15
Local Tax for Municipal Purposes	\$ 6,433,316.43	
Local Tax for Municipal Library Purposes	446,563.69	
Additional Tax Levied	<u>77,136.09</u>	
Total Local Tax for Municipal Purposes Levied		<u>6,957,016.21</u>
Total Tax Levy		<u>\$ 17,007,625.36</u>

2018 ADDED TAXES

Senior Citizen Disallowed		<u>\$ 257.53</u>
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BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAX TITLE LIENS RECEIVABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<u>BALANCE, DECEMBER 31, 2018</u>	\$ 1,928.47
 <u>INCREASED BY:</u>	
Transferred from Taxes Receivable	<u>325.95</u>
 <u>BALANCE, DECEMBER 31, 2019</u>	 \$ <u><u>2,254.42</u></u>

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, 2018</u>	<u>Raised in 2019 Budget</u>
11/12/2014	Special Emergency Authorization (N.J.S.A. 40A:4-53) - Revaluation	\$ 200,000.00	\$ 40,000.00	\$ <u>40,000.00</u>	\$ <u>40,000.00</u>
				\$ <u>40,000.00</u>	\$ <u>40,000.00</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018		Balance After	Paid or	Balance
	<u>Reserve</u>	<u>Reserve for</u> <u>Encumbrance</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
<u>GENERAL GOVERNMENT FUNCTIONS</u>					
General Administration:					
Salaries and Wages	\$ 1,500.80		\$ 1,500.80		\$ 1,500.80
Other Expenses	3,569.69	\$ 4.40	3,574.09	\$ 950.00	2,624.09
Human Resources:					
Other Expenses	5,361.50		5,361.50		5,361.50
Mayor and Council:					
Other Expenses	1,299.58		1,299.58		1,299.58
Municipal Clerk:					
Salaries and Wages	627.35		627.35		627.35
Other Expenses	15,644.48	1,800.38	17,444.86	2,413.81	15,031.05
Financial Administration:					
Salaries and Wages	500.48		500.48		500.48
Other Expenses	371.71	6,599.07	6,970.78	4,536.18	2,434.60
Audit Services:					
Other Expenses		16,600.00	16,600.00	16,600.00	
Revenue Administration:					
Salaries and Wages	1,801.32		1,801.32		1,801.32
Other Expenses	6,995.57	1,125.00	8,120.57	1,525.00	6,595.57
Tax Assessment Administration:					
Salaries and Wages	1.08		1.08		1.08
Other Expenses	425.03		425.03		425.03
Legal Services:					
Other Expenses	5,000.00		5,000.00		5,000.00
Engineering Services and Costs:					
Other Expenses	5,368.75		5,368.75	4,937.50	431.25
Architect Services and Costs:					
Other Expenses	1,975.00		1,975.00	125.00	1,850.00
<u>LAND USE ADMINISTRATION</u>					
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	80.00		80.00		80.00
Other Expenses	4,986.90	64.92	5,051.82	64.92	4,986.90
Zoning Board of Adjustment:					
Salaries and Wages	80.00		80.00		80.00
Other Expenses	4,742.11	64.90	4,807.01	90.98	4,716.03

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Reserve</u>	<u>Reserve for Encumbrance</u>			
<u>CODE ENFORCEMENT AND ADMINISTRATION</u>					
Other Code Enforcement Functions (Code Enforcement Officer):					
Salaries and Wages	\$ 5,800.81		\$ 5,800.81		\$ 5,800.81
Other Expenses	4,845.86	\$ 1,259.98	6,105.84	\$ 388.37	5,717.47
<u>INSURANCE</u>					
Worker Compensation Insurance	2,764.91		2,764.91		2,764.91
Employee Group Insurance	33,929.17	55,837.72	89,766.89	49,906.26	39,860.63
<u>PUBLIC SAFETY FUNCTIONS</u>					
Police:					
Salaries and Wages	5,519.53		5,519.53	5,500.00	19.53
Other Expenses	9,440.55	16,931.88	26,372.43	20,522.90	5,849.53
Police Dispatch/911:					
Salaries and Wages	10,903.41		10,903.41		10,903.41
Other Expenses	1,268.45	1,181.31	2,449.76	577.65	1,872.11
Office of Emergency Management:					
Salaries and Wages	2,880.00		2,880.00		2,880.00
Other Expenses	2,736.29	76.49	2,812.78	376.49	2,436.29
Fire:					
Salaries and Wages	3,000.00		3,000.00		3,000.00
Other Expenses	32,686.36	14,731.17	47,417.53	15,907.30	31,510.23
Fire Hydrants:					
Other Expenses	2,354.72	2,944.00	5,298.72	2,944.00	2,354.72
Fire Prevention Bureau:					
Salaries and Wages	4,540.81		4,540.81		4,540.81
Other Expenses	1,300.00		1,300.00		1,300.00
Municipal Court:					
Salaries and Wages	534.00		534.00		534.00
Other Expenses	2,035.42	887.54	2,922.96	879.55	2,043.41
Public Defender:					
Salaries and Wages	12,700.00	900.00	13,600.00	900.00	12,700.00

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Reserve</u>	<u>Reserve for Encumbrance</u>			
<u>PUBLIC WORKS FUNCTIONS</u>					
Road Repair and Maintenance:					
Salaries and Wages	\$ 43,715.96		\$ 43,715.96	\$ 43,619.20	\$ 96.76
Other Expenses	17,770.65	\$ 3,903.95	21,674.60	5,195.25	16,479.35
Solid Waste Collection:					
Garbage and Trash Removal:					
Other Expenses	4,632.77	16,634.06	21,266.83	17,964.17	3,302.66
Recycling (P.L. 1987 Ch. 74):					
Salaries and Wages	108.00		108.00		108.00
Buildings and Grounds:					
Salaries and Wages	511.18		511.18		511.18
Other Expenses	18,104.68	825.55	18,930.23	1,974.82	16,955.41
Vehicle Maintenance:					
Other Expenses	1,870.86	4,342.36	6,213.22	5,732.66	480.56
Community Services Act:					
Other Expenses	3,250.00		3,250.00		3,250.00
Safety Regulators Coordinator	0.08		0.08		0.08
Hepatitis "B" Immunization	106.00		106.00		106.00
<u>HEALTH AND HUMAN SERVICES FUNCTIONS</u>					
Animal Control Services:					
Other Expenses	279.00	782.00	1,061.00	1,059.00	2.00
Contribution to Social Services Agencies:					
Other Expenses	750.00	1,705.00	2,455.00	1,705.00	750.00
<u>PARK AND RECREATION FUNCTIONS</u>					
Recreation:					
Salaries and Wages	1,328.87		1,328.87		1,328.87
Other Expenses	16,977.15	558.60	17,535.75		17,535.75
Celebration of Public Events:					
Salaries and Wages	250.00		250.00		250.00
Other Expenses	2,344.92		2,344.92		2,344.92

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018		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:					
Other Expenses	\$ 2,298.36	\$ 53.25	\$ 2,351.61		\$ 2,351.61
Arts at the Beach:					
Other Expenses	1.60		1.60		1.60
Historical Museum Contribution:					
Other Expenses	60.92		60.92		60.92
Tourism:					
Salaries and Wages	1,399.99		1,399.99		1,399.99
<u>UTILITY EXPENSES AND BULK PURCHASES</u>					
Electricity	5,699.32		5,699.32		5,699.32
Street Lighting	1,592.80		1,592.80		1,592.80
Telephone	2,747.92		2,747.92		2,747.92
Heat - Gas	9,560.49		9,560.49		9,560.49
Gasoline	5,102.54	887.68	5,990.22		5,990.22
Telecommunication Costs	13,541.18	1,214.11	14,755.29		14,755.29
Water	5,183.02	608.96	5,791.98	\$ 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	969.77		969.77		969.77
Other Expenses	3,267.19	982.11	4,249.30	982.11	3,267.19
<u>CONTINGENT</u>	3,700.00		3,700.00		3,700.00

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2018 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Reserve</u>	<u>Reserve for Encumbrance</u>			
<u>DEFERRED CHARGES AND REGULATORY EXPENDITURES -</u>					
<u>MUNICIPAL WITHIN "CAPS"</u>					
Contribution to:					
Public Employees' Retirement System	\$ 1,780.00		\$ 1,780.00		\$ 1,780.00
Social Security System (O.A.S.I.)	3,468.10		3,468.10		3,468.10
Administrative Fees (PFRS)	111.58		111.58		111.58
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
Other Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	45,690.31	\$ 2,851.86	48,542.17	\$ 48,542.17	
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>					
Capital Improvement Fund					
Paving North End DPW Lot	15,862.91	31,813.40	47,676.31	36,877.04	10,799.27
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	
Total	\$ 458,609.76	\$ 188,171.65	\$ 646,781.41	\$ 303,406.29	\$ 343,375.12

Reserve for Compensated Absences	\$ 49,119.20
Cash Disbursed	<u>254,287.09</u>
	<u>\$ 303,406.29</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

BALANCE, DECEMBER 31, 2018

School Taxes Payable	\$ 704,448.00	
Deferred School Taxes	<u>2,576,184.00</u>	\$ 3,280,632.00

INCREASED BY

Levy - School Year July 1, 2019 to June 30, 2020		<u>6,369,798.00</u>
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9,650,430.00

DECREASED BY

Cash Disbursed		<u>6,253,020.00</u>
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BALANCE, DECEMBER 31, 2019

School Taxes Payable	\$ 821,226.00	
Deferred School Taxes	<u>2,576,184.00</u>	<u>\$ 3,397,410.00</u>

2019 LIABILITY FOR LOCAL DISTRICT SCHOOL TAX

2019 School Taxes Paid		\$ 6,253,020.00
Less: School Taxes Payable, December 31, 2018		<u>704,448.00</u>

\$ 5,548,572.00

Add: School Taxes Payable, December 31, 2019		<u>821,226.00</u>
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<u>AMOUNT CHARGED TO OPERATIONS</u>		<u>\$ 6,369,798.00</u>
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BOROUGH OF BRADLEY BEACH
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
AS OF DECEMBER 31, 2018 AND 2017

