

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
YEAR ENDED DECEMBER 31, 2019**

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COUNTY OF MONMOUTH, NEW JERSEY
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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Tinton Falls,
County of Monmouth
Tinton Falls, New Jersey

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Tinton Falls as of December 31, 2019 and 2018, and the related statements of operations and changes in in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, 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.

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.

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As discussed in Note 1 to the financial statements, the Borough prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of 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 Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough, as of December 31, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough, as of December 31, 2019 and 2018, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2019 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2020 on our consideration of the Borough'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's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Toms River, New Jersey
August 6, 2020

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members
of the Borough Council,
Borough of Tinton Falls
County of Monmouth
Tinton Falls, New Jersey

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 Tinton Falls, 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 August 6, 2020. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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.

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Toms River, New Jersey
August 6, 2020

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

| | <u>Reference</u> | <u>2019</u> | <u>2018</u> |
|---|------------------|-------------------------|-------------------------|
| <u>Assets</u> | | | |
| Cash | A-4 | \$ 19,390,121.20 | \$ 17,930,633.62 |
| Cash - Change Fund | A-5 | 825.00 | 825.00 |
| Due From State of New Jersey - Seniors' and Veterans' Deductions | A-6 | 671.33 | 166.54 |
| | | <u>19,391,617.53</u> | <u>17,931,625.16</u> |
| Receivables With Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-7 | 610,542.79 | 609,138.16 |
| Tax Title Liens Receivable | A-8 | 134,171.32 | 121,457.22 |
| Debris Liens Receivable | A-9 | 314.78 | 141.57 |
| Revenue Accounts Receivable | A-10 | 15,785.65 | 25,560.44 |
| | | <u>760,814.54</u> | <u>756,297.39</u> |
| | | <u>20,152,432.07</u> | <u>18,687,922.55</u> |
| Grant Fund: | | | |
| Cash | A-4 | 202,292.96 | 244,811.57 |
| Grants Receivable | A-21 | 15,000.00 | - |
| Total Grant Fund | | <u>217,292.96</u> | <u>244,811.57</u> |
| Total Assets | | <u>\$ 20,369,725.03</u> | <u>\$ 18,932,734.12</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

| | <u>Reference</u> | <u>2019</u> | <u>2018</u> |
|---|------------------|------------------|------------------|
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Appropriation Reserves | A-3 | \$ 1,229,928.12 | \$ 1,308,226.03 |
| Encumbrances Payable | A-3 | 1,276,395.55 | 738,984.97 |
| Due to State of NJ | A-11 | 14,486.00 | 11,746.00 |
| Accounts Payable | A-13 | 204,535.00 | 118,539.02 |
| County Taxes Payable | A-14 | 144,996.73 | 109,512.34 |
| Prepaid Taxes | A-15 | 430,171.25 | 584,129.19 |
| Tax Overpayments | A-16 | 3,020.11 | 12,702.77 |
| Regional District School Tax Payable | A-17 | 3,502,158.81 | 3,327,186.29 |
| Regional District High School Tax Payable | A-18 | 4,414,372.95 | 3,998,049.58 |
| | | 11,220,064.52 | 10,209,076.19 |
| Reserve for Receivables | A | 760,814.54 | 756,297.39 |
| Fund Balance | A-1 | 8,171,553.01 | 7,722,548.97 |
| | | 20,152,432.07 | 18,687,922.55 |
| Grant Fund: | | | |
| Encumbrances Payable | A-22 | 17,838.81 | 89,466.31 |
| Reserve for Grants: | | | |
| Appropriated | A-22 | 199,454.15 | 155,345.26 |
| Total Grant Fund | | 217,292.96 | 244,811.57 |
| Total Liabilities, Reserves and Fund Balance | | \$ 20,369,725.03 | \$ 18,932,734.12 |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

| | <u>Reference</u> | <u>2019</u> | <u>2018</u> |
|--|------------------|-------------------------------|-------------------------------|
| Revenue and Other Income Realized: | | | |
| Fund Balance Utilized | A-2 | \$ 3,870,000.00 | \$ 3,500,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 7,453,380.50 | 7,128,996.07 |
| Receipts From Delinquent Taxes | A-2 | 623,746.17 | 584,060.07 |
| Receipts From Current Taxes | A-2,4-A | 67,460,386.05 | 63,791,819.95 |
| Non-Budget Revenue | A-2,1-A | 965,112.13 | 1,158,759.63 |
| Other Credit To Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-12 | 1,067,605.40 | 1,519,047.91 |
| Accounts Payable Cancelled | A-13 | 118,539.02 | - |
| Tax Overpayments Cancelled | A-16 | 12,702.77 | - |
| Total Revenue | | <u>81,571,472.04</u> | <u>77,682,683.63</u> |
| Expenditures: | | | |
| Budget Appropriations Within "CAPS": | | | |
| Operations: | | | |
| Salaries and Wages | A-3 | 11,314,312.00 | 11,073,612.00 |
| Other Expenses | A-3 | 7,355,205.00 | 7,424,785.00 |
| Deferred Charges and Statutory | A-3 | 2,864,790.00 | 2,691,511.00 |
| Appropriations Excluded From "CAPS": | | | |
| Operations: | | | |
| Other Expenses | A-3 | 796,041.85 | 754,514.45 |
| Capital Improvements | A-3 | 851,500.00 | 471,500.00 |
| Municipal Debt Service | A-3 | 2,631,461.63 | 2,580,469.06 |
| County Taxes | A-14 | 9,901,249.20 | 9,682,742.82 |
| Regional District School Tax | A-17 | 25,280,800.00 | 23,314,486.00 |
| Regional District High School Tax | A-18 | 13,369,209.00 | 12,536,562.00 |
| Municipal Open Space Tax | A-19 | 768,631.71 | 725,255.72 |
| Special District Taxes | A-20 | 2,071,560.00 | 2,004,550.00 |
| Due From State of New Jersey - Senior | | | |
| Citizens' Deductions Disallowed | A-6 | 2,791.78 | 2,086.98 |
| Refund of Prior Year Revenue | A-1 | 375.00 | - |
| Prior Year Tax Appeal Refunds | A-1 | 44,540.83 | 23,934.37 |
| Total Expenditures | | <u>77,252,468.00</u> | <u>73,286,009.40</u> |
| Excess in Revenue | | 4,319,004.04 | 4,396,674.23 |
| Fund Balance, January 1 | | <u>7,722,548.97</u> | <u>6,825,874.74</u> |
| | | 12,041,553.01 | 11,222,548.97 |
| Decreased By: | | | |
| Utilized as Anticipated Revenue | | <u>3,870,000.00</u> | <u>3,500,000.00</u> |
| Fund Balance, December 31 | | <u><u>\$ 8,171,553.01</u></u> | <u><u>\$ 7,722,548.97</u></u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Budget</u> | <u>Budget Amendments</u> | <u>Realized</u> | <u>Excess/ (Deficit)</u> |
|---|-------------------------|------------------------------|-------------------------|------------------------------|
| Surplus Anticipated | \$ 3,870,000.00 | \$ - | \$ 3,870,000.00 | \$ - |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | 35,000.00 | - | 37,698.00 | 2,698.00 |
| Other | 20,000.00 | - | 26,960.00 | 6,960.00 |
| Fees and Permits | 325,000.00 | - | 457,810.95 | 132,810.95 |
| Fines and Costs: | | | | |
| Municipal Court | 310,000.00 | - | 282,654.81 | (27,345.19) |
| Interest and Costs on Taxes | 110,000.00 | - | 145,449.05 | 35,449.05 |
| Interest on Investments and Deposits | 200,000.00 | - | 336,222.82 | 136,222.82 |
| Commercial Garbage Fees | 60,000.00 | - | 72,185.74 | 12,185.74 |
| Energy Receipts Tax | 1,490,459.00 | - | 1,490,459.00 | - |
| Uniform Construction Code Fees | 318,000.00 | - | 659,118.00 | 341,118.00 |
| Host Municipalities Act | 1,799,750.00 | - | 2,311,026.75 | 511,276.75 |
| Franchise Fees | 301,100.00 | - | 301,129.90 | 29.90 |
| Open Space Trust: | | | | |
| Bond Principal | 85,000.00 | - | 85,000.00 | - |
| Interest on Bonds | 42,690.00 | - | 42,690.00 | - |
| Hotel Occupancy Tax | 340,000.00 | - | 442,434.68 | 102,434.68 |
| PILOT - CommVault | 234,859.00 | - | 234,859.95 | 0.95 |
| Municipal Court Services - Monmouth Beach & Eatontown | 341,000.00 | - | 347,464.00 | 6,464.00 |
| Finance Services - Keyport | 60,000.00 | - | 60,000.00 | - |
| Public and Private Revenues Offset with Appropriations: | | | | |
| Recycling Tonnage Grant | 54,996.63 | - | 54,996.63 | - |
| Body Armor Replacement Fund | 4,230.95 | - | 4,230.95 | - |
| Clean Communities Program | - | 45,989.27 | 45,989.27 | - |
| Electric Vehicle Charging Grant | - | 15,000.00 | 15,000.00 | - |
| Total Miscellaneous Revenues | 6,132,085.58 | 60,989.27 | 7,453,380.50 | 1,260,305.65 |
| Receipts From Delinquent Taxes | 600,000.00 | - | 623,746.17 | 23,746.17 |
| Property Taxes for Support of Municipal Budget Appropriations: | | | | |
| Local Tax for Municipal Purposes | 15,867,962.95 | - | 16,786,415.09 | 918,452.14 |
| Budget Totals | 26,470,048.53 | 60,989.27 | 28,733,541.76 | 2,202,503.96 |
| Non-Budget Revenue | - | - | 965,112.13 | 965,112.13 |
| | <u>\$ 26,470,048.53</u> | <u>\$ 60,989.27</u> | <u>\$ 29,698,653.89</u> | <u>\$ 3,167,616.09</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Analysis of Realized Revenue