	December 31,	
	<u>2019</u>	<u>2018</u>
Reserve for:		
State Tax Appeals	\$ 18,000.00	\$ 45,533.25
Green Acres Parking Rec.	1,555.00	1,555.00
Revaluation	2,468.00	13,856.00
Compensated Absences	73,825.44	6,380.16
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
Unallocated Credit	64,758.60	
	<u>\$ 209,496.18</u>	<u>\$ 116,213.55</u>

BOROUGH OF BRADLEY BEACH
GRANT FUND
STATEMENT OF GRANTS RECEIVABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<u>Grant</u>	Balance December 31, 2018	2019 Budget Revenue Realized	Added By N.J.S.A. 40A:4-87	Receipt	Canceled	Balance December 31, 2019
State:						
Clean Communities Grant			\$ 13,428.28	\$ 13,428.28		
Alliance to Prevent Alcoholism and Drug Abuse:						
2017	\$ 12,319.40			4,800.00		\$ 7,519.40
2018	10,000.00					10,000.00
2019		\$ 10,000.00				10,000.00
Green Acres Parking Lot Meters		5,352.00		5,352.00		
Body Worn Camera	3,000.00					3,000.00
Body Armor Replacement Program		2,137.98		2,137.98		
Total State Grants Receivable	\$ 25,319.40	\$ 17,489.98	\$ 13,428.28	\$ 25,718.26		\$ 30,519.40
Total Grants Receivable	\$ 25,319.40	\$ 17,489.98	\$ 13,428.28	\$ 25,718.26		\$ 30,519.40
Detail:						
Cash Receipt				\$ 25,718.26		

BOROUGH OF BRADLEY BEACH
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018	Transferred from 2019 Budget Appropriations	Cash Disbursed	Canceled	Balance December 31, 2019
State:					
Drunk Driving Enforcement Fund					
2013	\$ 55.72				\$ 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					
2015	254.60				254.60
2016	241.73				241.73
2018	321.70				321.70
Bullet Proof Vest Program	510.56		\$ 218.94		291.62
Bullet Proof Vest 2018	1,946.21				1,946.21
Fletcher Lake - Phase I	5,745.00		5,745.00		
Clean Communities Grant		\$ 13,428.28	13,428.28		
Green Acres Lot Parking Meter Fees:					
2009	130.00		100.00		30.00
2016	2,343.73		2,343.73		
2017	1,861.07		1,111.07		750.00
2018	5,090.32		4,768.51		321.81
2019		5,352.00	5,310.58		41.42
Alliance to Prevent Alcoholism and Drug Abuse:					
Grant Portion					
2017	13,200.00				13,200.00
2019		10,000.00			10,000.00
Matching Portion					
2018	5,000.00			\$ 5,000.00	
2019		2,500.00			2,500.00

BOROUGH OF BRADLEY BEACH
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Balance December 31, <u>2018</u>	Transferred from 2019 Budget <u>Appropriations</u>	Cash <u>Disbursed</u>	<u>Canceled</u>	Balance December 31, <u>2019</u>
State (continued)					
NJ Corporation Wetlands Restoration	\$ 452.78				\$ 452.78
NJ Corporation Wetlands Restoration - 2013	141.91				141.91
Body Armor Replacement Program - 2019		\$ 2,137.98	\$ 2,000.40		137.58
Body Worn Camera	<u>3,000.00</u>		<u>1,140.00</u>		<u>1,860.00</u>
	<u>\$ 50,954.99</u>	<u>\$ 33,418.26</u>	<u>\$ 36,166.51</u>	<u>\$ 5,000.00</u>	<u>\$ 43,206.74</u>
Detail:					
Adopted Budget		\$ 17,489.74			
Added by N.J.S.A. 40A:4-87		13,428.38			
Matching Portion		<u>2,500.00</u>			
		<u>\$ 33,418.12</u>			
Canceled Grant Appropriation Reserves (B-1)				<u>\$ 5,000.00</u>	

BOROUGH OF BRADLEY BEACH
GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<u>Grant</u>	Balance December 31, <u>2018</u>	Transferred to 2019 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, 2019 AND 2018

	<u>Payroll</u>		<u>Animal Control</u>		<u>Other</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 17,446.44	\$ 13,588.12	\$ 3,273.74	\$ 4,514.65	\$ 594,824.50	\$ 694,993.20
Interfund Receivable:						
Due from Current Fund		4,234.83				
Other Receivable					259.00	283.00
Total Assets	<u>\$ 17,446.44</u>	<u>\$ 17,822.95</u>	<u>\$ 3,273.74</u>	<u>\$ 4,514.65</u>	<u>\$ 595,083.50</u>	<u>\$ 695,276.20</u>
<u>LIABILITIES AND RESERVES</u>						
Other Liabilities and Reserves:						
Reserve for New Jersey Unemployment Compensation					\$ 228,103.80	\$ 202,649.62
Payroll Deductions Payable		\$ 17,822.95				
Due to Current Fund	\$ 17,446.44					
Various Reserves			\$ 3,273.74	\$ 4,514.65	366,979.70	492,626.58
Total Liabilities and Reserves	<u>\$ 17,446.44</u>	<u>\$ 17,822.95</u>	<u>\$ 3,273.74</u>	<u>\$ 4,514.65</u>	<u>\$ 595,083.50</u>	<u>\$ 695,276.20</u>

BOROUGH OF BRADLEY BEACH
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2019 AND 2018

	<u>Public Assistance</u>		<u>Tourism</u>		<u>Totals (Memorandum Only)</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 4,889.40	\$ 4,889.88	\$ 38,984.70	\$ 11,642.72	\$ 659,418.78	\$ 729,628.57
Interfund Receivable:						
Due from Current Fund						4,234.83
Other Receivable					259.00	283.00
Total Assets	<u>\$ 4,889.40</u>	<u>\$ 4,889.88</u>	<u>\$ 38,984.70</u>	<u>\$ 11,642.72</u>	<u>\$ 659,677.78</u>	<u>\$ 734,146.40</u>
<u>LIABILITIES AND RESERVES</u>						
Other Liabilities and Reserves:						
Reserve for New Jersey Unemployment Compensation					\$ 228,103.80	\$ 202,649.62
Payroll Deductions Payable						17,822.95
Due to Current Fund					17,446.44	
Various Reserves	<u>\$ 4,889.40</u>	<u>\$ 4,889.88</u>	<u>\$ 38,984.70</u>	<u>\$ 11,642.72</u>	<u>414,127.54</u>	<u>513,673.83</u>
Total Liabilities and Reserves	<u>\$ 4,889.40</u>	<u>\$ 4,889.88</u>	<u>\$ 38,984.70</u>	<u>\$ 11,642.72</u>	<u>\$ 659,677.78</u>	<u>\$ 734,146.40</u>

BOROUGH OF BRADLEY BEACH
TRUST FUND
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE/(RECEIVABLE)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Balance December 31, <u>2018</u>	Increased By <u>Receipts</u>	Decreased By <u>Disbursements</u>	<u>Adjustment</u>	Balance December 31, <u>2019</u>
Federal Withholding Tax		\$ 524,481.95	\$ 524,481.95		
Social Security and Medicare Tax		501,444.61	501,444.61		
Police and Firemen's Retirement System	\$ 10,633.09	198,159.00	198,159.00	\$ (10,633.09)	
Police and Firemen's Retirement System Back Pension	(361.70)	139.60	139.60	361.70	
Police and Firemen's Retirement System Contributory	(40.46)			40.46	
Police and Firemen's Retirement System Loans	923.08	51,682.83	51,682.83	(923.08)	
Public Employees Retirement System	3,817.08	113,927.32	113,927.32	(3,817.08)	
Public Employees Back Deduction	1,684.76	5,162.14	5,162.14	(1,684.76)	
Public Employees Retirement System Loans	628.90	56,533.95	56,533.95	(628.90)	
Public Employees Retirement System Contributory Insurance	(186.02)	7,936.16	7,936.16	186.02	
Contributory Insurance Back	74.74			(74.74)	
New Jersey Gross Income Tax		179,284.15	179,284.15		
New Jersey State Unemployment Compensation Insurance	(289.46)	12,125.72	12,125.72	289.46	
P.B.A. Dues - Local #50	(40.00)	16,455.00	16,455.00	40.00	
Deferred Compensation Plan	(144.90)	35,502.80	35,502.80	144.90	
Bradley Beach Police Association	5.00			(5.00)	
Medical Insurance	610.85	156,959.56	156,959.56	(610.85)	
Prescription Plan	(0.09)			0.09	
Garnishments		26,187.15	26,187.15		
Union Dues - AFL-CIO	508.08	11,361.20	11,361.20	(508.08)	
Family Leave		2,282.58	2,282.58		
New Jersey Disability		4,849.72	4,849.72		
Due to/(from) Current Fund	(4,234.83)	4,879.50	644.67	17,446.44	\$ 17,446.44
AFL CIO		2,889.12	2,889.12		
POL Insurance		4,567.84	4,567.84		
AFL CIO PRI		2,624.16	2,624.16		
	<u>\$ 13,588.12</u>	<u>\$ 1,919,436.06</u>	<u>\$ 1,915,201.23</u>	<u>\$ (376.51)</u>	<u>\$ 17,446.44</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, 2019

<u>BALANCE, DECEMBER 31, 2018</u>		\$ 4,514.65
<u>INCREASED BY</u>		
Dog License Fees Collected	\$ 1,407.00	
Miscellaneous	458.66	1,865.66
		\$ 6,380.31
<u>DECREASED BY</u>		
Expenditures Under R.S. 4:19-15.11		3,106.57
<u>BALANCE, DECEMBER 31, 2019</u>		<u>\$ 3,273.74</u>

LICENSES COLLECTED

<u>Year</u>	<u>Amount</u>
2018	\$ 1,484.00
2017	1,659.00
	<u>\$ 3,143.00</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, 2019

	Balance December 31, 2018	Increased by Receipts	Due From Municipal Court	Decreased by Disbursements /Adjustments	Balance December 31, 2019
Reserve for:					
Recycling Program (per N.J.S. 40A:4-39)	\$ 11,753.01	\$ 11,129.73		\$ 12,702.30	\$ 10,180.44
Insurance Commission (per N.J.S.A. 40A:4-39)	866.67	17.82		8.67	875.82
Parking Offenses Adjudication Act (per N.J.S.A. 40A:4-39)	4,459.03	694.00	\$ 34.00	1,585.59	3,601.44
Escrow Fees (per N.J.S. 40A:4-39)	54,206.01	43,779.72		41,496.85	56,488.88
Alcohol and Drug Abuse Alliance (per N.J.S. 40A:4-39)	444.84	4.45			449.29
Law Enforcement Trust	9,466.75	2,540.63		10,754.15	1,253.23
Relocation Assistance (N.J.S.A. 40A:4-39)	1,091.58	10.96			1,102.54
Fire Prevention Fees (N.J.S.A. 40A:4-39)	2,364.61	23.73		3.00	2,385.34
Public Defender Fees (N.J.S.A. 40A:4-39)	912.78	1,712.01	225.00		2,849.79
Shade Tree Commission	2,646.01				2,646.01
Outside Employment	91,608.80	45,992.00		43,117.00	94,483.80
Redemption of Tax Title Liens	1,321.94	79,506.46		80,828.40	0.00
Tax Sale Premiums	138,100.00	7,300.00		116,000.00	29,400.00
Street Opening Deposit	11,830.50				11,830.50
Bid Monies	2,000.00				2,000.00
Insurance	47,763.59			12,297.29	35,466.30
Light Pole	32,716.95			21,143.60	11,573.35
Jr. Lifeguard Program	11,755.96	7,465.00		8,206.43	11,014.53
Scholarships	1,651.26				1,651.26
Concession Security	15,055.74	1,018.21			16,073.95
Memorial Day Parade/Craft Fair	3,440.50	55,901.36		35,583.43	23,758.43
Arts Council Donations	1,744.72	1,555.69		800.41	2,500.00
Beach Foundation	3,110.98	100.00		100.00	3,110.98
OEM Trust	3,700.00	1,500.00			5,200.00
Snow Removal for Prior Year	14,020.49				14,020.49
Rec Sign Donations	400.00				400.00
Memorial Benches	3,696.51	26,250.00		26,405.00	3,541.51
Miscellaneous	20,497.35	4,524.41		5,899.94	19,121.82
Gazebo Rental		2,000.00		2,000.00	
Interest due to Current		2,046.62		2,046.62	
	<u>\$ 492,626.58</u>	<u>\$ 295,072.80</u>	<u>\$ 259.00</u>	<u>420,978.68</u>	<u>\$ 366,979.70</u>

BOROUGH OF BRADLEY BEACH
TRUST OTHER FUND
STATEMENT OF RESERVE FOR NEW JERSEY UNEMPLOYMENT
COMPENSATION INSURANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<u>BALANCE, DECEMBER 31, 2018</u>	\$ 202,649.62
<u>INCREASED BY</u>	
Budget Appropriation	<u>37,619.37</u>
	\$ 240,268.99
<u>DECREASED BY</u>	
Unemployment Compensation Claims Paid	<u>12,165.19</u>
<u>BALANCE, DECEMBER 31, 2019</u>	<u>\$ 228,103.80</u>

BOROUGH OF BRADLEY BEACH
TRUST OTHER FUND
STATEMENT OF RESERVE FOR TOURISM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<u>BALANCE, DECEMBER 31, 2018</u>	\$	11,642.72
<u>INCREASED BY</u>		
Cash Receipts		<u>62,426.97</u>
	\$	74,069.69
<u>DECREASED BY</u>		
Cash Disbursed		<u>35,084.99</u>
<u>BALANCE, DECEMBER 31, 2019</u>	\$	<u><u>38,984.70</u></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, 2019 AND 2018

	Balance December 31, 2019	Balance December 31, 2018
	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 528,293.06	\$ 640,049.84
Intergovernmental Accounts Receivable	<u>498,276.31</u>	<u>431,000.00</u>
Due From Current Fund	<u> </u>	<u>36.74</u>
Deferred Charges to Future Taxation:		
Funded	2,510,381.69	2,927,112.04
Unfunded	<u>1,754,299.31</u>	<u>1,841,023.00</u>
	<u>4,264,681.00</u>	<u>4,768,135.04</u>
Obligations Under Capital Lease - Unfunded	<u>380,000.00</u>	<u>517,000.00</u>
Total Assets	\$ <u>5,671,250.37</u>	\$ <u>6,356,221.62</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2019 AND 2018

	Balance December 31, 2019	Balance December 31, 2018
	<u> </u>	<u> </u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Serial Bonds	\$ 2,395,000.00	\$ 2,790,000.00
Due to State of New Jersey - Green Trust Loan	<u>115,381.69</u>	<u>137,112.04</u>
Bond Anticipation Notes	<u>1,283,000.00</u>	<u>781,000.00</u>
Capital Lease Obligations Payable - Principal	<u>380,000.00</u>	<u>517,000.00</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	142,827.27	107,090.01
Reserve for Encumbrances	76,032.58	957,099.81
Reserve for Receivable	155,026.31	215,000.00
Various Reserves	<u>255,861.33</u>	<u>294,036.17</u>
	<u>629,747.49</u>	<u>1,573,225.99</u>
Improvement Authorizations:		
Funded	233,988.01	242,108.05
Unfunded	<u>551,073.63</u>	<u>232,715.99</u>
	<u>785,061.64</u>	<u>474,824.04</u>
Fund Balance	<u>83,059.55</u>	<u>83,059.55</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>5,671,250.37</u></u>	\$ <u><u>6,356,221.62</u></u>

There were Bonds and Notes Authorized But Not Issued of \$471,299.31 at December 31, 2019

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

BALANCE, DECEMBER 31, 2018

AND

BALANCE, DECEMBER 31, 2019

\$ 83,059.55

(There was no change during the year.)

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018	Receipts		Disbursements		Transfers		Balance December 31, 2019
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Capital Fund Balance	\$ 83,059.55							\$ 83,059.55
Capital Improvement Fund	107,090.01		\$ 44,000.00		\$ 512.74	\$ 7,750.00		142,827.27
Reserve for Regional Contribution Agreement - Interest Income	19,746.70		349.67					20,096.37
Due From Current Fund	(36.74)		4,937.09		4,900.35			
Due from State of New Jersey - Department of Transportation	(55,000.00)		55,000.00			182,250.00		(182,250.00)
Due from County of Monmouth - Open Space Grant (Ord. 11-09)	(161,000.00)							(161,000.00)
Reserve for Encumbrances	957,099.81				897,358.82	49,300.92	\$ 65,592.51	76,032.58
Reserve for Recreation Building, Unappropriated	1,231.86							1,231.86
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	102,324.12		13,259.00		13,791.01	33,655.50		68,136.61
Reserve for Surveillance Camera	10,000.00				9,997.00			3.00
Reserve for DW Diesel Tank			10,000.00			4,340.00		5,660.00
Reserve for Public Works Generator	13,000.00							13,000.00
Reserve for Acquisition of PD SUV	57,061.90							57,061.90
<u>Ordinance</u> <u>Number</u>		<u>Description</u>						
98-04		Development and Implementation of a Housing Rehabilitation Program						15,235.76
08-06		Replacement of the Sylvan Lake Bulkhead - Phase IV						10,520.01
08-07		Various 2008 Roadway Improvements						14,062.57

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Ordinance Number	Description	Balance December 31, 2018	Receipts		Disbursements		Transfers		Balance December 31, 2019
			Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
10-05/11-18 12-07	Various 2010 Roadway Improvements	\$ 82,074.44					\$ 7,500.00		\$ 74,574.44
11-08/11-21 12-08	Various 2011 Roadway Improvements	38,159.96			\$ 620.04				37,539.92
11-09	Various Improv. to Lake Terrace Park	1,580.64							1,580.64
13-01/13-10	LaReine Ave Road Improvements	42,689.72							42,689.72
14-06	Improvements to Library	16,134.08							16,134.08
14-11	Police Communication Equipment	21,650.87							21,650.87
15-08	Ocean Ave Curbs and Sidewalks	6,435.87			326.38				6,109.49
16-01	Acquisition of Real Property	328.14			328.14				
16-05/18-18	Ocean Park Avenue Improvements	(214,385.50)		\$ 120,723.69	1,400.00			\$ 49,300.92	(45,760.89)
17-16	Improvements to Sylvan Lake and Sylvan Lake Park	(64,173.31)			7,770.27		962.01		(72,905.59)
17-19/18-10	Improvements to Riley Park	(30,029.50)	\$ 33,000.00		309.76				2,660.74
18-11	Improvements to Fletcher Lake	(184,291.45)	190,000.00		318.76				5,389.79
18-23	Acquisition of Various Non-Passenger Vehicles for the Department of Public Works	(341,191.26)	380,000.00		3,061.48				35,747.26
19-19	Improvements to Ocean Park Ave				22,331.48		19,135.00	190,000.00	148,533.52
		<u>\$ 640,049.84</u>	<u>\$ 603,000.00</u>	<u>\$ 248,269.45</u>	<u>\$ 36,466.31</u>	<u>\$ 926,559.92</u>	<u>\$ 304,893.43</u>	<u>\$ 304,893.43</u>	<u>\$ 528,293.06</u>

Bracketed () Amount Denotes Deficit.