| | |
|---|-------------------------|
| <u>Allocation of Current Tax Collections:</u> | |
| Revenue From Collections | \$ 67,460,386.05 |
| Allocated To School, County, and Municipal Open Space Taxes | 51,391,449.91 |
| | <hr/> |
| Balance for Support of Municipal Budget Appropriations | 16,068,936.14 |
| Add: Appropriation "Reserve for Uncollected Taxes" | 717,478.95 |
| | <hr/> |
| Amount for Support of Municipal Budget Appropriations | <u>\$ 16,786,415.09</u> |
| | |
| <u>Receipts From Delinquent Taxes:</u> | |
| Delinquent Tax Collections | \$ 610,460.96 |
| Tax Title Lien Collections | 13,285.21 |
| | <hr/> |
| Delinquent Tax Collections | <u>\$ 623,746.17</u> |
| | |
| <u>Fees & Permits:</u> | |
| Building | \$ 154,905.00 |
| Police | 17,350.61 |
| Zoning | 13,760.00 |
| Planning | 75,454.83 |
| Recreation | 191,487.01 |
| Other Fees/Permits | 4,853.50 |
| | <hr/> |
| | <u>\$ 457,810.95</u> |
| | |
| <u>Miscellaneous Revenue Not Anticipated:</u> | |
| <u>Payment in Lieu of Taxes:</u> | |
| Tinton Falls Senior Living | \$ 38,050.00 |
| Pines II Meadowbrook Apartments | 58,302.00 |
| Meadowbrook II | 35,999.00 |
| Pines I at Tinton Falls | 51,901.00 |
| Radar Properties Urban Renewal | 34,686.36 |
| Charles Wood Property Urban Renewal | 50,319.14 |
| Trinity Hall - Municipal Service Reimbursement | 496.66 |
| Ranney School - Municipal Service Reimbursement | 36,646.71 |
| Fire Safety LEA | 52,049.46 |
| Fire Prevention fees | 111,510.00 |
| N.J. Inspection Fines | 6,638.25 |
| 6% Tax Penalties | 14,356.14 |
| Garbage Can fees | 10,971.00 |
| Prior Year Reimbursements | 1,159.44 |
| Development Impact Fees | 267,500.00 |
| NSF Fees | 280.00 |
| Copies | 80.10 |
| Miscellaneous | 2,849.27 |
| Municipal Court Reconciling Items | 573.00 |
| Senior Citizen & Vets State Administration Fees (2%) | 1,921.14 |
| Inspection Fees - Street Openings | 7,500.00 |
| AT&T Cell Site Lease | 83,082.35 |
| T-Mobile Cell Site Lease | 40,325.34 |
| Vending Commission | 245.00 |
| ATM Commission | 267.00 |
| JIF Dividend | 56,752.00 |
| Debris Liens | 651.77 |
| | <hr/> |
| | <u>\$ 965,112.13</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Appropriations</u> | | <u>Expended</u> | | |
|---|----------------------------|---------------------------------------|----------------------------|-------------------|-------------------------------------|
| | <u>Original Budget</u> | <u>Budget After Modifications</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> <u>Cancelled</u> |
| <u>GENERAL APPROPRIATIONS</u> | | | | | |
| Borough Council: | | | | | |
| Salaries and Wages | 23,001.00 | 23,001.00 | 23,000.38 | - | 0.62 |
| Other Expenses | 5,900.00 | 5,900.00 | 1,365.95 | 241.95 | 4,292.10 |
| Office of the Mayor: | | | | | |
| Salaries and Wages | 6,001.00 | 6,001.00 | 6,000.02 | - | 0.98 |
| Other Expenses | 43,000.00 | 43,000.00 | 80.00 | - | 42,920.00 |
| Municipal Clerk: | | | | | |
| Salaries and Wages | 192,500.00 | 192,500.00 | 181,785.63 | - | 10,714.37 |
| Other Expenses: | | | | | |
| Miscellaneous | 54,000.00 | 54,000.00 | 30,585.63 | 2,217.11 | 21,197.26 |
| Revision and Codification of Ordinances | 35,000.00 | 35,000.00 | - | - | 35,000.00 |
| Office of the Tax Assessor: | | | | | |
| Salaries and Wages | 106,000.00 | 106,000.00 | 105,955.98 | - | 44.02 |
| Other Expenses | 59,625.00 | 59,625.00 | 54,718.13 | 4,045.55 | 861.32 |
| Division of Administration: | | | | | |
| Salaries and Wages | 476,300.00 | 476,300.00 | 455,412.58 | - | 20,887.42 |
| Other Expenses: | | | | | |
| Miscellaneous | 35,855.00 | 35,855.00 | 31,467.26 | 636.40 | 3,751.34 |
| Information Technology | 127,000.00 | 127,000.00 | 72,524.48 | 33,644.47 | 20,831.05 |
| Human Resources: | | | | | |
| Salaries and Wages | 109,000.00 | 109,700.00 | 108,652.90 | - | 1,047.10 |
| Other Expenses | 27,000.00 | 27,000.00 | 25,882.06 | 439.62 | 678.32 |
| Division of Central Services: | | | | | |
| Salaries and Wages | 63,000.00 | 63,000.00 | 57,787.08 | 3,000.00 | 2,212.92 |
| Other Expenses: | | | | | |
| Miscellaneous Other Expenses | 47,070.00 | 47,070.00 | 23,536.43 | 317.07 | 23,216.50 |
| Division of Engineering: | | | | | |
| Other Expenses | 110,000.00 | 110,000.00 | 103,665.66 | 4,534.34 | 1,800.00 |
| Historical Sites Office: | | | | | |
| Other Expenses | 5,000.00 | 5,000.00 | 1,571.57 | - | 3,428.43 |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Appropriations</u> | | <u>Expended</u> | | | |
|-------------------------------------|----------------------------|---------------------------------------|----------------------------|-------------------|-----------------|------------------|
| | <u>Original Budget</u> | <u>Budget After Modifications</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | <u>Cancelled</u> |
| Division of Law: | | | | | | |
| Other Expenses | 310,000.00 | 310,000.00 | 264,005.16 | 44,117.72 | 1,877.12 | - |
| Division of Central Maintenance: | | | | | | |
| Salaries and Wages | 520,000.00 | 520,000.00 | 464,809.39 | 30,000.00 | 25,190.61 | - |
| Other Expenses | 372,400.00 | 402,400.00 | 336,471.99 | 45,783.98 | 20,144.03 | - |
| Division of Streets: | | | | | | |
| Salaries and Wages | 534,000.00 | 534,000.00 | 502,213.74 | 20,000.00 | 11,786.26 | - |
| Other Expenses | 219,800.00 | 189,800.00 | 132,242.16 | 37,018.11 | 20,539.73 | - |
| Division of Sanitation: | | | | | | |
| Salaries and Wages | 1,166,000.00 | 1,166,000.00 | 986,679.17 | 60,000.00 | 119,320.83 | - |
| Other Expenses: | | | | | | |
| Landfill/Solid Waste Disposal Costs | | | | | | |
| Miscellaneous Other Expenses | 260,000.00 | 270,000.00 | 224,186.85 | 30,051.15 | 15,762.00 | - |
| Division of Buildings and Grounds: | 24,600.00 | 24,600.00 | 15,378.41 | 5,857.12 | 3,364.47 | - |
| Salaries and Wages | 360,200.00 | 360,200.00 | 312,288.45 | 20,000.00 | 27,911.55 | - |
| Other Expenses | 137,600.00 | 137,600.00 | 110,767.72 | 13,621.40 | 13,210.88 | - |
| Maintenance of Parks: | | | | | | |
| Salaries and Wages | 373,000.00 | 373,000.00 | 332,051.65 | 28,000.00 | 12,948.35 | - |
| Other Expenses | 56,000.00 | 56,000.00 | 35,935.69 | 2,846.53 | 17,217.78 | - |
| Shade Tree: | | | | | | |
| Other Expenses | 1,400.00 | 1,400.00 | 907.64 | - | 492.36 | - |
| Community Services Act: | | | | | | |
| Other Expenses | 120,000.00 | 120,000.00 | 117,577.00 | - | 2,423.00 | - |
| Police: | | | | | | |
| Salaries and Wages | 5,465,000.00 | 5,465,000.00 | 5,315,189.79 | 130,000.00 | 19,810.21 | - |
| Other Expenses | 304,265.00 | 304,265.00 | 261,691.65 | 40,567.85 | 2,005.50 | - |
| Division of Emergency Management: | | | | | | |
| Salaries and Wages | 62,500.00 | 65,000.00 | 64,652.70 | - | 347.30 | - |
| Other Expenses | 46,785.00 | 58,785.00 | 20,334.40 | 37,383.63 | 1,066.97 | - |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Appropriations</u> | | <u>Expended</u> | | | |
|--|----------------------------|---------------------------------------|----------------------------|-------------------|-----------------|------------------|
| | <u>Original Budget</u> | <u>Budget After Modifications</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | <u>Cancelled</u> |
| Municipal Prosecutor: | | | | | | |
| Salaries and Wages | 38,005.00 | 38,005.00 | 38,000.04 | - | 4.96 | - |
| Other Expenses | 4,000.00 | 4,000.00 | - | - | 4,000.00 | - |
| Division of Finance: | | | | | | |
| Salaries and Wages | 218,000.00 | 218,000.00 | 212,479.53 | - | 5,520.47 | - |
| Other Expenses: | | | | | | |
| Miscellaneous Other Expenses | 11,200.00 | 11,200.00 | 8,776.22 | 357.16 | 2,066.62 | - |
| Auditing Services | 29,000.00 | 29,000.00 | - | 29,000.00 | - | - |
| Division of Revenue: | | | | | | |
| Salaries and Wages | 205,000.00 | 205,000.00 | 195,950.82 | 6,000.00 | 3,049.18 | - |
| Other Expenses | 18,600.00 | 18,600.00 | 17,561.27 | 369.46 | 669.27 | - |
| Division of Health: | | | | | | |
| Other Expenses: | | | | | | |
| First Aid | 100,000.00 | 100,000.00 | 100,000.00 | - | - | - |
| Miscellaneous Other Expenses | 164,700.00 | 164,700.00 | 164,596.00 | - | 104.00 | - |
| Environmental Health Services: | | | | | | |
| Other Expenses | 36,100.00 | 36,100.00 | 8,650.00 | - | 27,450.00 | - |
| Contribution To Social Service Agencies: | | | | | | |
| Other Expenses | 19,450.00 | 19,450.00 | 16,340.00 | 1,860.00 | 1,250.00 | - |
| Division of Recreation: | | | | | | |
| Salaries and Wages | 334,000.00 | 344,000.00 | 336,462.54 | 4,000.00 | 3,537.46 | - |
| Other Expenses | 160,470.00 | 150,470.00 | 122,170.48 | 22,339.64 | 5,959.88 | - |
| Division of Housing: | | | | | | |
| Other Expenses | 26,000.00 | 26,000.00 | - | 25,000.00 | 1,000.00 | - |
| Division of Planning: | | | | | | |
| Salaries and Wages | 53,000.00 | 53,000.00 | 37,161.93 | 5,000.00 | 10,838.07 | - |
| Other Expenses | 75,570.00 | 75,570.00 | 29,750.02 | 36,422.98 | 9,397.00 | - |
| Division of Zoning: | | | | | | |
| Salaries and Wages | 51,700.00 | 51,700.00 | 42,340.87 | 4,000.00 | 5,359.13 | - |
| Other Expenses | 34,400.00 | 34,400.00 | 13,651.48 | 18,445.35 | 2,303.17 | - |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Appropriations</u> | | <u>Expended</u> | | | |
|--|----------------------------|---------------------------------------|----------------------------|-------------------|-----------------|------------------|
| | <u>Original Budget</u> | <u>Budget After Modifications</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | <u>Cancelled</u> |
| Division of Code Enforcement: | | | | | | |
| Salaries and Wages | 169,000.00 | 169,000.00 | 91,262.23 | 2,000.00 | 75,737.77 | - |
| Other Expenses | 4,330.00 | 4,330.00 | 2,130.64 | 898.94 | 1,300.42 | - |
| Division of Fire Prevention: | | | | | | |
| Salaries and Wages | 134,500.00 | 134,500.00 | 103,744.67 | 1,000.00 | 29,755.33 | - |
| Other Expenses | 7,230.00 | 7,230.00 | 4,753.22 | 894.74 | 1,582.04 | - |
| Animal Control Services: | | | | | | |
| Other Expenses | 24,000.00 | 24,000.00 | 24,000.00 | - | - | - |
| Municipal Court: | | | | | | |
| Salaries and Wages | 291,900.00 | 291,900.00 | 284,199.33 | 6,000.00 | 1,700.67 | - |
| Other Expenses | 34,285.00 | 34,285.00 | 27,263.84 | 5,060.49 | 1,960.67 | - |
| Public Defender: | | | | | | |
| Salaries and Wages | 21,505.00 | 21,505.00 | 18,500.18 | - | 3,004.82 | - |
| Other Expenses | 800.00 | 800.00 | - | - | 800.00 | - |
| Public Employees Occupational Safety and Health Act: | | | | | | |
| Other Expenses | 3,500.00 | 3,500.00 | - | - | 3,500.00 | - |
| <u>INSURANCE</u> | | | | | | |
| Group Insurance | 2,700,000.00 | 2,662,800.00 | 2,475,698.81 | - | 187,101.19 | - |
| Liability Insurance | 359,000.00 | 359,000.00 | 359,000.00 | - | - | - |
| Unemployment Insurance | 25,000.00 | 25,000.00 | 25,000.00 | - | - | - |
| Workers Compensation | 181,000.00 | 181,000.00 | 181,000.00 | - | - | - |
| <u>UNIFORM CONSTRUCTION CODE APPROPRIATIONS</u> | | | | | | |
| <u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u> | | | | | | |
| State Uniform Construction Code: | | | | | | |
| Salaries and Wages | 328,000.00 | 328,000.00 | 310,018.29 | 6,000.00 | 11,981.71 | - |
| Other Expenses | 9,970.00 | 9,970.00 | 6,952.36 | 2,643.50 | 374.14 | - |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Appropriations</u> | | <u>Expended</u> | | |
|--|----------------------------|---------------------------------------|----------------------------|-------------------|-------------------------------------|
| | <u>Original Budget</u> | <u>Budget After Modifications</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> <u>Cancelled</u> |
| <u>UNCLASSIFIED</u> | | | | | |
| Electricity | 190,000.00 | 190,000.00 | 145,105.01 | 13,259.28 | 31,635.71 - |
| Street Lighting | 104,000.00 | 104,000.00 | 83,744.04 | 7,629.54 | 12,626.42 - |
| Telephone | 109,000.00 | 109,000.00 | 93,263.81 | 7,932.98 | 7,803.21 - |
| Water | 16,000.00 | 18,000.00 | 16,397.00 | 1,023.43 | 579.57 - |
| Gas | 53,000.00 | 53,000.00 | 40,704.97 | 5,210.27 | 7,084.76 - |
| Fuel Oil | 280,000.00 | 290,000.00 | 200,918.93 | 50,084.17 | 38,996.90 - |
| Telecommunications | 85,500.00 | 85,500.00 | 75,946.74 | 1,317.58 | 8,235.68 - |
| Accumulated Leave Compensation | 100,000.00 | 100,000.00 | 100,000.00 | - | - - |
| Total Operations - Within "CAPS" | 18,669,517.00 | 18,669,517.00 | 16,794,870.57 | 858,073.51 | 1,016,572.92 - |
| Detail: | | | | | |
| Salaries and Wages | 11,301,112.00 | 11,314,312.00 | 10,586,599.89 | 325,000.00 | 402,712.11 - |
| Other Expenses | 7,368,405.00 | 7,355,205.00 | 6,208,270.68 | 533,073.51 | 613,860.81 - |
| Deferred Charges and Statutory Expenditures - Municipal Within "CAPS" | | | | | |
| Statutory Expenditures: | | | | | |
| Contribution To: | | | | | |
| Public Employees Retirement System | 710,423.00 | 710,423.00 | 710,423.00 | - | - - |
| Social Security System (O.A.S.I.) | 795,000.00 | 795,000.00 | 741,236.71 | 25,500.00 | 28,263.29 - |
| Police and Firemen's Retirement System of N.J | 1,351,367.00 | 1,351,367.00 | 1,351,367.00 | - | - - |
| Defined Contribution Retirement Program | 8,000.00 | 8,000.00 | 7,129.54 | - | 870.46 - |
| Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS" | 2,864,790.00 | 2,864,790.00 | 2,810,156.25 | 25,500.00 | 29,133.75 - |
| Total General Appropriations for Municipal Purposes - Within "CAPS" | 21,534,307.00 | 21,534,307.00 | 19,605,026.82 | 883,573.51 | 1,045,706.67 - |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Appropriations</u> | | <u>Expended</u> | | |
|--|----------------------------|---------------------------------------|----------------------------|-------------------|-------------------------------------|
| | <u>Original Budget</u> | <u>Budget After Modifications</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> <u>Cancelled</u> |
| Other Operations - Excluded from "CAPS": | | | | | |
| Emergency Telecommunications System - 911 System | 25,522.00 | 25,522.00 | 25,521.93 | - | 0.07 |
| LOSAP - Volunteer Ambulance | 49,100.00 | 49,100.00 | - | - | 49,100.00 |
| NJDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)): | | | | | |
| Division of Streets: | | | | | |
| Other Expenses | 14,075.00 | 14,075.00 | 12,139.87 | 1,878.77 | 56.36 |
| Recycling Tax | 3,000.00 | 3,000.00 | 2,395.22 | 474.25 | 130.53 |
| Total Other Operations - Excluded from "CAPS" | 91,697.00 | 91,697.00 | 40,057.02 | 2,353.02 | 49,286.96 |
| Interlocal Municipal Service Agreements: | | | | | |
| County of Monmouth: | | | | | |
| Police Dispatching Services | 225,268.00 | 225,268.00 | 225,267.30 | - | 0.70 |
| Municipal Court - Monmouth Beach & Eatontown | | | | | |
| Salaries & Wages | 236,000.00 | 236,000.00 | 213,855.07 | 8,000.00 | 14,144.93 |
| Other Expenses | 58,000.00 | 58,000.00 | 44,245.14 | 1,637.43 | 12,117.43 |
| Finance Services - Borough of Keyport | | | | | |
| Salaries and Wages | 60,000.00 | 60,000.00 | 60,000.00 | - | - |
| Total Interlocal Municipal Service Agreements | 579,268.00 | 579,268.00 | 543,367.51 | 9,637.43 | 26,263.06 |
| Public and Private Programs Offset By Revenues: | | | | | |
| SFSP Fire District Payment | 4,860.00 | 4,860.00 | 4,860.00 | - | - |
| Body Armor Replacement Fund | 4,230.95 | 4,230.95 | 4,230.95 | - | - |
| Recycling Tonnage Grant | 54,996.63 | 54,996.63 | 54,996.63 | - | - |
| Electric Vehicle Charging Grant | - | 15,000.00 | 15,000.00 | - | - |
| Clean Communities Program | - | 45,989.27 | 45,989.27 | - | - |
| Total Public and Private Programs Offset By Revenues | 64,087.58 | 125,076.85 | 125,076.85 | - | - |
| Total Operations - Excluded from "CAPS" | 735,052.58 | 796,041.85 | 708,501.38 | 11,990.45 | 75,550.02 |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Appropriations</u> | | <u>Expended</u> | | | |
|---|----------------------------|---------------------------------------|----------------------------|-------------------|-----------------|------------------|
| | <u>Original Budget</u> | <u>Budget After Modifications</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | <u>Cancelled</u> |
| Detail: | | | | | | |
| Salaries and Wages | 296,000.00 | 296,000.00 | 273,855.07 | 8,000.00 | 14,144.93 | - |
| Other Expenses | 439,052.58 | 796,041.85 | 708,501.38 | 11,990.45 | 75,550.02 | - |
| Capital Improvements - Excluded From "CAPS": | | | | | | |
| Capital Improvement Fund | 150,000.00 | 150,000.00 | 150,000.00 | - | - | - |
| Purchase of Automated Refuse Containers | 40,000.00 | 40,000.00 | 27,260.00 | 10,940.00 | 1,800.00 | - |
| Street Lighting Improvements - Fort Area | 25,000.00 | 25,000.00 | - | - | 25,000.00 | - |
| Acquisition of Police Car Video Cameras | 135,000.00 | 135,000.00 | 124,281.00 | - | 10,719.00 | - |
| Upgrades to Sanitation Trucks | 66,500.00 | 66,500.00 | 6,834.92 | 20,959.59 | 38,705.49 | - |
| Acquisition of Automated Sanitation Truck | 255,000.00 | 255,000.00 | - | 255,000.00 | - | - |
| Upgrades to DPW Building - Fire Safety | 25,000.00 | 25,000.00 | - | 22,478.00 | 2,522.00 | - |
| Upgrades to Municipal Building, Court, and DPW Building - Security Improvements | 95,000.00 | 95,000.00 | - | 71,454.00 | 23,546.00 | - |
| Acquisition of Two AWD Fleet Vehicles | 60,000.00 | 60,000.00 | 53,621.06 | - | 6,378.94 | - |
| Total Capital Improvements - Excluded From "CAPS" | 851,500.00 | 851,500.00 | 361,996.98 | 380,831.59 | 108,671.43 | - |
| Municipal Debt Service - Excluded From "CAPS": | | | | | | |
| Payment of Bond Principal | 1,590,000.00 | 1,590,000.00 | 1,590,000.00 | - | - | - |
| Payment of Bond Anticipation Notes & Capital Notes | 409,000.00 | 409,000.00 | 409,000.00 | - | - | - |
| Interest on Bonds | 530,813.00 | 530,813.00 | 530,565.48 | - | - | 247.52 |
| Interest on Notes | 101,897.00 | 101,897.00 | 101,896.15 | - | - | 0.85 |
| Total Municipal Debt Service - Excluded From "CAPS" | 2,631,710.00 | 2,631,710.00 | 2,631,461.63 | - | - | 248.37 |
| Total General Appropriations for Municipal Purposes - Excluded From "CAPS" | 4,218,262.58 | 4,279,251.85 | 3,701,959.99 | 392,822.04 | 184,221.45 | 248.37 |