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

		Due From		
		County of Monmouth Open Space Grant (Ord. # 17-16)	NJ DOT Ord #16-05/ #18-18	NJ DOT Ord #19-19
	<u>Total</u>			
<u>BALANCE, DECEMBER 31, 2018</u>	\$ 431,000.00	\$ 161,000.00	\$ 270,000.00	
<u>INCREASED BY</u>				
Grants Awarded	<u>243,000.00</u>			\$ <u>243,000.00</u>
	674,000.00	161,000.00	270,000.00	243,000.00
<u>DECREASED BY</u>				
Cash Receipt	<u>175,723.69</u>		<u>175,723.69</u>	
<u>BALANCE, DECEMBER 31, 2019</u>	\$ <u>498,276.31</u>	\$ <u>161,000.00</u>	\$ <u>94,276.31</u>	\$ <u>243,000.00</u>
Detail:				
Reserved	\$ 155,026.31		\$ 94,276.31	\$ 60,750.00
Unreserved	<u>343,250.00</u>	\$ <u>161,000.00</u>		<u>182,250.00</u>
	\$ <u>498,276.31</u>	\$ <u>161,000.00</u>	\$ <u>94,276.31</u>	\$ <u>243,000.00</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION, UNFUNDED
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Ordinance Date/ Number	Improvements	Balance December 31, 2018	2019 Authorizations	2019 Budget Appropriation	Grant Proceeds	Balance December 31, 2019	Analysis of Balance December 31, 2019		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
15-08	Ocean Avenue Curbs and Sidewalks	\$ 83,000.00		\$ 12,000.00		\$ 71,000.00	\$ 71,000.00		
16-01	Real Property Acquisition	423,000.00		61,000.00		362,000.00	362,000.00		
16-05/18-18	Ocean Park Avenue Improvements Phase I	309,523.00			\$ 120,723.69	188,799.31	135,000.00	\$ 45,760.89	\$ 8,038.42
17-16	Improvements to Sylvan Lake and Sylvan Lake Park	227,000.00		13,000.00		214,000.00	112,000.00	72,905.59	29,094.41
17-19/ 18-10	Improvements to Riley Park	187,500.00		15,000.00		172,500.00	33,000.00		139,500.00
18-11	Improvements to Fletcher Lake	198,000.00				198,000.00	190,000.00		8,000.00
18-23	Acquisition of Various Non-Passenger Vehicles for the Department of Public Works	413,000.00				413,000.00	380,000.00		33,000.00
19-19	Improvements to Ocean Park Ave Phase II		\$ 135,000.00			135,000.00			135,000.00
		<u>\$ 1,841,023.00</u>	<u>\$ 135,000.00</u>	<u>\$ 101,000.00</u>	<u>\$ 120,723.69</u>	<u>\$ 1,754,299.31</u>	<u>\$ 1,283,000.00</u>	<u>\$ 118,666.48</u>	<u>\$ 352,632.83</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding December 31, 2019		Interest Rate	Balance December 31, 2018	Decreased	Balance December 31, 2019
			Date	Amount				
General Improvement Bonds	12/24/14	\$ 1,030,000.00	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%	\$ 840,000.00	\$ 55,000.00	\$ 785,000.00
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%	600,000.00	25,000.00	575,000.00
MCIA Refunding Bonds	03/24/16	1,665,000.00	12/1/20	330,000.00	5.00%			
			12/1/21	345,000.00	5.00%			
			12/1/22	360,000.00	5.00%	<u>1,350,000.00</u>	<u>315,000.00</u>	<u>1,035,000.00</u>
						<u>\$ 2,790,000.00</u>	<u>\$ 395,000.00</u>	<u>\$ 2,395,000.00</u>
2019 Budget Appropriation						\$	<u>395,000.00</u>	

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, 2019

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturity of Loan Outstanding December 31, 2019</u>		<u>Interest Rate</u>	<u>Balance December 31, 2018</u>	<u>Decreased</u>	<u>Balance December 31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
Parks, Playground and Recreation Improvements - Green Trust Loan	9/22/04	\$ 400,000.00	3/22/2020	\$ 11,028.42	2.00%	\$ 137,112.04	\$ 21,730.35	\$ 115,381.69
			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				
						<u>\$ 137,112.04</u>	<u>\$ 21,730.35</u>	<u>\$ 115,381.69</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<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, 2018</u>	<u>Increased</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2019</u>
15-08	Ocean Avenue Curbs and Sidewalks	5/23/16	05/18/19	5/17/20	2.14%	\$ 83,000.00		\$ 12,000.00	\$ 71,000.00
16-01	Acquisition of Real Property	5/23/16	05/18/19	5/17/20	2.14%	423,000.00		61,000.00	362,000.00
17-19/ 18-10	Improvements to Riley Park	5/18/18	05/18/19	5/17/20	2.14%	150,000.00		15,000.00	135,000.00
17-16	Improvements Sylvan Lake and Sylvan Lake Park	5/18/18	05/18/19	5/17/20	2.14%	125,000.00		13,000.00	112,000.00
17-19/18-10	Improvements to Riley Park	05/18/19	05/18/19	05/18/20	2.14%		\$ 33,000.00		33,000.00
18-11	Improvements to Fletcher Laker	05/18/19	05/18/19	05/18/20	2.14%		190,000.00		190,000.00
18-23	Acquisition of Nonpassenger vehicle in the Dept. of Public Works	05/18/19	05/18/19	05/18/20	2.14%				
							380,000.00		380,000.00
						\$ 781,000.00	\$ 603,000.00	\$ 101,000.00	\$ 1,283,000.00

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

Ordinance Number	Description	Ordinance		Balance December 31, 2018		2019 Authorizations			Cancellation of Reserve for Encumbrances	Paid or Charged	Balance December 31, 2019	
		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				\$	7,500.00		74,574.44
11-08/ 11-21/12-08	Various 2011 Roadway Improvements	Various	640,000.00		38,159.96					620.04		37,539.92
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		42,689.72							42,689.72
14-06	Improvements to the Library	03/11/14	900,000.00		16,134.08							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		\$ 6,435.87					326.38	\$	6,109.49
16-01	Acquisition of Real Property	01/26/16	635,000.00		328.14					328.14		
16-05/ 18-18	Ocean Park Avenue Improvements Phase I (NJDOT \$270,000)	06/12/18	380,000.00		95,137.50				\$ 49,300.92	1,400.00		143,038.42

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Ordinance Number	Description	Ordinance		Balance December 31, 2018		2019 Authorizations			Cancellation of Reserve for Encumbrances	Paid or Charged	Balance December 31, 2019	
		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 (MOC SOCG \$101,000)	06/13/17	\$ 400,000.00	\$	\$ 37,826.69				\$	8,732.28	\$	29,094.41
17-19/ 18-10	Improvements to Riley Park	7/25/2017, 04/24/18	340,000.00		7,470.50					309.76		7,160.74
18-11	Improvements to Fletcher Lake	05/08/18	208,000.00		13,708.55					318.76		13,389.79
18-23	Acquisition of Various Non-Passenger Vehicles for the Department of Public Works	11/20/18	435,000.00		71,808.74					3,061.48		68,747.26
19-19	Improvements to Ocean Park Ave Phase II (NJ DOT \$243,000)	07/23/19	325,000.00			\$ 135,000.00	\$ 7,750.00	\$ 182,250.00		41,466.48		283,533.52
				\$ 242,108.05	\$ 232,715.99	\$ 135,000.00	\$ 7,750.00	\$ 182,250.00	\$ 49,300.92	\$ 64,063.32	\$ 233,988.01	\$ 551,073.63
										Reserve for Encumbrances	\$ 27,597.01	
										Cash Disbursed	36,466.31	
											\$ 64,063.32	

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<u>BALANCE, DECEMBER 31, 2018</u>		\$	107,096.01
<u>INCREASED BY</u>			
2019 Budget Appropriation	\$	44,000.00	
Vendor Reimbursement Ordinance #2019-20		<u>27,250.00</u>	
			<u>71,250.00</u>
		\$	178,346.01
<u>DECREASED BY</u>			
Capital Ordinance #2019-20	\$	27,762.74	
Appropriated to Finance Improvement Authorizations		<u>7,756.00</u>	
			<u>35,518.74</u>
<u>BALANCE, DECEMBER 31, 2019</u>		\$	<u>142,827.27</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
AS OF DECEMBER 31, 2019 AND 2018

	December 31	
	<u>2019</u>	<u>2018</u>
Reserve for:		
Fletcher Lake Improvements, Unappropriated		\$
Recreation Building, Unappropriated	\$ 1,231.86	1,231.86
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	20,096.37	19,746.70
PW Roof Repairs	50,000.00	50,000.00
Sylvan Lake Improvements	68,136.61	102,324.12
Surveillance System	3.00	10,000.00
Public Works Diesel Tank	5,660.00	
Public Works Generator	13,000.00	13,000.00
Acquisition of Police SUV	57,061.90	57,061.90
	<u>\$ 255,861.33</u>	<u>\$ 294,036.17</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<u>Ordinance Number</u>	<u>Improvements</u>	<u>Balance December 31, 2018</u>	<u>2019 Authorizations</u>	<u>Decreased by Bond Anticipation Notes Issued</u>	<u>Decreased By Grant Proceeds</u>	<u>Balance December 31, 2019</u>
16-05/ 18-18	Ocean Park Avenue Improvement	\$ 309,523.00			\$ 120,723.69	\$ 188,799.31
17-16	Improvements to Sylvan Lake and Sylvan Lake Park	102,000.00				102,000.00
17-19/ 18-10	Improvements to Riley Park	37,500.00		\$ 33,000.00		4,500.00
18-11	Improvements to Fletcher Lake	198,000.00		190,000.00		8,000.00
18-23	Acquisition of Various Non-Passenger Vehicles for the Department of Public Works	413,000.00		380,000.00		33,000.00
19-19	Improvements to Ocean Park Ave		\$ 135,000.00			135,000.00
		<u>\$ 1,060,023.00</u>	<u>\$ 135,000.00</u>	<u>\$ 603,000.00</u>	<u>\$ 120,723.69</u>	<u>\$ 471,299.31</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 - REGULATORY BASIS
AS OF DECEMBER 31, 2019 AND 2018

	<u>Beach Utility</u>		<u>Sewer Utility</u>		<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
ASSETS						
Operating Fund:						
Cash and Cash Equivalents	\$ 718,880.72	\$ 489,982.04	\$ 2,300,177.08	\$ 1,923,621.99	\$ 3,019,057.80	\$ 2,413,604.03
Consumer Accounts Receivable			71,287.32	64,362.72	71,287.32	64,362.72
Investment- Special Emergency Note				40,000.00		40,000.00
Interfunds Receivable:						
Current Fund		2,468.00	40,000.00		40,000.00	2,468.00
Sewer Operating		8,088.00				8,088.00
Total Assets	<u>\$ 718,880.72</u>	<u>\$ 500,538.04</u>	<u>\$ 2,411,464.40</u>	<u>\$ 2,027,984.71</u>	<u>\$ 3,130,345.12</u>	<u>\$ 2,528,522.75</u>
LIABILITIES, RESERVES AND FUND BALANCE						
Operating Fund:						
Liabilities:						
Appropriation Reserves	\$ 78,788.04	\$ 71,823.76	\$ 242,973.83	\$ 123,954.56	\$ 321,761.87	\$ 195,778.32
Other Liabilities and Reserves:						
Reserve for Encumbrances	\$ 7,497.14	\$ 19,595.57	\$ 14,995.71	\$ 24,554.72	\$ 22,492.85	\$ 44,150.29
Prepaid Bathing Badges	183,613.00	148,048.00			183,613.00	148,048.00
Sewer Rent Overpayments			919.28	791.78	919.28	791.78
Prepaid Sewer Rents			7,531.39	9,699.93	7,531.39	9,699.93
Accrued Interest on Bonds and Notes	10,982.81	13,349.21	6,692.35	6,957.26	17,675.16	20,306.47
Various Reserves	82,578.72	65,070.33	50,000.00	25,000.00	132,578.72	90,070.33
Interfunds Payable:						
Due to Current Fund	66,495.86				66,495.86	
Due to Beach Utility Capital Fund		275.87				275.87
Due to Sewer Utility Capital Fund				20.45		20.45
Due to Beach Operating Fund				8,088.00		8,088.00
Total Liabilities, Reserves and Fund Balance	<u>\$ 351,167.53</u>	<u>\$ 246,338.98</u>	<u>\$ 80,138.73</u>	<u>\$ 75,112.14</u>	<u>\$ 431,306.26</u>	<u>\$ 321,451.12</u>
Reserve for Receivables			\$ 71,287.31	\$ 64,362.72	\$ 71,287.31	\$ 64,362.72
Fund Balance	<u>\$ 288,925.15</u>	<u>\$ 182,375.30</u>	<u>\$ 2,017,064.52</u>	<u>\$ 1,764,555.29</u>	<u>\$ 2,305,989.67</u>	<u>\$ 1,946,930.59</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 718,880.72</u>	<u>\$ 500,538.04</u>	<u>\$ 2,411,464.39</u>	<u>\$ 2,027,984.71</u>	<u>\$ 3,130,345.11</u>	<u>\$ 2,528,522.75</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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 168,164.00	\$ 163,557.00
Bathing Badges	1,558,917.00	1,410,845.60
Concession Rents	80,500.00	84,794.84
Parking Meters	93,616.61	74,663.07
Beach Locker Fees	81,590.00	80,400.00
Beach Utility Capital Reserve FEMA	82,000.00	82,000.00
Nonbudget Revenue	23,025.69	15,556.17
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	71,702.30	136,205.26
Cancellation of Current Appropriations	<u>2,237.25</u>	<u>91,967.25</u>
Total Income	\$ <u>2,161,752.85</u>	\$ <u>2,139,989.19</u>
Expenditures:		
Operating:		
Salaries and Wages	\$ 1,070,914.00	\$ 1,099,727.00
Other Expenses	479,299.00	500,638.00
Capital Improvements		25,000.00
Debt Service	255,826.00	247,973.00
Deferred Charges and Statutory Expenditures	81,000.00	93,000.00
Refund of Prior Year Revenue		<u>16,800.04</u>
Total Expenditures	\$ <u>1,887,039.00</u>	\$ <u>1,983,138.04</u>
Statutory Excess to Fund Balance	\$ 274,713.85	\$ 156,851.15
Fund Balance, January 1	<u>182,375.30</u>	<u>189,081.15</u>
	\$ 457,089.15	\$ 345,932.30
Decreased by:		
Utilization as Anticipated Revenue	<u>168,164.00</u>	<u>163,557.00</u>
Fund Balance, December 31	\$ <u><u>288,925.15</u></u>	\$ <u><u>182,375.30</u></u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 168,164.00	\$ 168,164.00	
Bathing Badges	1,408,500.00	1,558,917.00	\$ 150,417.00
Concession Rents	80,500.00	80,500.00	
Locker Rental Maintenance Fees	73,875.00	81,590.00	7,715.00
Beach Utility Capital Reserve for FEMA	82,000.00	82,000.00	
Parking Meters	74,000.00	93,616.61	19,616.61
	<u>\$ 1,887,039.00</u>	<u>\$ 2,064,787.61</u>	<u>\$ 177,748.61</u>
Nonbudget Revenue		23,025.69	23,025.69
	<u>\$ 1,887,039.00</u>	<u>\$ 2,087,813.30</u>	<u>\$ 200,774.30</u>

ANALYSIS OF NONBUDGET REVENUE

Interest on Investment:	\$ 17,255.69
Lifeguard Tournament Fees	730.00
Gazebo Rental	3,500.00
Bocce Court Donation	700.00
Check Fee	40.00
Gazebo Parking Space	300.00
Sign Sponsorship	500.00
	<u>\$ 23,025.69</u>

**BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019**

	<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	\$ 1,070,914.00	\$ 1,070,914.00	\$ 1,046,055.66		\$ 24,858.34	
Other Expenses	<u>479,299.00</u>	<u>479,299.00</u>	<u>418,739.52</u>	\$ <u>7,497.14</u>	<u>53,062.34</u>	
Total Operating	\$ <u>1,550,213.00</u>	\$ <u>1,550,213.00</u>	\$ <u>1,464,795.18</u>	\$ <u>7,497.14</u>	\$ <u>77,920.68</u>	
<u>DEBT SERVICE</u>						
Payment of Bond Principal	\$ 105,000.00	\$ 105,000.00	\$ 105,000.00			
Payment of Bond Anticipation Notes and Capital Notes	81,000.00	81,000.00	81,000.00			
Interest on Bonds	55,020.00	55,020.00	55,000.00			\$ 20.00
Interest on Notes	<u>14,806.00</u>	<u>14,806.00</u>	<u>12,588.75</u>			<u>2,217.25</u>
Total Debt Service	\$ <u>255,826.00</u>	\$ <u>255,826.00</u>	\$ <u>253,588.75</u>			\$ <u>2,237.25</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	\$ 79,000.00	\$ 79,000.00	\$ 78,132.64		\$ 867.36	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	<u>2,000.00</u>	<u>2,000.00</u>	<u>2,000.00</u>			
Total Deferred Charges and Statutory Expenditures	\$ <u>81,000.00</u>	\$ <u>81,000.00</u>	\$ <u>80,132.64</u>		<u>867.36</u>	
Total Beach Utility Appropriations	\$ <u>1,887,039.00</u>	\$ <u>1,887,039.00</u>	\$ <u>1,798,516.57</u>	\$ <u>7,497.14</u>	\$ <u>78,788.04</u>	\$ <u>2,237.25</u>
Detail:						
Accrued Interest			\$ 67,588.75			
Reserve for Compensated Absences			10,000.00			
Cash Disbursed			<u>1,720,927.82</u>			
			\$ <u>1,798,516.57</u>			

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF 2018 APPROPRIATION RESERVES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 27,671.03		\$ 27,671.03		\$ 27,671.03
Other Expenses	36,678.68	\$ 19,595.57	56,274.25	\$ 18,521.47	37,752.78
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay	1,084.91		1,084.91		1,084.91
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	<u>6,389.14</u>		<u>6,389.14</u>	<u>1,195.56</u>	<u>5,193.58</u>
	<u>\$ 71,823.76</u>	<u>\$ 19,595.57</u>	<u>\$ 91,419.33</u>	<u>\$ 19,717.03</u>	<u>\$ 71,702.30</u>
		Reserve for Encumbrances		\$ 2,358.39	
		Cash Disbursed		<u>17,358.64</u>	
				<u>\$ 19,717.03</u>	

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<u>BALANCE, DECEMBER 31, 2018</u>			\$ 13,349.21
<u>INCREASED BY</u>			
Budget Appropriations:			
Interest on Bonds	\$ 55,000.00		
Interest on Notes	<u>12,588.75</u>		<u>67,588.75</u>
			\$ 80,937.96
<u>DECREASED BY</u>			
Cash Disbursed:			
Bonds	\$ 55,350.00		
Notes	<u>14,605.15</u>		<u>69,955.15</u>
<u>BALANCE, DECEMBER 31, 2019</u>			<u>\$ 10,982.81</u>

ANALYSIS OF BALANCE

	Amount Outstanding December 31, 2019	Interest Rate	From	To	Accrual Period	Accrual
Bond Anticipation Note	\$ 514,000.00	2.00%	05/17/19	12/31/19	227 Days	\$ 6,720.31
Serial Bonds - 2014	1,045,000.00	Various	12/01/19	12/31/19	1 Month	<u>4,262.50</u>
						<u>\$ 10,982.81</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
SCHEDULE OF VARIOUS RESERVES
AS OF DECEMBER 31, 2019 AND 2018

	December 31,	
	<u>2019</u>	<u>2018</u>
Reserve for:		
Compensated Absences	\$ 20,000.00	\$ 10,000.00
Beach Enhancement Donations	4,705.53	4,705.53
Sand Replenishment Costs	39,778.00	39,778.00
Green Acres (Unappropriated)	<u>15,736.80</u>	<u>5,234.80</u>
	<u>\$ 80,220.33</u>	<u>\$ 65,070.33</u>