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Appropriations | | Expended | | | |
|---------------------------------|-------------------------|-------------------------------|-------------------------|------------------------|------------------------|------------------|
| | Original Budget | Budget After Modifications | Paid or Charged | Encumbered | Reserved | Cancelled |
| Subtotal General Appropriations | 25,752,569.58 | 25,813,558.85 | 23,306,986.81 | 1,276,395.55 | 1,229,928.12 | 248.37 |
| Reserve for Uncollected Taxes | 717,478.95 | 717,478.95 | 717,478.95 | - | - | - |
| Total General Appropriations | <u>\$ 26,470,048.53</u> | <u>\$ 26,531,037.80</u> | <u>\$ 24,024,465.76</u> | <u>\$ 1,276,395.55</u> | <u>\$ 1,229,928.12</u> | <u>\$ 248.37</u> |
| Budget as Adopted | \$ 26,470,048.53 | | | | | |
| Added by N.J.S. 40A:4-87 | <u>60,989.27</u> | | | | | |
| | <u>\$ 26,531,037.80</u> | | | | | |
| Analysis of Paid or Charged: | | | | | | |
| Reserve for Uncollected Taxes | | | \$ 717,478.95 | | | |
| Cash Disbursed | | | 23,186,769.96 | | | |
| Reserve for Appropriated Grants | | | <u>120,216.85</u> | | | |
| | | | <u>\$ 24,024,465.76</u> | | | |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

| <u>Assets</u> | <u>Reference</u> | <u>2019</u> | <u>2018</u> |
|---|------------------|------------------------|------------------------|
| Animal Control Trust Fund: | | | |
| Cash - Treasurer | B-1 | \$ 5,304.34 | \$ 8,381.44 |
| | | <u>5,304.34</u> | <u>8,381.44</u> |
| Open Space Trust: | | | |
| Cash - Treasurer | B-1 | <u>1,022,644.49</u> | <u>687,434.35</u> |
| | | <u>1,022,644.49</u> | <u>687,434.35</u> |
| Other Trust Funds: | | | |
| Cash - Treasurer | B-1 | 4,561,449.42 | 4,413,311.46 |
| Mortgage Receivable | B | <u>300,000.00</u> | <u>300,000.00</u> |
| | | <u>4,861,449.42</u> | <u>4,713,311.46</u> |
| Length of Service Award Program Fund ("LOSAP"): | | | |
| Investments | B-7 | <u>611,995.13</u> | <u>555,621.90</u> |
| Total Assets | | <u>\$ 6,501,393.38</u> | <u>\$ 5,964,749.15</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Animal Control Trust Fund: | | | |
| Encumbrances Payable | B-3 | \$ 2,946.50 | \$ 2,559.00 |
| Reserve for Animal Control Fund Expenditures | B-3 | 2,355.44 | 5,821.24 |
| Due to State of New Jersey | B-2 | <u>2.40</u> | <u>1.20</u> |
| | | <u>5,304.34</u> | <u>8,381.44</u> |
| Open Space Trust Fund: | | | |
| Reserve for Open Space | B-4 | 1,014,517.04 | 660,775.07 |
| Encumbrances Payable | B-5 | <u>8,127.45</u> | <u>26,659.28</u> |
| | | <u>1,022,644.49</u> | <u>687,434.35</u> |
| Other Trust Funds: | | | |
| Encumbrances Payable | B-6 | 166,194.07 | 83,599.70 |
| Reserve for Miscellaneous Trust Funds | B-6 | 4,395,255.35 | 4,329,711.76 |
| Reserve for Mortgage Receivable | B | <u>300,000.00</u> | <u>300,000.00</u> |
| | | <u>4,861,449.42</u> | <u>4,713,311.46</u> |
| Length of Service Award Program Fund ("LOSAP") : | | | |
| Miscellaneous Reserves | B-7 | <u>611,995.13</u> | <u>555,621.90</u> |
| Total Liabilities, Reserves and Fund Balance | | <u>\$ 6,501,393.38</u> | <u>\$ 5,964,749.15</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

| <u>Assets</u> | <u>Reference</u> | <u>2019</u> | <u>2018</u> |
|---|------------------|-------------------------|-------------------------|
| Cash | C-2,C-3 | \$ 1,019,432.20 | \$ 3,089,228.12 |
| DOT Grant Receivable | C-9 | 371,250.00 | 185,000.00 |
| CBDG Grant Receivable | C-10 | - | 142,486.00 |
| Deferred Charges To Future Taxation: | | | |
| Funded | C-4 | 12,195,000.00 | 13,785,000.00 |
| Unfunded | C-5 | 6,925,000.00 | 5,109,000.00 |
| Total Assets | | <u>\$ 20,510,682.20</u> | <u>\$ 22,310,714.12</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Serial Bonds Payable | C-6 | \$ 12,195,000.00 | \$ 13,785,000.00 |
| Bond Anticipation Notes | C-7 | 4,700,000.00 | 5,109,000.00 |
| Encumbrances Payable | C-11 | 791,601.30 | 2,427,734.99 |
| Improvement Authorizations: | | | |
| Funded | C-11 | 265,096.54 | 158,297.39 |
| Unfunded | C-11 | 2,351,393.76 | 650,165.14 |
| Capital Improvement Fund | C-12 | 14,163.00 | 14,163.00 |
| Miscellaneous Reserves | C-8 | 165,096.36 | 165,096.36 |
| Fund Balance | C-1 | 28,331.24 | 1,257.24 |
| Total Liabilities, Reserves and Fund Balance | | <u>\$ 20,510,682.20</u> | <u>\$ 22,310,714.12</u> |

There were Bonds & Notes Authorized but not Issued on December 31, 2019 of \$2,225,000 and on December 31, 2018 in the amount of \$0.

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|----------------------------|----------------------------|
| Balance, December 31, 2018 | \$ 1,257.24 |
| Increased By: | |
| Premium on 2019 BAN | <u>27,074.00</u> |
| Balance, December 31, 2019 | <u><u>\$ 28,331.24</u></u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

| | <u>Reference</u> | <u>2019</u> | <u>2018</u> |
|--|------------------|--------------------------------|--------------------------------|
| <u>Assets</u> | | | |
| Operating Fund: | | | |
| Cash | D-5 | \$ 4,522,230.75 | \$ 4,258,391.51 |
| Cash - Change Fund | D | <u>50.00</u> | <u>50.00</u> |
| | | <u>4,522,280.75</u> | <u>4,258,441.51</u> |
| Receivables With Full Reserves: | | | |
| Sewer Rent Receivable | D-7 | <u>139,953.38</u> | <u>161,869.03</u> |
| Total Operating Fund | | <u>4,662,234.13</u> | <u>4,420,310.54</u> |
| Capital Fund: | | | |
| Cash | D-5,D-6 | 15,013.47 | 15,013.47 |
| Fixed Capital | D-8 | 12,029,375.74 | 11,332,891.09 |
| Fixed Capital Authorized and Uncompleted | D-9 | <u>-</u> | <u>400,000.00</u> |
| Total Capital Fund | | <u>12,044,389.21</u> | <u>11,747,904.56</u> |
| Total Assets | | <u><u>\$ 16,706,623.34</u></u> | <u><u>\$ 16,168,215.10</u></u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

| | <u>Reference</u> | <u>2019</u> | <u>2018</u> |
|--|------------------|-------------------------|-------------------------|
| <u>Liabilities, Reserves and Fund Balances</u> | | | |
| Operating Fund: | | | |
| Appropriation Reserves | D-4 | \$ 639,432.52 | \$ 512,129.23 |
| Encumbrances Payable | D-4 | 926,792.33 | 372,031.97 |
| Accounts Payable | D-11 | 54,154.25 | 46,403.55 |
| Prepaid Sewer Rents | D-12 | 604,882.69 | 686,882.56 |
| Overpaid Sewer Rents | D-16 | - | 379.00 |
| | | <u>2,225,261.79</u> | <u>1,617,826.31</u> |
| Reserve for Receivables | D | 139,953.38 | 161,869.03 |
| Fund Balance | D-1 | <u>2,297,018.96</u> | <u>2,640,615.20</u> |
| Total Operating Fund | | <u>4,662,234.13</u> | <u>4,420,310.54</u> |
| Capital Fund: | | | |
| Improvement Authorizations: | | | |
| Funded | D-13 | - | 10,334.83 |
| Encumbrances Payable | D-13 | 10,334.83 | - |
| Reserve for: | | | |
| Amortization | D-14 | 12,029,375.74 | 11,332,891.09 |
| Deferred Amortization | D-15 | - | 400,000.00 |
| Fund Balance | D-2 | <u>4,678.64</u> | <u>4,678.64</u> |
| Total Capital Fund | | <u>12,044,389.21</u> | <u>11,747,904.56</u> |
| Total Liabilities, Reserves and Fund Balances | | <u>\$ 16,706,623.34</u> | <u>\$ 16,168,215.10</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | <u>Reference</u> | <u>2019</u> | <u>2018</u> |
|--|------------------|-------------------------------|-------------------------------|
| Revenue and Other Income Realized: | | | |
| Fund Balance Utilized | D-3 | \$ 1,575,000.00 | \$ 1,200,000.00 |
| Sewer Rents | D-3 | 4,459,720.58 | 4,383,538.48 |
| Non-Budget Revenue | D-3 | 345,291.52 | 266,051.52 |
| Other Credits To Income: | | | |
| Unexpended Balance of Appropriation Reserves | D-10 | 525,350.67 | 447,924.05 |
| Accounts payable Cancelled | D-11 | <u>1,110.99</u> | <u>450.00</u> |
| Total Revenue | | <u>6,906,473.76</u> | <u>6,297,964.05</u> |
| Expenditures: | | | |
| Operating | D-4 | 4,677,570.00 | 4,709,370.00 |
| Capital Improvements | D-4 | 865,000.00 | 380,000.00 |
| Deferred Charges and Statutory Expenditures | D-4 | <u>132,500.00</u> | <u>124,500.00</u> |
| Total Expenditures | | <u>5,675,070.00</u> | <u>5,213,870.00</u> |
| Excess in Revenue | | 1,231,403.76 | 1,084,094.05 |
| Fund Balance, January 1 | D | <u>2,640,615.20</u> | <u>2,756,521.15</u> |
| | | 3,872,018.96 | 3,840,615.20 |
| Decreased By: | | | |
| Utilized as Anticipated Revenue | D-1 | <u>1,575,000.00</u> | <u>1,200,000.00</u> |
| Fund Balance, December 31 | | <u><u>\$ 2,297,018.96</u></u> | <u><u>\$ 2,640,615.20</u></u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2019 and 2018

\$ 4,678.64

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Budget</u> | <u>Realized</u> | <u>Excess/ (Deficit)</u> |
|---------------------------------------|------------------------|------------------------|------------------------------|
| Surplus Utilized | \$ 1,575,000.00 | \$ 1,575,000.00 | \$ - |
| Sewer Rents | 4,100,070.00 | 4,459,720.58 | 359,650.58 |
| Miscellaneous Revenue Not Anticipated | - | 345,291.52 | 345,291.52 |
| | <u>\$ 5,675,070.00</u> | <u>\$ 6,380,012.10</u> | <u>\$ 704,942.10</u> |

Analysis of Realized Revenues

| | |
|-----------------------------|------------------------|
| Sewer Rents: | |
| Collections | \$ 3,772,838.02 |
| Prepaid Sewer Rents Applied | <u>686,882.56</u> |
| | <u>\$ 4,459,720.58</u> |
| | |
| Miscellaneous: | |
| Interest on Investments | \$ 62,043.53 |
| Delinquent Charges | 30,641.31 |
| Sewer Connection Charge | 252,346.68 |
| NSF Fees | <u>260.00</u> |
| | <u>\$ 345,291.52</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Appropriations</u> | | <u>Expended</u> | | |
|-------------------------------------|----------------------------|---------------------------------------|----------------------------|-------------------|-----------------|
| | <u>Original Budget</u> | <u>Budget After Modifications</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> |
| Operating: | | | | | |
| Salaries and Wages | \$ 716,000.00 | \$ 716,000.00 | \$ 548,039.56 | \$ 40,000.00 | \$ 127,960.44 |
| Other Expenses | 3,961,570.00 | 3,961,570.00 | 3,380,171.49 | 98,982.71 | 482,415.80 |
| Total Operating | 4,677,570.00 | 4,677,570.00 | 3,928,211.05 | 138,982.71 | 610,376.24 |
| Capital Improvements: | | | | | |
| Capital Outlay | 865,000.00 | 865,000.00 | 59,159.65 | 784,709.62 | 21,130.73 |
| Total Capital Improvements | 865,000.00 | 865,000.00 | 59,159.65 | 784,709.62 | 21,130.73 |
| Statutory Expenditures: | | | | | |
| Contributions To: | | | | | |
| Public Employees' Retirement System | 78,000.00 | 78,000.00 | 78,000.00 | - | - |
| Social Security System (O.A.S.I.) | 53,000.00 | 53,000.00 | 41,974.45 | 3,100.00 | 7,925.55 |
| Unemployment Compensation Insurance | 1,500.00 | 1,500.00 | 1,500.00 | - | - |
| Total Statutory Expenditures | 132,500.00 | 132,500.00 | 121,474.45 | 3,100.00 | 7,925.55 |
| Total Sewer Utility Appropriations | \$ 5,675,070.00 | \$ 5,675,070.00 | \$ 4,108,845.15 | \$ 926,792.33 | \$ 639,432.52 |

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

| <u>Assets</u> | <u>Reference</u> | <u>2019</u> | <u>2018</u> |
|-----------------------------------|------------------|-------------------------|-------------------------|
| Land | E | \$ 19,685,888.85 | \$ 19,685,888.85 |
| Buildings | E | 24,621,266.24 | 24,621,266.24 |
| Improvements Other Than Buildings | E | 41,291.65 | 41,291.65 |
| Machinery and Equipment | E | 12,268,920.90 | 11,660,826.11 |
| Total Assets | | <u>\$ 56,617,367.64</u> | <u>\$ 56,009,272.85</u> |
| <u>Fund Balance</u> | | | |
| Investment in Fixed Assets | E | <u>\$ 56,617,367.64</u> | <u>\$ 56,009,272.85</u> |
| Fund Balance | | <u>\$ 56,617,367.64</u> | <u>\$ 56,009,272.85</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough was formed as New Shrewsbury by an act of the New Jersey Legislature on August 15, 1950, based on the results of a referendum held on July 18, 1950, after breaking away from Shrewsbury Township. It was renamed "Tinton Falls" in 1975. As of the 2010 United States Census, the Borough's population was 17,892. The Borough has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibilities rest with the Mayor, who is assisted by the Borough Clerk.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80, and 90, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, 80, and 90.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the Borough accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Sewer Utility Operating and Capital Funds – These funds accounts for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Borough.

BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued):

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its Current and Utility Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost with the exception of LOSAP investments which are reported at fair value. Therefore, unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued):

operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Foreclosed property – Foreclosed Property or "Property Acquired for Taxes" is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Fund Balance – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Utility Revenues – Utility charges are levied semi-annually based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Boroughs utility operating fund.

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Monmouth, Fire Districts and Borough of Tinton Falls School District and Monmouth Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Tinton Falls School District and Monmouth Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

Reserve for Uncollected Taxes – The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate

BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued):

preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Subsequent Events – The Borough has evaluated subsequent events through the date the financial statements were made available to be issued.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Borough’s financial statements.

Statement No. 91, *Conduit Debt Obligations*, provides 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management does not expect this Statement to have a material impact to the Municipality’s financial statements.

BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, provides 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 June 15, 2018, and later.

Note 2. Deposits and Investments

The Borough is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2019, the Borough's bank balance of \$31,393,049.58 was insured or collateralized as follows:

| | |
|--------------------------------|--------------------------------|
| Insured under FDIC and GUDPA | \$ 25,162,682.82 |
| NJ Cash Management Fund | 653,245.43 |
| Uninsured and Uncollateralized | <u>5,577,121.33</u> |
| | <u><u>\$ 31,393,049.58</u></u> |

Investments

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Borough's financial statements. However, had the financial statements been prepared in accordance with GAAP, the Borough's fair value, hierarchy level and maturities of its investments at December 31, 2019 would be as followed:

BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 2. Deposits and Investments (continued):

Borough's fair value, hierarchy level and maturities of its investments at December 31, 2019 would be as followed:

| <u>Investment Type</u> | <u>Carrying Value</u> | <u>Fair Value as of December 31, 2019</u> | | |
|------------------------|-----------------------|---|----------------------|----------------------|
| | | <u>Level 1</u> | <u>Level 3</u> | <u>Total</u> |
| Mutual Funds | \$ 447,100.45 | \$ 447,100.45 | \$ - | \$ 447,100.45 |
| Money Market | 19,429.13 | 19,429.13 | - | 19,429.13 |
| Fixed Income Option | 145,465.55 | - | 145,465.55 | 145,465.55 |
| | <u>\$ 611,995.13</u> | <u>\$ 466,529.58</u> | <u>\$ 145,465.55</u> | <u>\$ 611,995.13</u> |
| <u>Fund</u> | | | | |
| Trust Fund - LOSAP | 611,995.13 | 466,529.58 | 145,465.55 | 611,995.13 |
| | <u>\$ 611,995.13</u> | <u>\$ 466,529.58</u> | <u>\$ 145,465.55</u> | <u>\$ 611,995.13</u> |

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Borough will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A: 5-15.1, the Borough's investment policies place no limit in the amount the Borough may invest in any one issuer. More than 5% of the Borough's investments are in mutual funds, money markets and Fixed Investment Contracts. These investments represent 100% of the Borough's total investments.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 3. Property Taxes

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

Comparison Schedule of Tax Rates

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|----------------------------|-----------------|-----------------|-----------------|
| Tax Rate | <u>\$ 1.933</u> | <u>\$ 1.937</u> | <u>\$ 1.987</u> |
| Apportionment of Tax Rate: | | | |
| Municipal | 0.495 | 0.512 | 0.521 |
| County General | 0.290 | 0.300 | 0.303 |
| Regional School | 0.751 | 0.732 | 0.747 |
| Regional High School | 0.397 | 0.393 | 0.416 |

Assessed Valuation

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------|
| 2019 | \$ 3,365,319,487.00 |
| 2018 | 3,186,061,290.00 |
| 2017 | 3,049,303,860.00 |

Comparison of Tax Levies and Collections

| <u>Year</u> | <u>Tax Levy</u> | <u>Cash Collections</u> | <u>Percentage Of Collection</u> |
|-------------|------------------|-------------------------|---------------------------------|
| 2019 | \$ 68,134,970.06 | \$ 67,460,386.05 | 99.00% |
| 2018 | 64,465,911.37 | 63,791,819.95 | 98.95% |
| 2017 | 63,548,857.94 | 62,909,465.85 | 98.99% |

Delinquent Taxes and Tax Title Liens

| <u>Year</u> | <u>Tax Title Liens</u> | <u>Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage Of Tax Levy</u> |
|-------------|------------------------|-------------------------|-------------------------|-------------------------------|
| 2019 | \$ 134,171.32 | \$ 610,542.79 | \$ 744,714.11 | 1.09% |
| 2018 | 121,457.22 | 609,138.16 | 730,595.38 | 1.13% |
| 2017 | 101,455.84 | 575,754.55 | 677,210.39 | 1.07% |

The last tax sale was held on October 17, 2019.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 4. Property Acquired By Tax Title Lien Liquidation

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2019, 2018 or 2017.