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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 120,771.00	\$ 29,317.00
Rents	1,980,980.66	2,007,359.43
Nonbudget Revenue	44,516.09	20,616.88
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	110,862.57	269,202.22
Cancellation of Current Appropriations	118,370.91	120,225.77
Cancellation Reserve for TNSA	<u>57,714.05</u>	<u>57,714.05</u>
Total Income	\$ <u>2,375,501.23</u>	\$ <u>2,504,435.35</u>
Expenditures:		
Operating:		
Salaries and Wages	\$ 347,480.00	\$ 327,282.00
Other Expenses	1,245,346.00	1,218,690.00
Capital Improvements	94,000.00	28,000.00
Debt Service	227,749.00	189,991.00
Deferred Charges and Statutory Expenditures	<u>87,646.00</u>	<u>88,084.00</u>
Total Expenditures	\$ <u>2,002,221.00</u>	\$ <u>1,852,047.00</u>
Excess in Revenue	373,280.23	652,388.35
Statutory Excess to Fund Balance	\$ 373,280.23	\$ 652,388.35
Fund Balance, January 1	<u>1,764,555.29</u>	<u>1,141,483.94</u>
	\$ <u>2,137,835.52</u>	\$ <u>1,793,872.29</u>
Decreased by:		
Utilization as Anticipated Revenue	\$ <u>120,771.00</u>	\$ <u>29,317.00</u>
Fund Balance, December 31	\$ <u><u>2,017,064.52</u></u>	\$ <u><u>1,764,555.29</u></u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 120,771.00	\$ 120,771.00	
Rents	<u>1,881,450.00</u>	<u>1,980,980.66</u>	\$ <u>99,530.66</u>
	\$ 2,002,221.00	\$ 2,101,751.66	\$ 99,530.66
Nonbudget Revenue	<u> </u>	<u>44,516.09</u>	<u>44,516.09</u>
	<u>\$ 2,002,221.00</u>	<u>\$ 2,146,267.75</u>	<u>\$ 144,046.75</u>

ANALYSIS OF NONBUDGET REVENUE

Interest on Investments:

Sewer Operating	\$ 17,694.50
Sewer Capital	14,607.84
Interest on Delinquent Accounts	8,713.75
Refund TNSA	<u>3,500.00</u>
	<u>\$ 44,516.09</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<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	\$ 347,480.00	\$ 347,480.00	\$ 335,529.00	\$ 4,845.69	\$ 11,951.00	
Other Expenses	463,321.00	463,321.00	327,543.51		135,777.49	
Sewer Service Agreement with Neptune Township Sewerage Authority	<u>782,025.00</u>	<u>782,025.00</u>	<u>782,025.00</u>			
Total Operating	<u>\$ 1,592,826.00</u>	<u>\$ 1,592,826.00</u>	<u>\$ 1,445,097.51</u>	<u>\$ 4,845.69</u>	<u>\$ 147,728.49</u>	
<u>CAPITAL IMPROVEMENTS</u>						
Reserve for Infrastructure Upgrades	\$ 50,000.00	\$ 50,000.00			\$ 50,000.00	
Capital Outlay	<u>44,000.00</u>	<u>44,000.00</u>	<u>\$ 2,500.00</u>		<u>41,500.00</u>	
Total Capital Improvements	<u>\$ 94,000.00</u>	<u>\$ 94,000.00</u>	<u>\$ 2,500.00</u>		<u>\$ 91,500.00</u>	
<u>DEBT SERVICE</u>						
Payment of Bond Principal	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00			
Interest on Bonds	31,100.00	31,100.00	31,000.00			\$ 100.00
Interest on Bond Anticipation Notes	8,543.00	8,543.00	8,378.09			164.91
Payment of Bond Anticipation Notes	40,000.00	40,000.00	40,000.00			
NJEIT Principal and Interest	<u>118,106.00</u>	<u>118,106.00</u>				<u>118,106.00</u>
Total Debt Service	<u>\$ 227,749.00</u>	<u>\$ 227,749.00</u>	<u>\$ 109,378.09</u>			<u>\$ 118,370.91</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 45,146.00	\$ 45,146.00	\$ 45,146.00			
Social Security System (O.A.S.I.)	27,500.00	27,500.00	23,754.66		\$ 3,745.34	
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>\$ 87,646.00</u>	<u>\$ 87,646.00</u>	<u>\$ 83,900.66</u>		<u>\$ 3,745.34</u>	
Total Sewer Utility Appropriations	<u>\$ 2,002,221.00</u>	<u>\$ 2,002,221.00</u>	<u>\$ 1,640,876.26</u>	<u>\$ 4,845.69</u>	<u>\$ 242,973.83</u>	<u>\$ 118,370.91</u>
Detail:						
Accrued Interest			\$ 39,378.09			
Reserve for Compensated Absences			25,000.00			
Cash Disbursed			<u>1,576,498.17</u>			
			<u>\$ 1,640,876.26</u>			

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

<u>BALANCE, DECEMBER 31, 2018</u>		\$ 64,362.72
<u>INCREASED BY</u>		
Sewer Charges Levied	\$ 1,986,992.08	
Refund of Charges	<u>913.18</u>	
		<u>1,987,905.26</u>
		\$ 2,052,267.98
<u>DECREASED BY</u>		
Receipts	\$ 1,970,488.95	
Prepayments Applied	9,699.93	
Overpayments Applied	<u>791.78</u>	
		<u>1,980,980.66</u>
<u>BALANCE, DECEMBER 31, 2019</u>		\$ <u><u>71,287.32</u></u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF 2018 APPROPRIATION RESERVES

	Balance December 31, 2018		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 6,846.15		\$ 6,846.15		\$ 6,846.15
Other Expenses	96,028.99	\$ 24,554.72	120,583.71	\$ 26,146.72	94,436.99
Sewer Service Agreement with the Neptune Township Sewerage Authority	7,664.50		7,664.50		7,664.50
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay	11,545.73		11,545.73	11,500.00	45.73
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	1,869.19		1,869.19		1,869.20
	<u>\$ 123,954.56</u>	<u>\$ 24,554.72</u>	<u>\$ 148,509.28</u>	<u>\$ 37,646.72</u>	<u>\$ 110,862.57</u>
		Reserve for Encumbrances		\$ 10,150.02	
		Cash Disbursed		<u>27,496.70</u>	
				<u>\$ 37,646.72</u>	

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

<u>BALANCE, DECEMBER 31, 2018</u>			\$	6,957.26
<u>INCREASED BY</u>				
Budget Appropriations:				
Interest on Bonds	\$	31,000.00		
Interest on BAN		<u>8,378.09</u>		<u>39,378.09</u>
			\$	46,335.35
<u>DECREASED BY</u>				
Cash Disbursed:				
Interest on Bonds	\$	31,100.00		
Interest on BAN		<u>8,543.00</u>		<u>39,643.00</u>
<u>BALANCE, DECEMBER 31, 2019</u>			\$	<u>6,692.35</u>

ANALYSIS OF BALANCE

	Amount Outstanding December 31, <u>2019</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	Accrual <u>Period</u>	<u>Accrual</u>
Serial Bonds - 2014	\$ 670,000.00	Various	12/1/2019	12/31/2019	1 Month	\$ 2,500.00
Bond Anticipation Note	315,000.00	2.14%	5/21/2019	12/31/2019	227 Days	<u>4,192.35</u>
						\$ <u>6,692.35</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
SCHEDULE OF VARIOUS RESERVES
AS OF DECEMBER 31, 2019 AND 2018

	December 31,	
	<u>2019</u>	<u>2018</u>
Reserve for:		
Compensated Absences	\$ <u>50,000.00</u>	\$ <u>25,000.00</u>
	\$ <u><u>50,000.00</u></u>	\$ <u><u>25,000.00</u></u>

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, 2019 AND 2018

	<u>Beach Utility Capital Fund</u>		<u>Sewer Utility Capital Fund</u>		<u>Total (Memorandum Only)</u>	
<u>ASSETS</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 854,607.23	\$ 1,112,418.61	\$ 756,510.21	\$ 789,569.32	\$ 1,611,117.44	\$ 1,901,987.93
Interfunds Receivable-						
Due from Sewer Utility Operating Fund				20.45		20.45
Due From Beach Utility Operating Fund		275.87				275.87
		275.87		20.45		296.32
Fixed Capital	6,567,880.24	\$ 4,465,318.47	4,662,385.74	\$ 4,662,385.74	11,230,265.98	9,127,704.21
Fixed Capital Authorized and Uncompleted	152,650.84	2,251,913.36	2,850,000.00	2,850,000.00	3,002,650.84	5,101,913.36
	6,720,531.08	\$ 6,717,231.83	7,512,385.74	\$ 7,512,385.74	14,232,916.82	14,229,617.57
Total Assets	\$ 7,575,138.31	\$ 7,829,926.31	\$ 8,268,895.95	\$ 8,301,975.51	\$ 15,844,034.26	\$ 16,131,901.82
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>						
Serial Bonds	\$ 1,045,000.00	\$ 1,150,000.00	\$ 670,000.00	\$ 700,000.00	\$ 1,715,000.00	\$ 1,850,000.00
Bond Anticipation Notes	514,000.00	715,000.00	315,000.00	355,000.00	829,000.00	1,070,000.00
Improvement Authorizations:						
Funded	11,809.72	47,576.57			11,809.72	47,576.57
Unfunded	137,782.04	138,465.55	346,492.01	475,797.99	484,274.05	614,263.54
	149,591.76	186,042.12	346,492.01	475,797.99	496,083.77	661,840.11
Capital Improvement Fund	35,399.61	35,399.61	191,251.94	191,251.94	226,651.55	226,651.55
Reserve for Encumbrances	2,873.80	19,211.05	651,518.81	1,715,689.39	654,392.61	1,734,900.44
Various Reserves	770,297.52	852,297.52	2,017,720.66	857,323.66	2,788,018.18	1,709,621.18
	808,570.93	906,908.18	2,860,491.41	2,764,264.99	3,669,062.34	3,671,173.17
Reserve for Amortization	2,637,340.01	2,451,340.01	3,861,385.74	3,791,385.74	6,498,725.75	6,242,725.75
Deferred Reserve for Amortization	2,388,103.40	2,388,103.40	171,000.00	171,000.00	2,559,103.40	2,559,103.40
Fund Balance	32,532.21	32,532.60	44,526.79	44,526.79	77,059.00	77,059.39
Total Liabilities, Reserves and Fund Balance	\$ 7,575,138.31	\$ 7,829,926.31	\$ 8,268,895.95	\$ 8,301,975.51	\$ 15,844,034.26	\$ 16,131,901.82

As of December 31, 2019, there were Bonds and Notes Authorized but not Issued in the Beach Utility Capital Fund of \$132,788.42 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, 2019

<u>BALANCE, DECEMBER 31, 2018</u>	\$ 32,532.60
<u>DECREASED BY</u>	
Charge to Various Reserve	<u>0.39</u>
<u>BALANCE, DECEMBER 31, 2019</u>	<u>\$ 32,532.21</u>

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

	Balance December 31, 2018	Receipts		Disbursements		Transfers		Balance December 31, 2019
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Capital Fund Balance	\$ 32,532.60							\$ 32,532.60
Capital Improvement Fund	35,399.61							35,399.61
Reserve for Encumbrances	19,211.05				\$ 18,498.25		\$ 2,161.00	2,873.80
Reserve for Upgrade to Public Safety Station	177.58							177.58
Reserve for Public Works Generator	13,000.00							13,000.00
Reserve for FEMA Grant	839,119.94				82,000.00			757,119.94
Due to Beach Operating Fund	(275.87)		\$ 275.48					(0.39)
Ordinance Number	Description							
13-02	Various Beach Improvements	25,443.85		\$ 28,743.10				(3,299.25)
14-05	Parking Meter Pay Station Installation	13,442.80		8,162.00		\$ 912.00		4,368.80
16-02	Real Property Acquisition	1,413.36		413.76				999.60
17-13	Improvements to Beach Railing on the Boardwalk	124,263.77		269.75	120,000.00			3,994.02
18-8	Upgrades to Old Sewer Plant	8,689.92				1,249.00		7,440.92
		<u>\$ 1,112,418.61</u>	<u>\$ 275.48</u>	<u>\$ 37,588.61</u>	<u>\$ 220,498.25</u>	<u>\$ 2,161.00</u>	<u>\$ 2,161.00</u>	<u>\$ 854,607.23</u>

Bracketed () Amount Denotes Deficit.

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

BALANCE, DECEMBER 31, 2018 \$ 4,465,318.47

INCREASED BY

Transfer from Fixed Capital Authorized and Uncompleted 2,102,561.77

BALANCE, DECEMBER 31, 2019 \$ 6,567,880.24

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	634,000.40
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	28,500.00
Acquisition of Parking Meter Stations	135,631.20
Various Beachfront Improvements 2019	1,603,299.25
Boardwalk Railing	<u>363,217.56</u>
	\$ <u>6,567,880.24</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<u>Ordinance Number</u>	<u>Description</u>	<u>Date Authorized</u>	<u>Original Amount</u>	<u>Balance December 31, 2018</u>	<u>Fixed Capital Authorized</u>	<u>Transferred to Fixed Capital</u>	<u>Balance December 31, 2019</u>
13-02	Various Beach Improvements	2/27/2013	\$ 1,600,000.00	\$ 1,600,000.00	\$ 3,299.25	\$ 1,603,299.25	
14-05	Acquisition of Parking Meter Stations	2/27/2014	140,000.00	140,000.00		135,631.20	\$ 4,368.80
16-02	Real Property Acquisition	1/26/2016	635,000.00	1,413.36		413.76	999.60
17-13	Improvements to Beach Railing on the Boardwalk	5/9/2017	500,000.00	500,000.00		363,217.56	136,782.44
18-8	Improvements to the Pump Station	4/10/2018	10,500.00	10,500.00			10,500.00
				<u>\$ 2,251,913.36</u>	<u>\$ 3,299.25</u>	<u>\$ 2,102,561.77</u>	<u>\$ 152,650.84</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding December 31, 2019</u>		<u>Interest Rate</u>	<u>Balance December 31, 2018</u>	<u>Decreased</u>	<u>Balance December 31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
Beach Improvement Bonds (MCIA)	12/24/14	\$ 1,525,000.00	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	\$ 1,150,000.00	\$ 105,000.00	\$ 1,045,000.00
						<u>\$ 1,150,000.00</u>	<u>\$ 105,000.00</u>	<u>\$ 1,045,000.00</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, 2018</u>	<u>Decreased</u>	<u>Balance December 31, 2019</u>
16-02	Land Acquisition	5/23/16	05/17/19	05/15/20	2.14%	\$ 535,000.00	\$ 75,000.00	\$ 460,000.00
17-13	Improvement to Beach Railings on Boardwalk	5/18/18	5/17/19	05/15/20	2.14%	<u>180,000.00</u>	<u>126,000.00</u>	<u>54,000.00</u>
						<u>\$ 715,000.00</u>	<u>\$ 201,000.00</u>	<u>\$ 514,000.00</u>
					Excess - Grant Cash		\$ 120,000.00	
					2019 Budget Appropriation		<u>81,000.00</u>	
							<u>\$ 201,000.00</u>	

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Ordinance Number	Description	Ordinance		Balance December 31, 2018		Paid or Charged	Transferred	Balance December 31, 2019	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
13-02	Various Beach Improvements	2/27/2013	\$ 1,600,000.00	\$ 25,443.85		\$ 28,743.10	\$ (3,299.25)		
14-05	Parking Meter Pay Station Improvements	2/27/2014	140,000.00	13,442.80		9,074.00		\$ 4,368.80	
16-02	Real Property Acquisition	1/26/2016	635,000.00		\$ 1,413.36	413.76			\$ 999.60
17-13	Improvements to Beach Railing on the Boardwalk (MCOST Grant \$307,211.58)	5/9/2017	500,000.00		137,052.19	269.75			136,782.44
18-8	Improvement to the Pump Station	4/10/2018	10,500.00	8,689.92		1,249.00		7,440.92	
				<u>\$ 47,576.57</u>	<u>\$ 138,465.55</u>	<u>\$ 39,749.61</u>	<u>\$ (3,299.25)</u>	<u>\$ 11,809.72</u>	<u>\$ 137,782.04</u>
Transfer to Fixed Capital Authorized & Uncompleted							<u>\$ 3,299.25</u>		

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

BALANCE, DECEMBER 31, 2018

AND

BALANCE, DECEMBER 31, 2019

\$ 35,399.61

(There was no change during the year.)

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
AS OF DECEMBER 31, 2019 AND 2018

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Reserve for:		
FEMA Grant	\$ 757,119.94	\$ 839,119.94
Upgrade to Public Safety Station	177.58	177.58
Public Works Generator	<u>13,000.00</u>	<u>13,000.00</u>
	<u>\$ 770,297.52</u>	<u>\$ 852,297.52</u>

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>2018</u>	<u>Cancelled</u>	Balance December 31, <u>2019</u>
17-13	Improvements to Beach Railing on the Boardwalk	\$ <u>320,000.00</u>	\$ <u>187,217.56</u>	\$ <u>132,782.44</u>
		\$ <u><u>320,000.00</u></u>	\$ <u><u>187,217.56</u></u>	\$ <u><u>132,782.44</u></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, 2019

BALANCE, DECEMBER 31, 2018

AND

BALANCE, DECEMBER 31, 2019

\$ 44,520.79

(There was no change during the year.)

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

	Balance December 31, 2018	Receipts	Disbursement		Transfers		Balance December 31, 2019
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 44,526.79						\$ 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	(20.45)	\$ 5,086.23		\$ 5,065.78			
Reserve for Encumbrances	1,715,689.39			1,193,476.56		\$ 129,305.98	651,518.81
Reserve for Manhole Resetting	97,979.62						97,979.62
Reserve for Video Inspection of Sewer Lines	25,000.00						25,000.00
Reserve for PW Generator	13,000.00	11,500.00					24,500.00
Reserve for Sewer Infrastructure Upgrades	37,349.04						37,349.04
<u>Ordinance Number</u>		<u>Improvement Authorizations</u>					
17-11	Improvements to Sanitary Sewer System	(1,435,207.01)	1,148,897.00		\$ 129,305.98		(415,615.99)
		<u>\$ 789,569.32</u>	<u>\$ 1,165,483.23</u>	<u>\$ 1,198,542.34</u>	<u>\$ 129,305.98</u>	<u>\$ 129,305.98</u>	<u>\$ 756,510.21</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

BALANCE, DECEMBER 31, 2018

AND

BALANCE, DECEMBER 31, 2019 \$ 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	989,614.39
	<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, 2019

<u>Ordinance Number</u>	<u>Description</u>	<u>Date Authorized</u>	<u>Original Amount</u>	<u>Balance December 31, 2018</u>	<u>Balance December 31, 2019</u>
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>2,850,000.00</u>	\$ <u>2,850,000.00</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding December 31, 2018		Interest Rate	Balance	Decreased	Balance
			Date	Amount		December 31, 2018		December 31, 2019
Sewer Improvements Bonds	12/24/14	\$ 820,000.00	12/01/20	\$ 30,000.00	4.00%			
			12/01/21	30,000.00	5.00%			
			12/01/22	35,000.00	5.00%			
			12/01/23	35,000.00	5.00%			
			12/01/24	40,000.00	5.00%			
			12/01/25	40,000.00	5.00%			
			12/01/26	40,000.00	5.00%			
			12/01/27	45,000.00	5.00%			
			12/01/28	45,000.00	5.00%			
			12/01/29	50,000.00	5.00%			
			12/01/30	50,000.00	5.00%			
			12/01/31	55,000.00	4.00%			
			12/01/32	55,000.00	4.00%			
			12/01/33	60,000.00	3.25%			
			12/01/34	60,000.00	3.25%	\$ 700,000.00	\$ 30,000.00	\$ 670,000.00
						\$ 700,000.00	\$ 30,000.00	\$ 670,000.00
2019 Budget Appropriation						\$ 30,000.00		

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, 2018</u>	<u>Decreased</u>	<u>Balance December 31, 2019</u>
17-11	Improvements to Sanitary Sewer System	05/22/17	05/22/19	05/21/20	2.14%	\$ <u>355,000.00</u>	\$ <u>40,000.00</u>	\$ <u>315,000.00</u>
						\$ <u>355,000.00</u>	\$ <u>40,000.00</u>	\$ <u>315,000.00</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2018</u>		<u>Canceled</u>	<u>Balance December 31, 2019</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
17-11	Improvements to the Sanitary Sewer System	02/28/17	\$ 2,850,000.00	_____	\$ 475,797.99	\$ 129,305.98	_____	\$ 346,492.01
				=====	\$ 475,797.99	\$ 129,305.98	=====	\$ 346,492.01