Note 5. Sewer Utility Service Charges

The following is a three-year comparison of Sewer utility charges (rents) and collections for the current and previous two years.

| <u>Year</u> | <u>Beginning Balance</u> | <u>Levy</u> | <u>Total</u> | <u>Cash Collections</u> | <u>Percentage Of Collection</u> |
|-------------|--------------------------|-----------------|-----------------|-------------------------|---------------------------------|
| 2019 | \$ 161,869.03 | \$ 4,437,804.93 | \$ 4,599,673.96 | \$ 4,459,720.58 | 96.95% |
| 2018 | 143,284.77 | 4,402,217.49 | 4,545,502.26 | 4,383,538.48 | 96.43% |
| 2017 | 155,309.05 | 4,319,750.62 | 4,475,059.67 | 4,331,774.90 | 96.79% |

Note 6. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

| <u>Year</u> | <u>Balance December 31,</u> | <u>Utilized in Budget of Succeeding Year</u> | <u>Percentage of Fund Balance Used</u> |
|--------------------------------------|-----------------------------|--|--|
| Current Fund: | | | |
| 2019 | \$ 8,171,553.01 | \$ 3,625,000.00 | 44.36% |
| 2018 | 7,722,548.97 | 3,870,000.00 | 50.11% |
| 2017 | 6,825,874.74 | 3,500,000.00 | 51.28% |
| Sewer Utility Operating Fund: | | | |
| 2019 | \$ 2,297,018.96 | \$ 907,200.00 | 39.49% |
| 2018 | 2,640,615.20 | 1,575,000.00 | 59.65% |
| 2017 | 2,756,521.15 | 1,200,000.00 | 43.53% |

Note 7. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 8. Interfund Receivables, Payables and Transfers

There were no individual fund receivable/payable balances at December 31, 2019. There were no interfund transfers at December 31, 2019.

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2019.

| | Balance December 31, <u>2018</u> | <u>Additions</u> | <u>Deletions</u> | Balance December 31, <u>2019</u> |
|--------------------------------------|--|----------------------|---------------------|--|
| Land | \$ 19,685,888.85 | \$ - | \$ - | \$ 19,685,888.85 |
| Buildings | 24,621,266.24 | - | - | 24,621,266.24 |
| Improvements Other Than Buildings | 41,291.65 | - | - | 41,291.65 |
| Machinery & Equipment | 11,660,826.11 | 630,750.79 | 22,656.00 | 12,268,920.90 |
| | <u>\$ 56,009,272.85</u> | <u>\$ 630,750.79</u> | <u>\$ 22,656.00</u> | <u>\$ 56,617,367.64</u> |

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - 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.state.nj.us/treasury/pensions/annual-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.

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 |

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 tiers 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

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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 reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. 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 provided an option for local employers of PERS 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. For the year ended December 31, 2019, the Borough's contractually required contribution to PERS plan was \$724,528.

Components of Net Pension Liability - At December 31, 2019, the Borough's proportionate share of the PERS net pension liability was \$13,421,222. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Borough's proportion measured as of June 30, 2019, was 0.0744858590% which was a decrease of 0.0043569310% from its proportion measured as of June 30, 2018.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Balances at December 31, 2019 and December 31, 2018

| | <u>12/31/2019</u> | <u>12/30/2018</u> |
|--|-------------------|-------------------|
| Actuarial valuation date (including roll forward) | June 30, 2019 | June 30, 2018 |
| Deferred Outflows of Resources | \$ 1,907,060 | \$ 3,384,168 |
| Deferred Inflows of Resources | 5,861,975 | 5,426,650 |
| Net Pension Liability | 13,421,222 | 15,523,752 |
| Borough 's portion of the Plan's total Net Pension Liability | 0.07449% | 0.07884% |

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2019, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2019 measurement date is \$534,432. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$724,528 to the plan in 2019.

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> |
|--|--|---|
| Differences between Expected and Actual Experience | \$ 240,893 | \$ 59,289 |
| Changes of Assumptions | 1,340,158 | 4,658,464 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 211,859 |
| Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions | <u>326,009</u> | <u>932,363</u> |
| | <u><u>\$ 1,907,060</u></u> | <u><u>\$ 5,861,975</u></u> |

BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|--|---|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | 5.48 | - |
| June 30, 2018 | 5.63 | - |
| June 30, 2019 | 5.21 | - |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | - | 5.48 |
| June 30, 2018 | - | 5.63 |
| June 30, 2019 | - | 5.21 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | 5.00 |
| June 30, 2015 | - | 5.00 |
| June 30, 2016 | 5.00 | - |
| June 30, 2017 | 5.00 | - |
| June 30, 2018 | 5.00 | - |
| June 30, 2019 | 5.00 | - |
| Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | 6.44 |
| June 30, 2015 | 5.72 | 5.72 |
| June 30, 2016 | 5.57 | 5.57 |
| June 30, 2017 | 5.48 | 5.48 |
| June 30, 2018 | 5.63 | 5.63 |
| June 30, 2019 | 5.21 | 5.21 |

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

| <u>Year Ending Dec 31,</u> | <u>Amount</u> |
|--------------------------------|-----------------------|
| 2020 | \$ (660,882) |
| 2021 | (1,175,546) |
| 2022 | (1,293,587) |
| 2023 | (730,999) |
| 2024 | (93,901) |
| | <u>\$ (3,954,915)</u> |

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

| | |
|--|--|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through 2026 | 2.00 - 6.00% Based on Years of Service |
| Thereafter | 3.00 - 7.00% Based on Years of Service |
| Investment Rate of Return | 7.00% |
| Mortality Rate Table | |
| PERS | Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |
| PFRS | Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |
| Period of Actuarial Experience | |
| Study upon which Actuarial Assumptions were Based | July 1, 2014 - June 30, 2018 |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value 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.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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

Long-Term Expected 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 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 Equivalents | 5.00% | 2.00% |
| U.S. Treasuries | 5.00% | 2.68% |
| Investment Grade Credit | 10.00% | 4.25% |
| High Yield | 2.00% | 5.37% |
| Private Credit | 6.00% | 7.92% |
| Real Assets | 2.50% | 9.31% |
| Real Estate | 7.50% | 8.33% |
| U.S. Equity | 28.00% | 8.26% |
| Non-U.S. Developed Markets Equity | 12.50% | 9.00% |
| Emerging Markets Equity | 6.50% | 11.37% |
| Private Equity | 12.00% | 10.85% |
| | <u>100.00%</u> | |

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on 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 municipals 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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 Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

| | 1% Decrease (5.28%) | Current Discount Rate (6.28%) | 1% Increase (7.28%) |
|--|------------------------------------|--|------------------------------------|
| Borough 's Proportionate Share of the Net Pension Liability | <u>\$ 17,071,122</u> | <u>\$ 13,421,222</u> | <u>\$ 10,517,706</u> |

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) 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 PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-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 benefits. 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 |

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, 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 if 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.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2019, the State contributed an amount less than the actuarially determined amount. 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 provided an option for local employers of 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. For the year ended December 31, 2019, the Borough's contractually required contributions to PFRS plan was \$1,450,988.

Net Pension Liability and Pension Expense - At December 31, 2019 the Borough's proportionate share of the PFRS net pension liability was \$17,579,192. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Borough's proportion measured as of June 30, 2019, was 0.1436464488%, which was an increase of 0.0054200195% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

| | <u>12/31/2019</u> | <u>12/31/2018</u> |
|--|-------------------|-------------------|
| Actuarial valuation date (including roll forward) | June 30, 2019 | June 30, 2018 |
| Deferred Outflows of Resources | \$ 2,094,085 | \$ 2,941,175 |
| Deferred Inflows of Resources | 6,050,299 | 5,029,256 |
| Net Pension Liability | 17,579,192 | 18,704,315 |
| Borough 's portion of the Plan's total net pension Liability | 0.14365% | 0.13823% |

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2019, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2019 measurement date was \$2,193,999. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$1,450,988 to the plan in 2019.

At December 31, 2019, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|--|---|
| Differences between Expected and Actual Experience | \$ 148,391 | \$ 111,297 |
| Changes of Assumptions | 602,359 | 5,681,434 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | - | 238,192 |
| Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions | <u>1,343,335</u> | <u>19,376</u> |
| | <u><u>\$ 2,094,085</u></u> | <u><u>\$ 6,050,299</u></u> |

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | - |
| June 30, 2015 | - | 5.53 |
| June 30, 2016 | - | 5.58 |
| June 30, 2017 | 5.59 | - |
| June 30, 2018 | 5.73 | - |
| June 30, 2019 | - | 5.92 |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.17 | - |
| June 30, 2015 | 5.53 | - |
| June 30, 2016 | 5.58 | - |
| June 30, 2017 | - | 5.59 |
| June 30, 2018 | - | 5.73 |
| June 30, 2019 | - | 5.92 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | 5.00 |
| June 30, 2015 | - | 5.00 |
| June 30, 2016 | 5.00 | - |
| June 30, 2017 | 5.00 | - |
| June 30, 2018 | 5.00 | - |
| June 30, 2019 | - | 5.00 |
| Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.17 | 6.17 |
| June 30, 2015 | 5.53 | 5.53 |
| June 30, 2016 | 5.58 | 5.58 |
| June 30, 2017 | 5.59 | 5.59 |
| June 30, 2018 | 5.73 | 5.73 |
| June 30, 2019 | 5.92 | 5.92 |

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

| Year Ending | |
|-----------------------|-----------------------|
| <u>Dec 31,</u> | <u>Amount</u> |
| 2020 | \$ (870,196) |
| 2021 | (1,108,988) |
| 2022 | (1,127,217) |
| 2023 | (634,748) |
| 2024 | <u>(215,065)</u> |
| | <u>\$ (3,956,214)</u> |

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: 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 amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Borough is \$2,775,788 as of December 31, 2019. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The State's proportion of the net pension liability associated with the Borough 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 members, actuarially determined. The State's proportion measured as of June 30, 2019 was 0.1436464488%, which was an increase of 0.0054200195% from its proportion measured as of June 30, 2018, which is the same proportion as the Borough's. At December 31, 2019, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

| | |
|--|----------------------|
| Borough 's Proportionate Share of Net Pension Liability | \$ 17,579,192 |
| State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough | <u>2,775,788</u> |
| | <u>\$ 20,354,980</u> |

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

At December 31, 2019, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2019 measurement date was \$322,524.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

| | |
|--------------------------------|--|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through all future years | 3.25 - 15.25% |
| | Based on Years of Service |
| Investment Rate of Return | 7.00% |
| Mortality Rate Table | |
| PERS | Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |
| PFRS | Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |
| Period of Actuarial Experience | |
| Study upon which Actuarial | |
| Assumptions were Based | July 1, 2013 - June 30, 2018 |

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 TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Long-Term Expected 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 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 Equivalents | 5.00% | 2.00% |
| U.S. Treasuries | 5.00% | 2.68% |
| Investment Grade Credit | 10.00% | 4.25% |
| High Yield | 2.00% | 5.37% |
| Private Credit | 6.00% | 7.92% |
| Real Assets | 2.50% | 9.31% |
| Real Estate | 7.50% | 8.33% |
| U.S. Equity | 28.00% | 8.26% |
| Non-U.S. Developed Markets Equity | 12.50% | 9.00% |
| Emerging Markets Equity | 6.50% | 11.37% |
| Private Equity | 12.00% | 10.85% |
| | <u>100.00%</u> | |

Discount Rate - The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. The single blended discount rate was based on 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 municipals 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

| | 1% Decrease (5.85%) | Current Discount Rate (6.85%) | 1% Increase (7.85%) |
|--|------------------------------------|--|------------------------------------|
| Borough's Proportionate Share of the Net Pension Liability | \$ 23,760,662 | \$ 17,579,192 | \$ 12,463,135 |
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough | <u>3,751,854</u> | <u>2,775,788</u> | <u>1,967,953</u> |
| | <u><u>\$ 27,512,516</u></u> | <u><u>\$ 20,354,980</u></u> | <u><u>\$ 14,431,088</u></u> |

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 11. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

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, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

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

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

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775.00 and \$8,182,092,807.00, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) 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, 2018 through June 30, 2019. 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.

Net OPEB Liability

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

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

| | |
|---|--|
| Inflation Rate | 2.50% |
| Salary Increases*: | |
| Public Employees' Retirement System (PERS) | |
| Initial Fiscal Year Applied | |
| Rate through 2026 | 2.00% to 6.00% |
| Rate thereafter | 3.00% to 7.00% |
| Police and Firemen's Retirement System (PFRS) | |
| Rate for all future years | 3.25% to 15.25% |
| Mortality: | |
| PERS | Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |
| PERS | Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019 |

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

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2019 was \$20,955,366.00. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.1546970029%, which was a decrease of 0.0094539949% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$(726,012.00) for the State's proportionate share of the OPEB (benefit) expense attributable to the Borough. This OPEB (benefit) expense was based on the OPEB plans June 30, 2019 measurement date.

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

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

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate 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% decreasing to a 4.5% long-term trend rate after eight years.

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net 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:

| | At 1% Decrease (2.50%) | At Discount Rate (3.50%) | At 1% Increase (4.50%) |
|---|---------------------------|-----------------------------|---------------------------|
| State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough | \$ 24,229,733.87 | \$ 20,955,366.00 | \$ 18,294,509.32 |
| State of New Jersey's Total Nonemployer OPEB Liability | 15,662,704,137.00 | 13,546,071,100.00 | 11,826,026,995.00 |

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

The following presents the net OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
|--|-------------------|-------------------------------|-------------------|
| State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough | \$ 17,683,746.45 | \$ 20,955,366.00 | \$ 25,128,867.49 |
| State of New Jersey's Total Nonemployer OPEB Liability | 11,431,214,644.00 | 13,546,071,100.00 | 16,243,926,531.00 |

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2019:

Collective Balances at December 31, 2019 and December 31, 2018

| | <u>12/31/2019</u> | <u>12/31/2018</u> |
|---|-------------------|-------------------|
| Actuarial valuation date (including roll forward) | June 30, 2019 | June 30, 2018 |
| Collective Deferred Outflows of Resources | \$ 11,158,226.00 | \$ 8,279,239.00 |
| Collective Deferred Inflows of Resources | 8,761,825,481.00 | 7,154,925,195.00 |
| Collective Net OPEB Liability | 13,546,071,100.00 | 15,666,618,141.00 |
| Borough's Portion | 0.154697% | 0.164151% |

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | |
|----------------------|-------------------------------------|
| Year Ending June 30: | |
| 2020 | \$ (1,425,201,517.00) |
| 2021 | (1,425,201,517.00) |
| 2022 | (1,426,076,187.00) |
| 2023 | (1,427,489,995.00) |
| 2024 | (1,428,781,861.00) |
| Thereafter | <u>(1,617,916,178.00)</u> |
| | <u><u>\$ (8,750,667,255.00)</u></u> |

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for the 2019, 2018 and 2017 amounts, respectively.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

| | <u>June 30, 2018</u> |
|---------------------------------------|----------------------|
| Active Plan Members | 63,032 |
| Retirees Currently Receiving Benefits | <u>27,871</u> |
| Total Plan Members | <u><u>90,903</u></u> |

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

| | |
|---|------------------------------------|
| Service Cost | \$ 666,574,660.00 |
| Interest on the Total OPEB Liability | 636,082,461.00 |
| Change of Benefit Terms | (1,903,958.00) |
| Differences Between Expected and Actual Experience | (1,399,921,930.00) |
| Changes of Assumptions | (1,635,760,217.00) |
| Contributions From the Employer | (346,415,056.00) |
| Contributions From Non-Employer Contributing Entity | (43,854,500.00) |
| Net Investment Income | (4,826,936.00) |
| Administrative Expense | <u>9,478,435.00</u> |
| Net Change in Total OPEB Liability | (2,120,547,041.00) |
| Total OPEB Liability (Beginning) | <u>15,666,618,141.00</u> |
| Total OPEB Liability (Ending) | <u><u>\$ 13,546,071,100.00</u></u> |

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|--------------------------------|--------------------------------|--------------------------------|
| Issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | \$ 16,895,000.00 | \$ 18,894,000.00 | \$ 18,894,000.00 |
| Total Debt Issued | <u>16,895,000.00</u> | <u>18,894,000.00</u> | <u>18,894,000.00</u> |
| Total Debt Issued | <u><u>\$ 16,895,000.00</u></u> | <u><u>\$ 18,894,000.00</u></u> | <u><u>\$ 18,894,000.00</u></u> |
| Authorized but not issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | \$ 2,225,000.00 | \$ - | \$ - |
| Total Authorized But Not Issued | <u>2,225,000.00</u> | <u>-</u> | <u>-</u> |
| Total Gross Debt | <u><u>\$ 19,120,000.00</u></u> | <u><u>\$ 18,894,000.00</u></u> | <u><u>\$ 18,894,000.00</u></u> |
| Deductions: | | | |
| General: | | | |
| Accounts Receivable from Other Public Authorities Applicable Only to the Payment of any Part of the Gross Debt Not Otherwise Deductible: Open Space - Trust Fund Tax | \$ 1,070,000.00 | \$ 1,155,000.00 | \$ 1,640,353.79 |
| Total Deductions | <u>1,070,000.00</u> | <u>1,155,000.00</u> | <u>1,640,353.79</u> |
| Total Net Debt | <u><u>\$ 18,050,000.00</u></u> | <u><u>\$ 17,739,000.00</u></u> | <u><u>\$ 17,253,646.21</u></u> |

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------|--------------------------------|--------------------------------|--------------------------------|
| Regional School Debt | \$ 47,492,467.70 | \$ 47,492,467.70 | \$ - |
| General Debt | <u>19,120,000.00</u> | <u>1,070,000.00</u> | <u>18,050,000.00</u> |
| | <u><u>\$ 66,612,467.70</u></u> | <u><u>\$ 48,562,467.70</u></u> | <u><u>\$ 18,050,000.00</u></u> |

Net Debt \$18,050,000.00 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$3,355,569,540.00, equals 0.538%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2019 is calculated as follows:

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued):

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

| | |
|---|-------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 117,444,933.90 |
| Net Debt | <u>18,050,000.00</u> |
| Remaining Borrowing Power | <u>\$ 99,394,933.90</u> |

General Debt

A. Serial Bonds Payable

On November 16, 2010, the Borough issued \$5,753,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 3.125% to 4.00% and mature on July 1, 2032.

On November 16, 2010, the Borough issued \$907,000.00 of Refunding Bonds for Open Space. The Refunding Bonds were issued at interest rates varying from 3.125% to 4.00% and mature on July 1, 2032.

On January 24, 2011, the Borough issued \$3,510,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates of 5.00% and mature on January 15, 2021.

On December 19, 2012, the Borough issued \$1,460,000.00 of MCIA General Obligation Bonds. The MCIA General Obligation Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on December 1, 2026.

On December 10, 2013, the Borough issued \$1,485,000.00 of MCIA General Obligation Bonds. The MCIA General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on December 1, 2022.

On December 24, 2014, the Borough issued \$2,200.00 of MCIA General Obligation Bonds. The MCIA General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on December 1, 2024.

On May 18, 2016, the Borough issued \$5,175,000 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 3.00% to 4.00% and mature on January 1, 2029.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued):

Principal and interest due on the outstanding bonds is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|-------------------------|------------------------|-------------------------|
| 2020 | \$ 1,640,000.00 | \$ 467,487.52 | \$ 2,107,487.52 |
| 2021 | 1,685,000.00 | 399,312.52 | 2,084,312.52 |
| 2022 | 1,285,000.00 | 336,012.52 | 1,621,012.52 |
| 2023 | 1,115,000.00 | 282,950.00 | 1,397,950.00 |
| 2024 | 1,135,000.00 | 238,300.00 | 1,373,300.00 |
| 2025-2029 | 4,440,000.00 | 614,612.50 | 5,054,612.50 |
| 2030-2032 | 895,000.00 | 71,400.00 | 966,400.00 |
| | <u>\$ 12,195,000.00</u> | <u>\$ 2,410,075.06</u> | <u>\$ 14,605,075.06</u> |

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2019:

| <u>Description</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Rate</u> | <u>Balance December 31, 2019</u> |
|-------------------------------|--------------------------|-----------------------------|-------------|--|
| Various Capital Improvements | 10/30/19 | 10/29/20 | 2.00% | \$ 1,150,000.00 |
| Various Capital Improvements | 10/30/19 | 10/29/20 | 2.00% | 1,310,000.00 |
| 2018 Road Improvement Program | 10/30/19 | 10/29/20 | 2.00% | <u>2,240,000.00</u> |
| | | | | <u>\$ 4,700,000.00</u> |

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

The Borough had bonds and notes authorized but not issued in the General Capital Fund at December 31, 2019 in the amount of \$2,225,000.00.

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Borough is as follows:

| | <u>Balance December 31, 2018</u> | <u>Accrued/ Increases</u> | <u>Retired/ Decreases</u> | <u>Balance December 31, 2019</u> | <u>Balance Due Within One Year</u> |
|---------------------------|--|-------------------------------|-------------------------------|--|--|
| General Capital: | | | | | |
| General Bonds | \$ 13,785,000.00 | \$ - | \$ 1,590,000.00 | \$ 12,195,000.00 | \$ 1,640,000.00 |
| Bond Anticipation Notes | 5,109,000.00 | 4,700,000.00 | 5,109,000.00 | 4,700,000.00 | 4,700,000.00 |
| Authorized But Not Issued | - | 2,225,000.00 | - | 2,225,000.00 | - |
| | <u>\$ 18,894,000.00</u> | <u>\$ 6,925,000.00</u> | <u>\$ 6,699,000.00</u> | <u>\$ 19,120,000.00</u> | <u>\$ 6,340,000.00</u> |

BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 13. Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local and regional school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

| <u>Regional Tax</u> | <u>Balance, December 31,</u> | |
|-------------------------------|------------------------------|------------------------|
| | <u>2019</u> | <u>2018</u> |
| Total Balance of Regional Tax | \$ 12,052,158.04 | \$ 11,877,185.52 |
| Deferred Taxes | <u>8,549,999.23</u> | <u>8,549,999.23</u> |
| Regional Tax Payable | <u>\$ 3,502,158.81</u> | <u>\$ 3,327,186.29</u> |

| <u>Regional High School Tax</u> | <u>Balance, December 31,</u> | |
|---|------------------------------|------------------------|
| | <u>2019</u> | <u>2018</u> |
| Total Balance of Regional High School Tax | \$ 6,684,604.50 | \$ 6,268,281.13 |
| Deferred Taxes | <u>2,270,231.55</u> | <u>2,270,231.55</u> |
| Regional High School Tax Payable | <u>\$ 4,414,372.95</u> | <u>\$ 3,998,049.58</u> |

Note 14. Deferred Compensation Salary Account

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 15. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$1,491,047.00 at December 31, 2019.

The Borough has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2019, the Borough has reserved in the Other Trust Fund \$51,884.73 to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 16. Risk Management

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

Joint Insurance Pool

The Borough is a member of the Municipal Excess Liability Joint Insurance Fund. The Fund provides the Borough with the following primary coverage:

- Worker's Compensation
- Commercial General Liability
- Law Enforcement Professional Liability
- Employer's Liability
- Auto Liability
- Crime

Contributions to the Funds are payable in two installments and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2019 which can be obtained on the Fund's website.

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed 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, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment trust fund for the current and previous two years:

| <u>Year</u> | <u>Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|----------------------|--------------------------|-----------------------|
| 2019 | \$ 29,172.60 | \$ 61,234.91 | \$ 162,289.19 |
| 2018 | 28,557.71 | 34,140.87 | 194,351.50 |
| 2017 | 27,781.36 | 35,622.96 | 199,934.66 |

Note 17. Contingencies

Grantor Agencies

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2019 the Borough estimates that no material liabilities will result from such audits.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 17. Contingencies (continued):

Litigation

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2019.

Note 18. Tax Abatements

The Borough is authorized by the New Jersey Housing and Mortgage Financing Act Law of 1983, N.J.S.A. 55:14K-1 et seq. (hereinafter "HMFA Law"), and a Resolution of the Council dated March 13, 2007, to enter into property tax abatement agreements for the purpose of attracting affordable housing. The exemption of the projects from real property taxation subject to this law shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.

For the year ended December 31, 2019, the Borough abated the following properties under this program, including the following tax abatement agreement that exceeded 10 percent of the total, which is the percentage the Borough considers to be material for purposes of individual disclosure:

| <u>Receipient</u> | <u>Purpose</u> | <u>PILOT Billings</u> |
|-------------------------------------|-----------------------|-----------------------|
| Radar Properties Urban Renewal | Other | \$ 17,925.22 |
| Tinton Falls Senior Housing | Other | 36,450.00 |
| Meadowbrook II | Other | 43,442.00 |
| Pines II / Meadowbrook | Other | 58,120.00 |
| Pines at Tinton Falls | Commercial/Industrial | 51,008.00 |
| Commvault TF Urban Renewal LLC | Commercial/Industrial | 244,136.00 |
| Charles Wood Property Urban Renewal | Commercial/Industrial | 45,562.50 |
| | | <u>\$ 496,643.72</u> |

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 19. Length of Service Awards Program

The Borough's length of service awards program ("LOSAP") is reported in the Borough's trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents of the Borough come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute \$1,482.72 for the year ended December 31, 2019 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2019, the Borough contributed a total of \$37,068.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

Participant Accounts - Each participant's account is credited with the Borough's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Borough's creditors until distributed as benefit payments, are not available for funding the operations of the Borough. The funds may also be used to pay the administrative fees charged by the Plan Administrator. VALIC, Inc. ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

Vesting - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2019 payouts of \$97,599.93 were made to vested participants.

Forfeited Accounts - During the year ended December 31, 2019, no accounts were forfeited.

Plan Information - Additional information about the Borough's length of service awards program can be obtained by contacting the Plan Administrator.

**BOROUGH OF TINTON FALLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2019 and August 6, 2020, the date the financial statements were available to be issued.

In December 2019, an outbreak of a new strain of coronavirus, COVID-19, emerged in Wuhan, China. Within weeks, the number of those infected grew significantly, and beyond China's borders. As of the date of this report, the coronavirus is reported to have spread globally and its effects remain unknown. The Borough is unable to predict how changing global economic conditions such as the COVID-19 coronavirus will affect the Borough's operations.

On April 7, 2020 the Borough adopted an ordinance providing for the refunding of all or a portion of the Borough's General Obligation Refunding Bonds dated November 16, 2010, appropriating \$4,000,000 therefor and authorizing the issuance of not to exceed \$4,000,000 General Obligation Refunding Bonds for financing the cost thereof.

On July 14, 2020 the Borough adopted an ordinance providing for Park Development and Improvements, appropriating \$3,730,000 therefor and authorizing the issuance of \$2,322,000 of bonds and notes to finance a portion of the costs thereof.

SUPPLEMENTARY SCHEDULES

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| |
|---------------------|
| CURRENT FUND |
|---------------------|

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | Current Fund | Grant Fund |
|--|---------------|-------------------------|----------------------|
| Balance, December 31, 2018 | | \$ 17,930,633.62 | \$ 244,811.57 |
| Increased By Receipts: | | | |
| Non-Budget Revenues | \$ 965,112.13 | \$ - | |
| State of New Jersey - Senior Citizens' and Veterans' Deductions | 96,056.85 | - | |
| Property Taxes Receivable | 67,513,911.03 | - | |
| Tax Title Liens Receivable | 13,285.21 | - | |
| Revenue Accounts Receivable | 7,333,163.65 | - | |
| Prepaid Taxes | 430,171.25 | - | |
| Due To State | 69,840.00 | - | |
| Grants Receivable | - | 105,216.85 | |
| | | <u>76,421,540.12</u> | <u>105,216.85</u> |
| Decreased By Disbursements: | | | |
| 2019 Budget Appropriations | 23,186,769.96 | - | |
| 2018 Appropriation Reserves | 775,070.60 | - | |
| County Taxes | 9,865,764.81 | - | |
| Regional District School Taxes | 25,105,827.48 | - | |
| Regional District High School Taxes | 12,952,885.63 | - | |
| Municipal Open Space Tax | 768,631.71 | - | |
| Special District Taxes | 2,071,560.00 | - | |
| Overpayments | 123,526.52 | - | |
| Due To State | 67,100.00 | - | |
| Refund of Prior Year Revenue | 44,915.83 | - | |
| Grants - Appropriated | - | 147,735.46 | |
| | | <u>74,962,052.54</u> | <u>147,735.46</u> |
| Balance, December 31, 2019 | | <u>\$ 19,390,121.20</u> | <u>\$ 202,292.96</u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance December 31, <u>2019 & 2018</u> |
|--------------------------|---|
| Clerk of Municipal Court | \$ 700.00 |
| Municipal Clerk | 25.00 |
| Collector | <u>100.00</u> |
| | <u><u>\$ 825.00</u></u> |

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | | | |
|---|----|-----------------|----------------------|
| Balance, December 31, 2018 | | \$ | 166.54 |
| Increased By: | | | |
| Senior Citizens' Deductions per | | | |
| Tax Duplicate | \$ | 17,250.00 | |
| Veterans' Deductions per Tax Duplicate | | 81,500.00 | |
| Senior Citizens' and Veterans' Deductions | | | |
| Allowed By Tax Collector | | <u>1,500.00</u> | |
| | | | <u>100,250.00</u> |
| Decreased By: | | | 100,416.54 |
| Cash Received From State of New Jersey | | 96,056.85 | |
| Senior Citizens' Disallowed | | 896.58 | |
| Senior Citizens' Disallowed - Prior Years | | <u>2,791.78</u> | |
| | | | <u>99,745.21</u> |
| Balance, December 31, 2019 | | \$ | <u><u>671.33</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance December 31, 2018 | 2019 Levy | <u>Collections</u> | | Due From/(To) State of New Jersey | Transferred To Tax Title Liens | <u>Cancellations</u> | Balance December 31, 2019 |
|------|---------------------------------|-------------------------|----------------------|-------------------------|---|--------------------------------------|----------------------|---------------------------------|
| 2018 | \$ 609,138.16 | \$ - | \$ - | \$ 610,460.96 | \$ (2,791.78) | \$ 1,468.98 | \$ - | \$ - |
| 2019 | - | 68,134,970.06 | 584,129.19 | 66,776,903.44 | 99,353.42 | 24,272.89 | 39,768.33 | 610,542.79 |
| | <u>\$ 609,138.16</u> | <u>\$ 68,134,970.06</u> | <u>\$ 584,129.19</u> | <u>\$ 67,387,364.40</u> | <u>\$ 96,561.64</u> | <u>\$ 25,741.87</u> | <u>\$ 39,768.33</u> | <u>\$ 610,542.79</u> |