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

BALANCE, DECEMBER 31, 2018

AND

BALANCE, DECEMBER 31, 2019

\$ 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, 2019 AND 2018

	December 31,	
	<u>2019</u>	<u>2018</u>
Reserve for:		
Roof Repairs	\$ 100,000.00	\$ 100,000.00
Video Inspection of Sewer Lines	25,000.00	25,000.00
Public Works Generator	24,500.00	13,000.00
Sewer Infrastructure Upgrades	37,349.04	37,349.04
Manhole Resetting	97,979.62	97,979.62
NJI-Bank Loan	<u>1,732,892.00</u>	<u>583,995.00</u>
	<u>\$ 2,017,720.66</u>	<u>\$ 857,323.66</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>2018</u>	Balance December 31, <u>2019</u>
17-11	Improvements to the Sanitary Sewer System	\$ <u>2,495,000.00</u>	\$ <u>2,495,000.00</u>
		\$ <u>2,495,000.00</u>	\$ <u>2,495,000.00</u>

CAPITAL ASSETS

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL ASSETS ACCOUNT
COMPARATIVE STATEMENTS OF CAPITAL ASSETS
AS OF DECEMBER 31, 2019 AND 2018

	Balance December 31, <u>2019</u>	Balance December 31, <u>2018</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	2,234,580.00
Vehicles	<u>3,290,079.85</u>	<u>3,130,422.38</u>
	<u>\$ 19,934,297.85</u>	<u>\$ 19,774,640.38</u>
Investment in Capital Assets	<u>\$ 19,934,297.85</u>	<u>\$ 19,774,640.38</u>
	<u>\$ 19,934,297.85</u>	<u>\$ 19,774,640.38</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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government	\$ 723,259.00	\$ 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
Land Use	24,563.00	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
Code Enforcement	97,054.00	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
Insurance	1,063,347.00	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
Public Safety	2,790,063.00	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
Public Works	1,167,096.00	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
Health and Human Services	23,710.00	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
Parks and Recreation	181,799.00	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
Library	446,863.69	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
Utility Expenses and Bulk Purchases	226,500.00	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
Uniform Construction Code	104,472.00	101,500.00	99,135.00							
Deferred Charges and Statutory Expenditures	916,792.00	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
State and Federal Grants	38,418.26	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
Capital Improvements	170,600.00	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
Debt Service	827,834.48	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
Reserve for Uncollected Taxes	479,957.19	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
	<u>\$ 9,282,328.62</u>	<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>

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating	\$ 1,592,826.00	\$ 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
Capital Improvements	94,000.00	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
Debt Service	227,749.00	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
Deferred Charges and Statutory Expenditures	87,646.00	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
	<u>\$ 2,002,221.00</u>	<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>

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									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Operating	\$ 1,550,213.00	\$ 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
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
Debt Service	255,826.00	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
Deferred Charges and Statutory Expenditures	<u>81,000.00</u>	<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>\$ 1,887,039.00</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>

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

<u>Source</u>	<u>Fiscal Year</u>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Surplus Anticipated	\$ 997,000.00	\$ 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
Taxes (1)	7,169,083.65	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
Delinquent Taxes	138,252.66	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
Miscellaneous	944,474.76	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
State Aid	355,290.00	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
Grants	30,918.26	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
Nonbudget Revenues	87,374.49	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
	<u>\$ 9,722,393.82</u>	<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>

(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>Regular</u>	<u>County Open Space</u>	<u>Health</u>	<u>School</u>	<u>Total</u>	<u>Collection Rates Current</u>	<u>Delinquent Taxes as Percent of Levy</u>
2019	\$ 0.515	\$ 0.241	\$ 0.028	\$ 0.005	\$ 0.477	\$ 1.266	98.44%	0.00%
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%

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>
2019	\$ 17,007,625.36	\$ 16,742,911.29	98.44%
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%

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>
2019	\$ 2,254.42	\$ 336,127.41	\$ 338,381.83	1.98%
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%

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>
2019	\$ 1,336,939,000	\$ 1,418,201,973	94.27%
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%

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

BOROUGH OF BRADLEY BEACH
SCHEDULE OF TEN LARGEST TAXPAYERS
FOR 2019
UNAUDITED

<u>Taxpayer</u>	<u>Assessed Value - 2019</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, 2019
UNAUDITED

Average Equalized Valuation	\$ <u>1,326,375,783.00</u>
Borrowing Margin - 3½% of Average Equalized Valuation	\$ 46,423,152.41
Net Debt	<u>4,109,654.57</u>
Remaining Borrowing Power	\$ <u>42,313,497.84</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of Bradley Beach	\$ <u>10,074,466.30</u>	\$ <u>5,964,811.73</u>	\$ 4,109,654.57
Overlapping Debt Apportioned to the Municipality: County of Monmouth (1)	<u>Net Debt</u>	<u>Overlapping Percentage</u>	
	\$ 462,342,600.35	1.003893%	<u>4,641,423.92</u>
			\$ <u>8,751,078.49</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>
2019	4,298	\$ 1,418,201,973.00	\$ 9,436,466.30	0.67%	\$ 2,195.55
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

(1) Based on the 2010 Census for 2010-2019.

(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>
2019	\$ 517,730.35	\$ 281,218.05	\$ 798,948.40	\$ 8,421,746.44	9.49%
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	12.95%
2012	816,630.60	297,293.42	1,113,924.02	9,553,077.53 (2)	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%

(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		\$ 2,087,813.30
Deductions:		
Operating and Maintenance Cost	\$ 1,631,213.00	
Debt Service	<u>253,588.75</u>	
Total Deductions		<u>1,884,801.75</u>
Excess in Revenue		\$ <u><u>203,011.55</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		\$ 2,146,267.75
Deductions:		
Operating and Maintenance Cost	\$ 1,680,472.00	
Debt Service	<u>227,749.00</u>	
Total Deductions		<u>1,908,221.00</u>
Excess in Revenue		\$ <u><u>238,046.75</u></u>

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

<u>Year Ended December 31,</u>	<u>Population</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income (1)</u>
2019	4,298	3.1%	45,084
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

(1) NJ Dept. of Labor & Workforce Development

BOROUGH OF BRADLEY BEACH
MISCELLANEOUS STATISTICS
DECEMBER 31, 2019

Date of Incorporation	March 1893
Form of Government	Small Municipality
Area	0.70 square miles
Employees:	
Administrative	16
Police	18
Public Works	14
Volunteer Firemen	37
Volunteer First Aid Squad	27
Other - Part Time and Seasonal	<u>143</u>
Total Employees	<u><u>255</u></u>

Source: Borough Records.

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2019

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 2019 year. Accordingly, the Borough's 2019 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 no bids were requested by public advertising.

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.

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 11, 2018, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2019

Collection of Interest on Delinquent Taxes, Utility Charges and Assessments (Continued)

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 2019 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, 2019, 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 2019 and the sale was complete except for one item.

At December 31, 2019 there was one taxpayer from 2018 that reflected an outstanding balance. The property in question relates to a parcel of land that was purchased by the Borough, subsequent to yearend. The Chief Financial Officer and the Tax Collector are looking into resolving this matter.

The tax status summary report submitted for audit required adjustments to bring the senior citizens and veterans deductions into line with the correct balance. Most likely, these adjustments were made subsequent to yearend and prior to the final close out. We believe the balance reflected on the Current Fund balance sheet Due from State of NJ of \$500.00 is correct.

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>
2019	1
2018	1
2017	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, 2019

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, 2019.

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.

The bank reconciliations for the three (3) operating funds of the Borough, presented for audit were not in agreement with the general ledger for those funds. As a result of a subsequent review done by us in conjunction with the new Chief Financial Officer, effective March 1, 2020, it was determined that for the beach and sewer funds there was a double entry of outstanding checks. The current fund reconciliation and the clearing account bank reconciliation; also required an extensive review to determine the accuracy of items.

As a result of our review of the Current Fund bank reconciliation as adjusted in conjunction with the Chief Financial Officer, it was determined that there was \$64,758.60 more on the bank reconciliation than general ledger reflected. This balance is reflected as an on the Current Fund balance sheet as an unallocated credit. Without performing a 100% audit of all transactions, it is difficult to ascertain the source and validity of this credit. The Chief Financial Officer is monitoring this condition for proper disposition. This condition is related to the transition of the Chief Financial Officer from December 30, 2019 through February 28, 2020.

Revenues

Receipts from licenses, fees, fines and costs, etc., for certain 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.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2019

Payroll

An examination was made of the employees' compensation records for the year 2019 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.

Miscellaneous Comments

The confirmation sent to the Local Board of Education verified that school taxes were paid during December 31, 2019.

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 has separate independent audits as of December 31, 2018 and the audit for December 31, 2019 and are in process at this time.

Interfunds

The Balance Sheets of various funds reflect Interfund Receivable/Payable as of December 31, 2019. The interfunds will be liquidated subsequent to yearend.

Construction Code Official

Our examination of the Uniform Construction Code Annual Report revealed the revenues for 2019 in accordance with the report were \$170,869.00 and expenditures were \$70,568.00. 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.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2019

Technical Directives – State of New Jersey

The general ledger for 2019 was maintained in accordance with acceptable accounting control standards with the following exceptions:

- The payroll agency fund general ledger presented for audit did not include entries for the last payroll of the year. Additional analysis was done by us of the underlying records in order to present a proper audit exhibit. The new Chief Financial Officer, effective March 1, has advised us that she is maintaining a general ledger for the fund.
- The current fund general ledger presented for audit was out of balance by \$15,427.25. Adjustments were made in order to present proper yearend balances and without performing a 100% audit, it is not possible to determine the origin.

An encumbrance system for budgetary purposes was maintained during 2019.

A fixed assets detail was maintained in 2019.

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

The conditions noted in this report were most likely related to the departure of the Chief Financial Officer on December 30, 2019 and the transition to the outside consultant for the period December 31, 2019 to February 28, 2020. Future transition of key personnel should be monitored by the Governing Body.

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, 2019

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,

A handwritten signature in black ink, appearing to read 'G Stankiewicz', written in a cursive style.

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