Analysis of Property Tax Levy

| | |
|---|-------------------------|
| <u>Tax Yield</u> | |
| General Purpose Tax | \$ 65,051,629.54 |
| Special District Taxes | 2,093,512.51 |
| Added/Omitted Taxes (R.S. 54-4-63, 1 et seq.) | <u>989,828.01</u> |
| | <u>\$ 68,134,970.06</u> |

| | |
|--|-------------------|
| <u>Tax Levy</u> | |
| Regional District School Tax | \$ 25,280,800.00 |
| Regional District High School Tax | 13,369,209.00 |
| County Taxes: | |
| County Tax | \$ 8,219,532.75 |
| County Library Tax | 587,988.80 |
| County Open Space Tax | 948,730.92 |
| Due County for Added and Omitted Taxes | <u>144,996.73</u> |
| | 9,901,249.20 |

| | |
|--------------------------------------|------------------|
| Municipal Open Space Tax | 757,196.00 |
| Municipal Open Space Tax Added Taxes | <u>11,435.71</u> |
| | 768,631.71 |

| | |
|----------------------|---------------------|
| Fire Districts Taxes | <u>2,071,560.00</u> |
| | \$ 51,391,449.91 |

| | |
|----------------------------------|-------------------------|
| Local Tax for Municipal Purposes | 15,867,962.95 |
| Add: Additional Tax Levied | <u>875,557.20</u> |
| | 16,743,520.15 |
| | <u>\$ 68,134,970.06</u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|---------------------------------|------------------|-----------------------------|
| Balance, December 31, 2018 | | \$ 121,457.22 |
| Increased By: | | |
| Interest and Costs at Tax Sale | \$ 257.44 | |
| Transfers From Taxes Receivable | <u>25,741.87</u> | |
| | | <u>25,999.31</u> |
| | | 147,456.53 |
| Decreased By: | | |
| Cash Receipts | | <u>13,285.21</u> |
| Balance, December 31, 2019 | | <u><u>\$ 134,171.32</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEBRIS LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|----------------------------|-------------------------|
| Balance, December 31, 2018 | \$ 141.57 |
| Increased By: | |
| Liens Levied | <u>824.98</u> |
| | 966.55 |
| Decreased By: | |
| Collections | <u>651.77</u> |
| Balance, December 31, 2019 | <u><u>\$ 314.78</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance December 31, <u>2018</u> | Accrued in <u>2019</u> | <u>Collections</u> | Balance December 31, <u>2019</u> |
|--------------------------------------|--|---------------------------|------------------------|--|
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | \$ - | \$ 37,698.00 | \$ 37,698.00 | \$ - |
| Other | - | 26,960.00 | 26,960.00 | - |
| Fees and Permits | - | 457,810.95 | 457,810.95 | - |
| Fines and Costs: | | | | |
| Municipal Court | 25,560.44 | 272,880.02 | 282,654.81 | 15,785.65 |
| Interest and Costs on Taxes | - | 145,449.05 | 145,449.05 | - |
| Interest on Investments and Deposits | - | 336,222.82 | 336,222.82 | - |
| Commercial Garbage Fees | - | 72,185.74 | 72,185.74 | - |
| Energy Receipts Tax | - | 1,490,459.00 | 1,490,459.00 | - |
| Uniform Construction Code Fees | - | 659,118.00 | 659,118.00 | - |
| Host Municipalities Act | - | 2,311,026.75 | 2,311,026.75 | - |
| Franchise Fees | - | 301,129.90 | 301,129.90 | - |
| Open Space Trust: | | | | |
| Bond Principal | - | 85,000.00 | 85,000.00 | - |
| Interest on Bonds | - | 42,690.00 | 42,690.00 | - |
| Hotel Occupancy Tax | - | 442,434.68 | 442,434.68 | - |
| Piolet CommVault | - | 234,859.95 | 234,859.95 | - |
| Municipal Court Services - | | | | |
| Monmouth Beach & Eatontown | - | 347,464.00 | 347,464.00 | - |
| Financial Services - Keyport | - | 60,000.00 | 60,000.00 | - |
| | <u>\$ 25,560.44</u> | <u>\$ 7,323,388.86</u> | <u>\$ 7,333,163.65</u> | <u>\$ 15,785.65</u> |

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Balance December 31, <u>2018</u> | Cash <u>Receipts</u> | Cash <u>Disbursements</u> | Balance December 31, <u>2019</u> |
|-------------------|--|-------------------------|------------------------------|--|
| Marriage Licenses | \$ 950.00 | \$ 2,350.00 | \$ 2,875.00 | \$ 425.00 |
| DCA Training Fees | 10,796.00 | 67,490.00 | 64,225.00 | 14,061.00 |
| | <u>\$ 11,746.00</u> | <u>\$ 69,840.00</u> | <u>\$ 67,100.00</u> | <u>\$ 14,486.00</u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance, December 31, <u>2018</u> | Balance After <u>Modifications</u> | Paid or <u>Charged</u> | <u>Lapsed</u> |
|-------------------------------------|---|--|------------------------------|---------------|
| <u>GENERAL APPROPRIATIONS</u> | | | | |
| Borough Council: | | | | |
| Salaries and Wages | \$ 0.62 | \$ 0.62 | \$ - | \$ 0.62 |
| Other Expenses | 5,382.00 | 5,382.00 | - | 5,382.00 |
| Office of the Mayor: | | | | |
| Salaries and Wages | 0.98 | 0.98 | - | 0.98 |
| Other Expenses | 7,316.50 | 7,316.50 | - | 7,316.50 |
| Municipal Clerk: | | | | |
| Salaries and Wages | 11,804.32 | 11,804.32 | - | 11,804.32 |
| Other Expenses | 67,568.90 | 67,568.90 | 3,984.36 | 63,584.54 |
| Office of the Tax Assessor: | | | | |
| Salaries and Wages | 91.78 | 91.78 | - | 91.78 |
| Other Expenses | 8,539.02 | 8,539.02 | 8,280.92 | 258.10 |
| Division of Administration: | | | | |
| Salaries and Wages | 42,260.11 | 42,260.11 | - | 42,260.11 |
| Other Expenses | 75,182.08 | 75,182.08 | 13,895.10 | 61,286.98 |
| Human Resources: | | | | |
| Salaries and Wages | 1,744.73 | 1,744.73 | 352.20 | 1,392.53 |
| Other Expenses | 3,578.61 | 3,578.61 | - | 3,578.61 |
| Division of Central Services: | | | | |
| Salaries and Wages | 3,258.72 | 3,258.72 | 2,000.00 | 1,258.72 |
| Miscellaneous Other Expenses | 6,119.02 | 6,119.02 | 731.79 | 5,387.23 |
| Division of Engineering: | | | | |
| Other Expenses | 17,964.43 | 17,964.43 | 8,442.25 | 9,522.18 |
| Historical Sites Office: | | | | |
| Other Expenses | 4,308.81 | 4,308.81 | 686.66 | 3,622.15 |
| Division of Law: | | | | |
| Salaries and Wages | 81.48 | 81.48 | - | 81.48 |
| Other Expenses | 77,027.08 | 77,027.08 | 26,701.75 | 50,325.33 |
| Division of Central Maintenance: | | | | |
| Salaries and Wages | 17,595.69 | 17,595.69 | 13,312.82 | 4,282.87 |
| Other Expenses | 33,786.59 | 33,786.59 | 24,170.62 | 9,615.97 |
| Division of Streets: | | | | |
| Salaries and Wages | 13,082.89 | 13,082.89 | 12,105.26 | 977.63 |
| Other Expenses | 47,337.27 | 47,337.27 | 23,142.71 | 24,194.56 |
| Division of Sanitation: | | | | |
| Salaries and Wages | 112,252.44 | 112,252.44 | 31,152.34 | 81,100.10 |
| Other Expenses: | | | | |
| Landfill/Solid Waste Disposal Costs | 45,675.96 | 45,675.96 | 42,333.87 | 3,342.09 |
| Miscellaneous Other Expenses | 11,517.99 | 11,517.99 | 5,735.63 | 5,782.36 |
| Division of Buildings and Grounds: | | | | |
| Salaries and Wages | 15,595.18 | 15,595.18 | 9,800.00 | 5,795.18 |
| Other Expenses | 31,310.26 | 31,310.26 | 25,029.99 | 6,280.27 |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance, December 31, <u>2018</u> | Balance After <u>Modifications</u> | Paid or <u>Charged</u> | <u>Lapsed</u> |
|--|---|--|------------------------------|---------------|
| Maintenance of Parks: | | | | |
| Salaries and Wages | 27,960.35 | 27,960.35 | 15,000.00 | 12,960.35 |
| Other Expenses | 7,533.19 | 7,533.19 | 3,853.62 | 3,679.57 |
| Shade Tree: | | | | |
| Other Expenses | 613.15 | 613.15 | - | 613.15 |
| Community Services Act: | | | | |
| Other Expenses | 23,258.81 | 23,258.81 | 8,000.00 | 15,258.81 |
| Police: | | | | |
| Salaries and Wages | 148,547.15 | 148,547.15 | 93,766.44 | 54,780.71 |
| Other Expenses | 30,879.71 | 30,879.71 | 27,531.33 | 3,348.38 |
| Division of Emergency Management: | | | | |
| Salaries and Wages | 350.35 | 350.35 | - | 350.35 |
| Other Expenses | 37,248.79 | 37,248.79 | 35,777.32 | 1,471.47 |
| Municipal Prosecutor: | | | | |
| Salaries and Wages | 4.96 | 4.96 | - | 4.96 |
| Other Expenses | 4,000.00 | 4,000.00 | - | 4,000.00 |
| Division of Finance: | | | | |
| Salaries and Wages | 15,153.51 | 15,153.51 | 2,000.00 | 13,153.51 |
| Other Expenses: | | | | |
| Auditing Services | 29,000.00 | 29,000.00 | 28,225.00 | 775.00 |
| Miscellaneous Other Expenses | 2,545.51 | 2,545.51 | 740.21 | 1,805.30 |
| Division of Revenue: | | | | |
| Salaries and Wages | 8,363.12 | 8,363.12 | 3,000.00 | 5,363.12 |
| Other Expenses | 3,307.72 | 3,307.72 | 668.75 | 2,638.97 |
| Division of Health: | | | | |
| Other Expenses: | | | | |
| Miscellaneous Other Expenses | 99.00 | 99.00 | - | 99.00 |
| Environmental Health Services: | | | | |
| Other Expenses | 3,490.00 | 3,490.00 | - | 3,490.00 |
| Contribution To Social Service Agencies: | | | | |
| Other Expenses | 3,860.00 | 3,860.00 | 1,860.00 | 2,000.00 |
| Alliance Program: | | | | |
| Other Expenses | 6,505.03 | 6,505.03 | 4,745.14 | 1,759.89 |
| Division of Recreation: | | | | |
| Salaries and Wages | 10,199.47 | 10,199.47 | 3,810.60 | 6,388.87 |
| Other Expenses | 41,275.40 | 41,275.40 | 25,489.96 | 15,785.44 |
| Division of Housing: | | | | |
| Other Expenses | 26,000.00 | 26,000.00 | - | 26,000.00 |
| Division of Planning: | | | | |
| Salaries and Wages | 7,215.72 | 7,215.72 | 2,000.00 | 5,215.72 |
| Other Expenses | 59,670.98 | 59,670.98 | 7,600.69 | 52,070.29 |
| Division of Zoning: | | | | |
| Salaries and Wages | 5,628.05 | 5,628.05 | 1,000.00 | 4,628.05 |
| Other Expenses | 20,074.98 | 20,074.98 | 563.91 | 19,511.07 |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance, December 31, <u>2018</u> | Balance After <u>Modifications</u> | Paid or <u>Charged</u> | <u>Lapsed</u> |
|--|---|--|------------------------------|---------------|
| Division of Code Enforcement: | | | | |
| Salaries and Wages | 7,367.79 | 7,367.79 | 3,000.00 | 4,367.79 |
| Other Expenses | 2,120.50 | 2,120.50 | 1,085.16 | 1,035.34 |
| Division of Fire Prevention: | | | | |
| Salaries and Wages | 26,555.68 | 26,555.68 | 1,000.00 | 25,555.68 |
| Other Expenses | 1,553.29 | 1,553.29 | 121.93 | 1,431.36 |
| Municipal Court: | | | | |
| Salaries and Wages | 34,672.75 | 34,672.75 | 6,195.00 | 28,477.75 |
| Other Expenses | 16,147.76 | 16,147.76 | 6,691.65 | 9,456.11 |
| Public Employees Occupational Safety and Health Act: | | | | |
| Other Expenses | 3,500.00 | 3,500.00 | - | 3,500.00 |
| Public Defender | | | | |
| Salaries and Wages | 15,004.81 | 15,004.81 | - | 15,004.81 |
| Other Expenses | 800.00 | 800.00 | - | 800.00 |
| <u>INSURANCE</u> | | | | |
| Group Insurance | 103,269.16 | 103,269.16 | - | 103,269.16 |
| <u>UNIFORM CONSTRUCTION CODE APPROPRIATIONS</u> | | | | |
| <u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u> | | | | |
| State Uniform Construction Code: | | | | |
| Salaries & Wages | 36,329.19 | 36,329.19 | 6,185.00 | 30,144.19 |
| Other Expenses | 5,272.49 | 5,272.49 | 3,433.92 | 1,838.57 |
| <u>UNCLASSIFIED</u> | | | | |
| Electricity | 35,782.72 | 35,782.72 | 25,697.78 | 10,084.94 |
| Street Lighting | 16,897.08 | 16,897.08 | 7,875.27 | 9,021.81 |
| Telephone | 23,731.60 | 23,731.60 | 7,845.06 | 15,886.54 |
| Water | 1,902.82 | 1,902.82 | 1,821.80 | 81.02 |
| Gas | 10,350.56 | 10,350.56 | 7,532.60 | 2,817.96 |
| Fuel Oil | 77,695.83 | 77,695.83 | 46,350.45 | 31,345.38 |
| Telecommunications | 7,844.85 | 7,844.85 | 7,283.09 | 561.76 |
| <u>STATUTORY EXPENDITURES:</u> | | | | |
| Contribution To: | | | | |
| Social Security System (O.A.S.I.) | 52,311.89 | 52,311.89 | 20,662.19 | 31,649.70 |
| Defined Contribution Retirement Program | 858.56 | 858.56 | - | 858.56 |
| LOSAP - Volunteer Ambulance | 46,800.00 | 46,800.00 | 37,068.00 | 9,732.00 |
| Emergency Telecommunications System - 911 System | 0.07 | 0.07 | - | 0.07 |
| NJDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)): | | | | |
| Division of Streets: | | | | |
| Other Expenses | 2,583.43 | 2,583.43 | 558.26 | 2,025.17 |
| Recycling Tax | 694.05 | 694.05 | 383.85 | 310.20 |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance, December 31, <u>2018</u> | Balance After <u>Modifications</u> | Paid or <u>Charged</u> | <u>Lapsed</u> |
|--|---|--|------------------------------|------------------------|
| <u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u> | | | | |
| County of Monmouth: | | | | |
| Police Dispatching Services | 0.70 | 0.70 | - | 0.70 |
| Municipal Court - Monmouth Beach & Eatontown | | | | |
| Salaries & Wages | 11,197.63 | 11,197.63 | 4,195.00 | 7,002.63 |
| Other Expenses | 26,027.70 | 26,027.70 | 3,148.11 | 22,879.59 |
| Purchase of Automated Refuse Containers | 11,464.00 | 11,464.00 | - | 11,464.00 |
| Improvements to Borough Hall Sidewalks, Curbing, Stairs and Parking | 34,320.29 | 34,320.29 | 13,296.85 | 21,023.44 |
| Acquisition of Roll-Off Truck | 250,000.00 | 250,000.00 | 249,698.00 | 302.00 |
| Improvements to Library | 985.39 | 985.39 | 985.39 | - |
| | <hr/> | | | |
| Total General Appropriations | <u>\$ 2,047,211.00</u> | <u>\$ 2,047,211.00</u> | <u>\$ 979,605.60</u> | <u>\$ 1,067,605.40</u> |
| | <hr/> | | | |
| Appropriation Reserves | \$ 1,308,226.03 | | | |
| Encumbrances Payable | <u>738,984.97</u> | | | |
| | <hr/> | | | |
| | <u>\$ 2,047,211.00</u> | | | |
| | <hr/> | | | |
| Cash Disbursed | | | \$ 775,070.60 | |
| Transferred To Accounts Payable | | | <u>204,535.00</u> | |
| | | | <hr/> | |
| | | | <u>\$ 979,605.60</u> | |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|---|-----------------------------|
| Balance, December 31, 2018 | \$ 118,539.02 |
| Increased By: | |
| Transferred From Appropriation Reserves | <u>204,535.00</u> |
| | 323,074.02 |
| Decreased By: | |
| Cancelled | <u>118,539.02</u> |
| Balance, December 31, 2019 | <u><u>\$ 204,535.00</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|--|-------------------|-----------------------------|
| Balance, December 31, 2018 | | \$ 109,512.34 |
| Increased By: | | |
| 2019 Tax Levy: | | |
| County Tax | \$ 8,219,532.75 | |
| County Library Tax | 587,988.80 | |
| County Open Space Fund Tax | 948,730.92 | |
| Due County for Added and Omitted Taxes | <u>144,996.73</u> | |
| | | <u>9,901,249.20</u> |
| | | 10,010,761.54 |
| Decreased By: | | |
| Cash Disbursements | | <u>9,865,764.81</u> |
| Balance, December 31, 2019 | | <u><u>\$ 144,996.73</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|----------------------------|-----------------------------|
| Balance, December 31, 2018 | \$ 584,129.19 |
| Increased By: | |
| Collection of 2019 Taxes | <u>430,171.25</u> |
| | 1,014,300.44 |
| Decreased By: | |
| Applied To 2019 Taxes | <u>584,129.19</u> |
| Balance, December 31, 2019 | <u><u>\$ 430,171.25</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|----------------------------|-------------------|---------------------------|
| Balance, December 31, 2018 | | \$ 12,702.77 |
| Increased By: | | |
| 2019 Tax Overpayments | | <u>126,546.63</u> |
| | | 139,249.40 |
| Decreased By: | | |
| Cancelled | \$ 12,702.77 | |
| Tax Overpayments Refunded | <u>123,526.52</u> | |
| | | <u>136,229.29</u> |
| Balance, December 31, 2019 | | <u><u>\$ 3,020.11</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|--|----------------------|-------------------------|
| Balance, December 31, 2018 | | |
| School Tax Payable | \$ 3,327,186.29 | |
| School Tax Deferred | <u>8,549,999.23</u> | |
| | | \$ 11,877,185.52 |
| Increased By: | | |
| Levy - School Year July 1, 2019 to June 30, 2020 | | <u>25,280,800.00</u> |
| | | 37,157,985.52 |
| Decreased By: | | |
| Cash Disbursed | | <u>25,105,827.48</u> |
| Balance, December 31, 2019 | | |
| School Tax Payable | 3,502,158.81 | |
| School Tax Deferred | <u>8,549,999.23</u> | |
| | | <u>\$ 12,052,158.04</u> |
| <u>2019 Liability for Regional District School Tax</u> | | |
| Tax Payable, December 31, 2019 | \$ 3,502,158.81 | |
| Tax Paid | <u>25,105,827.48</u> | |
| | | 28,607,986.29 |
| Less: | | |
| Tax Payable, December 31, 2018 | | <u>3,327,186.29</u> |
| Amount Charged To 2019 Operations | | <u>\$ 25,280,800.00</u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|---|----------------------|-------------------------|
| Balance, December 31, 2018 | | |
| School Tax Payable | \$ 3,998,049.58 | |
| School Tax Deferred | <u>2,270,231.55</u> | |
| | | \$ 6,268,281.13 |
| Increased By: | | |
| Levy - School Year July 1, 2019 to June 30, 2020 | | <u>13,369,209.00</u> |
| | | 19,637,490.13 |
| Decreased By: | | |
| Cash Disbursed | | <u>12,952,885.63</u> |
| Balance, December 31, 2019 | | |
| School Tax Payable | 4,414,372.95 | |
| School Tax Deferred | <u>2,270,231.55</u> | |
| | | <u>\$ 6,684,604.50</u> |
| <u>2019 Liability for Regional District High School Tax</u> | | |
| Tax Payable, December 31, 2019 | \$ 4,414,372.95 | |
| Tax Paid | <u>12,952,885.63</u> | |
| | | 17,367,258.58 |
| Less: | | |
| Tax Payable, December 31, 2018 | | <u>3,998,049.58</u> |
| Amount Charged To 2019 Operations | | <u>\$ 13,369,209.00</u> |

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019

| | | | |
|----------------------------|------------------|----|-------------------|
| Balance, December 31, 2018 | | \$ | - |
| Increased By: | | | |
| 2019 Levy | \$ 757,196.00 | | |
| Added & Omitted Taxes | <u>11,435.71</u> | | |
| | | | <u>768,631.71</u> |
| | | | 768,631.71 |
| Decreased By: | | | |
| Cash Disbursements | | | <u>768,631.71</u> |
| Balance, December 31, 2019 | | \$ | <u><u>-</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | | |
|----------------------------|-------------------|----|---------------------|
| Balance, December 31, 2018 | | \$ | - |
| Increased By: | | | |
| Fire District #1 Levy | \$ 1,172,030.00 | | |
| Fire District #2 Levy | <u>899,530.00</u> | | |
| | | | <u>2,071,560.00</u> |
| | | | 2,071,560.00 |
| Decreased By: | | | |
| Cash Disbursements | | | <u>2,071,560.00</u> |
| Balance, December 31, 2019 | | \$ | <u><u>-</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance December 31, <u>2018</u> | Budget Revenue <u>Realized</u> | Cash <u>Receipts</u> | Balance December 31, <u>2019</u> |
|--|--|--------------------------------------|-------------------------|--|
| Recycling Tonnage Grant | \$ - | \$ 54,996.63 | \$ 54,996.63 | \$ - |
| Body Armor Replacement Fund | - | 4,230.95 | 4,230.95 | - |
| Clean Communities Program | - | 45,989.27 | 45,989.27 | - |
| NJ DEP Electric Vehicle Charging Grant | - | 15,000.00 | - | 15,000.00 |
| | <hr/> | | | |
| | \$ - | \$ 120,216.85 | \$ 105,216.85 | \$ 15,000.00 |
| | <hr/> | | | |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance December 31, <u>2018</u> | Transferred From 2019 <u>Budgets</u> | Transferred From Encumbrances <u>Payable</u> | Paid or <u>Charged</u> | Transferred To Encumbrances <u>Payable</u> | Balance December 31, <u>2019</u> |
|--|--|--|---|------------------------------|---|--|
| Local: | | | | | | |
| Monmouth County Joint Insurance Fund | \$ 450.00 | \$ - | \$ - | - | \$ - | \$ 450.00 |
| Donation - Fire Prevention Training | 200.03 | - | - | - | - | 200.03 |
| Comcast - Technology Contribution | 36,441.25 | - | - | - | - | 36,441.25 |
| State: | | | | | | |
| Municipal Stormwater | 1,313.97 | - | - | - | - | 1,313.97 |
| Alcohol Education Rehabilitation Fund | 3,056.68 | - | - | - | - | 3,056.68 |
| Body Armor Replacement Fund | 425.43 | 4,230.95 | - | 4,523.25 | - | 133.13 |
| Clean Communities Program - 2017 | 8,732.16 | - | 2,764.54 | 10,819.54 | - | 677.16 |
| Clean Communities Program - 2018 | 36,048.29 | - | 5,158.48 | 37,233.03 | 3,810.60 | 163.14 |
| Clean Communities Program - 2019 | - | 45,989.27 | - | 4,558.10 | 7,763.21 | 33,667.96 |
| Drunk Driving Enforcement Grant | 2,146.69 | - | - | 1,680.00 | - | 466.69 |
| Recycling Tonnage Grant | 66,530.76 | 54,996.63 | 81,543.29 | 88,921.54 | 6,265.00 | 107,884.14 |
| NJ DEP Electric Vehicle Charging Grant | - | 15,000.00 | - | - | - | 15,000.00 |
| | \$ 155,345.26 | \$ 120,216.85 | \$ 89,466.31 | \$ 147,735.46 | \$ 17,838.81 | \$ 199,454.15 |

TRUST FUND

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Animal Control <u>Trust Fund</u> | Open Space <u>Trust Fund</u> | Other <u>Trust Funds</u> |
|------------------------------------|-------------------------------------|---------------------------------|-------------------------------|
| Balance, December 31, 2018 | \$ 8,381.44 | \$ 687,434.35 | \$ 4,413,311.46 |
| Increased By Receipts: | | | |
| Due To State of New Jersey | 1,136.40 | - | - |
| Dog License Fees | 7,024.20 | - | - |
| Transfer from Budget Appropriation | 24,000.00 | - | - |
| Reserve for Open Space | - | 782,974.14 | - |
| Miscellaneous Trust Funds | - | - | 2,708,503.16 |
| | <u>32,160.60</u> | <u>782,974.14</u> | <u>2,708,503.16</u> |
| | <u>40,542.04</u> | <u>1,470,408.49</u> | <u>7,121,814.62</u> |
| Decreased By Disbursements: | | | |
| N.J. State Department of Health | 1,135.20 | - | - |
| Expenditures per R.S. 4:19-15.11 | 34,102.50 | - | - |
| Reserve for Open Space | - | 447,764.00 | - |
| Miscellaneous Trust Funds | - | - | 2,560,365.20 |
| | <u>35,237.70</u> | <u>447,764.00</u> | <u>2,560,365.20</u> |
| Balance, December 31, 2019 | <u><u>\$ 5,304.34</u></u> | <u><u>\$ 1,022,644.49</u></u> | <u><u>\$ 4,561,449.42</u></u> |

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO/(FROM) NEW JERSEY STATE DEPARTMENT OF HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2019

| | |
|-----------------------------------|-----------------------|
| Balance, December 31, 2018 | \$ 1.20 |
| Increased By: | |
| State Registration Fees Collected | <u>1,136.40</u> |
| | 1,137.60 |
| Decreased By: | |
| Disbursed To State | <u>1,135.20</u> |
| Balance, December 31, 2019 | <u><u>\$ 2.40</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | | |
|--------------------------------------|----|------------------|------------------------|
| Balance, December 31, 2018 | | \$ | 8,380.24 |
| Increased By: | | | |
| License Fees Collected - 2019 | \$ | 7,024.20 | |
| Animal Appropriation Control Balance | | <u>24,000.00</u> | |
| | | | <u>31,024.20</u> |
| | | | 39,404.44 |
| Decreased By: | | | |
| Transfer to Encumbrances | | 2,946.50 | |
| Expenditures Per R.S. 4:19-15.11 | | <u>34,102.50</u> | |
| | | | <u>37,049.00</u> |
| Balance, December 31, 2019 | | \$ | <u><u>2,355.44</u></u> |

License Fees Collected

| | | |
|------|----|-------------------------|
| 2018 | \$ | 7,056.81 |
| 2017 | | <u>8,002.40</u> |
| | \$ | <u><u>15,059.21</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|---------------------------------------|------------------|-------------------------------|
| Balance, December 31, 2018 | | \$ 660,775.07 |
| Increased By: | | |
| Cash Receipts | | |
| Open Space Tax | \$ 757,196.00 | |
| Open Space Tax - Added/Omitted | 11,435.71 | |
| Interest Income | 14,342.43 | |
| Transferred from Encumbrances Payable | <u>26,659.28</u> | |
| | | <u>809,633.42</u> |
| | | 1,470,408.49 |
| Decreased By: | | |
| Cash Disbursements | 447,764.00 | |
| Transferred to Encumbrances Payable | <u>8,127.45</u> | |
| | | <u>455,891.45</u> |
| Balance, December 31, 2019 | | <u><u>\$ 1,014,517.04</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|------------------------------------|---------------------------|
| Balance, December 31, 2018 | \$ 26,659.28 |
| Increased By: | |
| Transfers to Encumbrances Payable | <u>8,127.45</u> |
| | 34,786.73 |
| Decreased By: | |
| Transfer to Reserve for Open Space | <u>26,659.28</u> |
| Balance, December 31, 2019 | <u><u>\$ 8,127.45</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE RESERVE FOR VARIOUS TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance December 31, <u>2018</u> | Transferred From Encumbrances <u>Payable</u> | <u>Increased</u> | <u>Decreased</u> | Transferred To Encumbrances <u>Payable</u> | Balance December 31, <u>2019</u> |
|--|--|---|------------------------|------------------------|---|--|
| Street Openings | \$ 6,660.00 | \$ - | \$ 9,785.00 | \$ 4,760.00 | \$ - | \$ 11,685.00 |
| Professional Fees | 6,883.58 | - | - | - | - | 6,883.58 |
| Tax Sale Premiums | 171,500.00 | - | 228,700.00 | 46,900.00 | 16,300.00 | 337,000.00 |
| Detention Basin | 112,415.50 | - | - | - | - | 112,415.50 |
| Tax Title Liens | 15,781.80 | - | 213,687.80 | 207,896.74 | 11,330.79 | 10,242.07 |
| Unemployment | 194,351.50 | - | 29,172.60 | 61,234.91 | - | 162,289.19 |
| Law Enforcement | 11,674.39 | - | 12,076.20 | 2,760.25 | - | 20,990.34 |
| Off Duty | 33,371.90 | - | 492,853.00 | 464,240.62 | - | 61,984.28 |
| Recycling | 11,394.43 | 4,632.43 | 48,423.53 | 48,156.41 | 2,014.43 | 14,279.55 |
| Parking Offenses Adjudication Act | 414.00 | - | 52.00 | - | - | 466.00 |
| DARE Program | 1,744.63 | - | - | - | - | 1,744.63 |
| Emergency Management | 1,855.71 | - | - | - | - | 1,855.71 |
| Public Defender | 16,157.60 | - | 2,657.00 | 6,200.00 | 1,017.50 | 11,597.10 |
| Alcohol Alliance | 1,520.85 | - | - | - | - | 1,520.85 |
| Recreation | 11,506.47 | - | 1,008.00 | 715.00 | - | 11,799.47 |
| Police Forfeiture | 16,017.17 | 4,002.26 | 1.00 | 12,752.11 | 750.00 | 6,518.32 |
| Seabrook CCO and Fire Inspection | 71,796.00 | - | 14,000.00 | 15,500.00 | - | 70,296.00 |
| Uniform Fire Safety Penalty Funds | 15,033.79 | 5,759.10 | - | 5,759.10 | 10,900.00 | 4,133.79 |
| Uniform Fire Safety Dedicated and Comp Penalties | 20,695.23 | - | - | - | - | 20,695.23 |
| Accumulated Absences | 62,618.15 | - | 100,000.00 | 110,733.42 | - | 51,884.73 |
| Volunteer Appreciation Day | 30.00 | - | - | - | - | 30.00 |
| Historic Crawford House | 200.00 | - | - | - | - | 200.00 |
| Community Day | 6,749.02 | - | 28,850.00 | 33,236.79 | - | 2,362.23 |
| Police Youth Program Donations | 9,083.21 | 434.90 | 15,218.87 | 11,847.53 | 158.00 | 12,731.45 |
| Insurance | 149,673.86 | 44,460.26 | 706,487.31 | 736,029.96 | 22,646.99 | 141,944.48 |
| Health Fair Donations | 765.89 | - | - | - | - | 765.89 |
| Affordable Housing | 1,090,840.84 | 18,310.04 | 175,129.21 | 199,302.16 | 65,283.63 | 1,019,694.30 |
| Developers Escrow: | | | | | | |
| Engineering Fees | 324,455.25 | - | 191,947.52 | 191,130.55 | 21,353.23 | 303,918.99 |
| Maintenance Fees | 397,550.52 | - | 5,179.79 | 60,131.53 | - | 342,598.78 |
| Performance Fees | 1,356,656.12 | - | 138,698.76 | 189,340.71 | - | 1,306,014.17 |
| Escrow Fees | 200,388.62 | 6,000.71 | 244,510.31 | 149,145.45 | 14,439.50 | 287,314.69 |
| Shafto Rd. Sewer Line Extension | 3,174.14 | - | 9.06 | - | - | 3,183.20 |
| COAH Special Master | 6,751.59 | - | 50,056.20 | 2,591.96 | - | 54,215.83 |
| | <u>\$ 4,329,711.76</u> | <u>\$ 83,599.70</u> | <u>\$ 2,708,503.16</u> | <u>\$ 2,560,365.20</u> | <u>\$ 166,194.07</u> | <u>\$ 4,395,255.35</u> |

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019

| | | |
|-----------------------------|-------------------|-----------------------------|
| Balance, December 31, 2018 | | \$ 555,621.90 |
| Increased By: | | |
| Borough Contributions | \$ 37,068.00 | |
| Interest | 3,048.06 | |
| Appreciation on Investments | <u>113,857.10</u> | |
| | | <u>153,973.16</u> |
| | | 709,595.06 |
| Decreased By: | | |
| Withdrawals | | <u>97,599.93</u> |
| Balance, December 31, 2019 | | <u><u>\$ 611,995.13</u></u> |

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| |
|-----------------------------|
| GENERAL CAPITAL FUND |
|-----------------------------|

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|----------------------------|-----------------|-------------------------------|
| Balance, December 31, 2018 | | \$ 3,089,228.12 |
| Increased By: | | |
| Bond Anticipation Notes | \$ 4,700,000.00 | |
| Premium on BAN | 27,074.00 | |
| Capital Improvement Fund | 150,000.00 | |
| DOT Grant Receivable | 138,750.00 | |
| CDBG Grant Receivable | 142,486.00 | |
| | | <u>5,158,310.00</u> |
| | | 8,247,538.12 |
| Decreased By: | | |
| Bond Anticipation Notes | 4,700,000.00 | |
| Improvement Authorizations | 2,528,105.92 | |
| | | <u>7,228,105.92</u> |
| Balance, December 31, 2019 | | <u><u>\$ 1,019,432.20</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | Balance December 31, <u>2019</u> |
|-----------------------------|-----------------------------------|--|
| Encumbrances Payable | | \$ 791,601.30 |
| DOT Grants Receivable | | (371,250.00) |
| Capital Improvement Fund | | 14,163.00 |
| Miscellaneous Reserves | | 165,096.36 |
| Fund Balance | | 28,331.24 |
| | | |
| <u>Ordinance Number</u> | <u>Improvement Description</u> | |
| 06-1181 | New Municipal Complex | 42,150.83 |
| 09-1286 | Various Items of Equipment | 22,326.49 |
| 14-1377 | 2014 Various Capital Improvements | 30,819.22 |
| 18-1430 | 2018 Road Improvement Program | 126,393.76 |
| 19-1451 | 2019 Road Improvement Program | 169,800.00 |
| | | <hr/> |
| | | \$ 1,019,432.20 |
| | | <hr/> <hr/> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|----------------------------|--------------------------------|
| Balance, December 31, 2018 | \$ 13,785,000.00 |
| Decreased By: | |
| Serial Bonds Paid | <u>1,590,000.00</u> |
| Balance, December 31, 2019 | <u><u>\$ 12,195,000.00</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2019**

| Ordinance Number | Improvement Description | Balance December 31, 2018 | 2019 Authorizations | Decreased by | | Balance December 31, 2019 | Analysis of Balance | | |
|---|-------------------------------|---------------------------------|------------------------|----------------------|-------|---------------------------------|-------------------------------|---|--|
| | | | | Principal Paid on | Notes | | Bond Anticipation Notes | Unexpended Improvement Authorizations | |
| 11-1329 | Acquisition of Real Property | \$ 1,300,000.00 | \$ - | \$ 150,000.00 | | \$ 1,150,000.00 | \$ 1,150,000.00 | \$ - | |
| 16-1399/16-1405 | Various Capital Improvements | 1,469,000.00 | - | 159,000.00 | | 1,310,000.00 | 1,310,000.00 | - | |
| 18-1430 | 2018 Road Improvement Program | 2,340,000.00 | - | 100,000.00 | | 2,240,000.00 | 2,240,000.00 | - | |
| 19-1451 | 2019 Road Improvement Program | - | 2,225,000.00 | - | | 2,225,000.00 | - | 2,225,000.00 | |
| | | <u>\$ 5,109,000.00</u> | <u>\$ 2,225,000.00</u> | <u>\$ 409,000.00</u> | | <u>\$ 6,925,000.00</u> | <u>\$ 4,700,000.00</u> | <u>\$ 2,225,000.00</u> | |
| | | | | | | | | | |
| Improvement Authorizations - Unfunded | | | | | | | | \$ 2,351,393.76 | |
| Less: Unexpended Proceeds of Bond Anticipation Notes - Issued | | | | | | | | | |
| Ordinance 18-430 | | | | | | | | <u>126,393.76</u> | |
| | | | | | | | | <u>\$ 2,225,000.00</u> | |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Outstanding</u> | | <u>Interest Rate</u> | <u>Balance</u> | <u>Balance</u> |
|---|--------------------------|-----------------------|--------------------|---------------|--------------------------|------------------------------|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | <u>December 31, 2018</u> | <u>December 31, 2019</u> |
| Refunding Bonds: (General Improvements - 2002) | 11/16/10 | \$ 5,753,000.00 | 07/01/20 | \$ 285,000.00 | 4.00% | \$ 3,820,000.00 | \$ 3,535,000.00 |
| | | | 07/01/21 | 285,000.00 | 4.00% | | |
| | | | 07/01/22 | 285,000.00 | 3.125% | | |
| | | | 07/01/23 | 280,000.00 | 3.20% | | |
| | | | 07/01/24 | 275,000.00 | 4.00% | | |
| | | | 07/01/25 | 275,000.00 | 4.00% | | |
| | | | 07/01/26 | 275,000.00 | 3.50% | | |
| | | | 07/01/27 | 270,000.00 | 3.75% | | |
| | | | 07/01/28 | 265,000.00 | 3.75% | | |
| | | | 07/01/29 | 265,000.00 | 4.00% | | |
| | | | 07/01/30 | 260,000.00 | 4.00% | | |
| | | | 07/01/31 | 260,000.00 | 4.00% | | |
| | | | 07/01/32 | 255,000.00 | 4.00% | | |
| Refunding Bonds: (Open Space - 2002) | 11/16/10 | 907,000.00 | 07/01/20 | 45,000.00 | 4.00% | 605,000.00 | 560,000.00 |
| | | | 07/01/21 | 45,000.00 | 4.00% | | |
| | | | 07/01/22 | 45,000.00 | 3.125% | | |
| | | | 07/01/23 | 45,000.00 | 3.20% | | |
| | | | 07/01/24 | 45,000.00 | 4.00% | | |
| | | | 07/01/25 | 45,000.00 | 4.00% | | |
| | | | 07/01/26 | 45,000.00 | 3.50% | | |
| | | | 07/01/27 | 45,000.00 | 3.75% | | |
| | | | 07/01/28 | 40,000.00 | 3.75% | | |
| | | | | | | 45,000.00 | |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Outstanding</u> | | <u>Interest Rate</u> | <u>Balance</u> | <u>Decreased</u> | <u>Balance</u> |
|--------------------------------|--------------------------|-----------------------|--------------------|---------------|--------------------------|------------------------------|------------------|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | <u>December 31, 2018</u> | | <u>December 31, 2019</u> |
| General Improvement Bonds | 01/24/11 | 3,510,000.00 | 07/01/29 | 40,000.00 | 4.00% | | | |
| | | | 07/01/30 | 40,000.00 | 4.00% | | | |
| | | | 07/01/31 | 40,000.00 | 4.00% | | | |
| | | | 07/01/32 | 40,000.00 | 4.00% | | | |
| General Improvement Bonds | 01/24/11 | 3,510,000.00 | 01/15/20 | 405,000.00 | 5.00% | 1,215,000.00 | 385,000.00 | 830,000.00 |
| | | | 01/15/21 | 425,000.00 | 5.00% | | | |
| MCIA General Improvement Bonds | 12/19/12 | 1,460,000.00 | 12/01/20 | 105,000.00 | 4.00% | 910,000.00 | 100,000.00 | 810,000.00 |
| | | | 12/01/21 | 110,000.00 | 4.00% | | | |
| | | | 12/01/22 | 110,000.00 | 4.00% | | | |
| | | | 12/01/23 | 115,000.00 | 4.00% | | | |
| | | | 12/01/24 | 120,000.00 | 2.00% | | | |
| | | | 12/01/25 | 125,000.00 | 3.00% | | | |
| MCIA General Improvement Bonds | 12/10/13 | 1,485,000.00 | 12/01/26 | 125,000.00 | 2.00% | | | |
| | | | 12/01/20 | 180,000.00 | 5.00% | 730,000.00 | 170,000.00 | 560,000.00 |
| | | | 12/01/21 | 185,000.00 | 5.00% | | | |
| MCIA General Improvement Bonds | 12/24/14 | 2,200,000.00 | 12/01/22 | 195,000.00 | 5.00% | | | |
| | | | 12/01/20 | 220,000.00 | 4.00% | 1,330,000.00 | 220,000.00 | 1,110,000.00 |
| | | | 12/01/21 | 220,000.00 | 5.00% | | | |
| | | | 12/01/22 | 220,000.00 | 5.00% | | | |
| MCIA General Improvement Bonds | 12/01/23 | 225,000.00 | 12/01/23 | 225,000.00 | 5.00% | | | |
| | | | 12/01/24 | 225,000.00 | 5.00% | | | |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Outstanding</u> | | <u>Interest Rate</u> | <u>Balance</u> | <u>Balance</u> |
|------------------------|--------------------------|-----------------------|--------------------|---------------|--------------------------|------------------------------|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | <u>December 31, 2018</u> | <u>December 31, 2019</u> |
| Refunding Bonds (2008) | 05/18/16 | 5,175,000.00 | 01/01/20 | 400,000.00 | 3.00% | 5,175,000.00 | 4,790,000.00 |
| | | | 01/01/21 | 415,000.00 | 3.00% | | |
| | | | 01/01/22 | 430,000.00 | 4.00% | | |
| | | | 01/01/23 | 450,000.00 | 4.00% | | |
| | | | 01/01/24 | 470,000.00 | 4.00% | | |
| | | | 01/01/25 | 490,000.00 | 4.00% | | |
| | | | 01/01/26 | 515,000.00 | 4.00% | | |
| | | | 01/01/27 | 535,000.00 | 4.00% | | |
| | | | 01/01/28 | 545,000.00 | 4.00% | | |
| | | | 01/01/29 | 540,000.00 | 3.25% | | |
| | | | | | | | |
| | | | | | | \$ 13,785,000.00 | \$ 12,195,000.00 |
| | | | | | | | |
| | | | | | | \$ 1,590,000.00 | \$ 1,590,000.00 |
| | | | | | | | |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| <u>Ordinance Number</u> | <u>Date of Issue of Original Note</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance December 31, 2018</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance December 31, 2019</u> |
|-----------------------------|---|------------------------------|---------------------------------|--------------------------|--|---|------------------------|--|
| 11-1329 | 12/13/13 | 10/31/18 | 10/30/19 | 2.00% | \$ 1,300,000.00 | \$ - | \$ 1,300,000.00 | \$ - |
| | | 10/30/19 | 10/29/20 | 2.00% | - | 1,150,000.00 | - | 1,150,000.00 |
| 16-1399/16-1405 | 12/01/16 | 10/31/18 | 10/30/19 | 2.00% | 1,469,000.00 | - | 1,469,000.00 | - |
| | | 10/30/19 | 10/29/20 | 2.00% | - | 1,310,000.00 | - | 1,310,000.00 |
| 18-1430 | 10/31/18 | 10/31/18 | 10/30/19 | 2.00% | 2,340,000.00 | - | 2,340,000.00 | - |
| | | 10/30/19 | 10/29/20 | 2.00% | - | 2,240,000.00 | - | 2,240,000.00 |
| | | | | | <u>\$ 5,109,000.00</u> | <u>\$ 4,700,000.00</u> | <u>\$ 5,109,000.00</u> | <u>\$ 4,700,000.00</u> |
| | | | | | | Cash Disbursed | \$ 4,700,000.00 | \$ 4,700,000.00 |
| | | | | | | Paid By Budget Appropriation - Current Fund | - | 409,000.00 |
| | | | | | | | <u>\$ 4,700,000.00</u> | <u>\$ 5,109,000.00</u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance December 31, <u>2018</u> | <u>Increased</u> | <u>Decreased</u> | Balance December 31, <u>2019</u> |
|--------------------------|--|------------------|------------------|--|
| Reserve for: | | | | |
| Sidewalk Contributions | \$ 20,092.20 | \$ - | \$ - | \$ 20,092.20 |
| Calton Homes/Stormwater | 15,000.00 | - | - | 15,000.00 |
| Sitar Off Tract | 37,000.00 | - | - | 37,000.00 |
| Fox Chase Phase II / Rec | 75,000.00 | - | - | 75,000.00 |
| Matzel and Mumford - RCA | 18,004.16 | - | - | 18,004.16 |
| | <hr/> \$ 165,096.36 | <hr/> \$ - | <hr/> \$ - | <hr/> \$ 165,096.36 <hr/> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DOT GRANT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|--|-----------------------------|
| Balance, December 31, 2018 | \$ 185,000.00 |
| Increased By: | |
| Grant Award - NJ DOT - Ord. 19-1451 Road Program | <u>325,000.00</u> |
| | 510,000.00 |
| Decreased By: | |
| Cash Receipts | <u>138,750.00</u> |
| Balance, December 31, 2019 | <u><u>\$ 371,250.00</u></u> |
| <u>Analysis of Balance</u> | |
| NJDOT - Ordinance 2018-1430 | \$ 46,250.00 |
| NJDOT - Ordinance 2019-1451 | <u>325,000.00</u> |
| | <u><u>\$ 371,250.00</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CDBG GRANT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|----------------------------|--------------------|
| Balance, December 31, 2018 | \$ 142,486.00 |
| Decreased By: | |
| Cash Receipts | <u>142,486.00</u> |
| Balance, December 31, 2019 | <u><u>\$ -</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| Ordinance Number | Improvement Description | Ordinance Date | Amount | 2019 Authorizations | | | | | | | | | |
|---------------------|-----------------------------------|-------------------|-----------------|------------------------------|------------|-------------------------------------|--------------|----------------------|------------|--------------------------------|--------------|--|--------------|
| | | | | Balance December 31, 2018 | | Transferred From Encumbrances | | Grants Receivable | | Capital Improvement Fund | | Deferred Charges To Future Taxation | |
| | | | | Funded | Unfunded | Payable | | | | | | Unfunded | |
| 06-1181 | New Municipal Complex | 05/02/06 | \$ 1,500,000.00 | \$ | - | \$ | 24,630.38 | \$ | - | \$ | - | \$ | - |
| 09-1286 | Various Items of Equipment | 12/01/09 | 1,095,000.00 | 22,326.49 | - | - | - | - | - | - | - | - | - |
| 12-1345 | 2012 Road Program | 06/19/12 | 1,907,500.00 | 6,595.37 | - | - | - | - | - | 6,595.37 | - | - | - |
| 13-1370 | 2014 Road Improvement Program | 12/17/13 | 2,389,750.00 | 14,820.63 | - | - | - | - | - | 14,820.63 | - | - | - |
| 14-1377 | 2014 Various Capital Improvements | 08/05/14 | 832,500.00 | 65,969.07 | - | - | - | - | - | 32,656.22 | 2,493.63 | 30,819.22 | - |
| 16-1399/16-1405 | Various Capital Improvements | 05/17/16 | 1,960,000.00 | - | 281,878.27 | - | 112,852.10 | - | - | 359,383.27 | 35,347.10 | - | - |
| 18-1430 | 2018 Road Improvement Program | 05/15/18 | 2,791,800.00 | - | 368,286.87 | - | 2,290,252.51 | - | - | 2,098,847.43 | 433,298.19 | - | 126,393.76 |
| 19-1451 | 2019 Road Improvement Program | 09/17/19 | 2,700,000.00 | - | - | - | - | 325,000.00 | - | - | 305,200.00 | 169,800.00 | 2,225,000.00 |
| | | | | \$ | 650,165.14 | \$ | 2,427,734.99 | \$ | 325,000.00 | \$ | 2,528,105.92 | \$ | 2,351,393.76 |
| | | | | \$ | 158,297.39 | \$ | 2,427,734.99 | \$ | 325,000.00 | \$ | 2,528,105.92 | \$ | 2,351,393.76 |
| | | | | \$ | 158,297.39 | \$ | 2,427,734.99 | \$ | 325,000.00 | \$ | 2,528,105.92 | \$ | 2,351,393.76 |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|--|----------------------------|
| Balance, December 31, 2018 | \$ 14,163.00 |
| Increased By: | |
| Budget Appropriation | <u>150,000.00</u> |
| | 164,163.00 |
| Decreased By: | |
| Improvement Authorization - ORD #19-1451 | <u>150,000.00</u> |
| Balance, December 31, 2019 | <u><u>\$ 14,163.00</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2019**

| <u>Ordinance Number</u> | <u>Improvement Description</u> | Balance December 31, <u>2018</u> | 2019 <u>Authorizations</u> | Balance December 31, <u>2019</u> |
|-----------------------------|--------------------------------|--|-------------------------------|--|
| 19-1451 | 2019 Road Improvement Program | \$ - | \$ 2,225,000.00 | \$ 2,225,000.00 |
| | | <u>\$ -</u> | <u>\$ 2,225,000.00</u> | <u>\$ 2,225,000.00</u> |

| |
|---------------------------|
| SEWER UTILITY FUND |
|---------------------------|

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>Operating</u> | <u>Capital</u> |
|------------------------------|-------------------------------|----------------------------|
| Balance, December 31, 2018 | \$ 4,258,391.51 | \$ 15,013.47 |
| Increased By Receipts: | | |
| Consumer Accounts Receivable | \$ 3,772,838.02 | \$ - |
| Non-Budget Revenue | 345,291.52 | - |
| Prepaid Rents | 604,882.69 | - |
| Overpayments | 4,850.69 | - |
| | <u>4,727,862.92</u> | <u>-</u> |
| | 8,986,254.43 | 15,013.47 |
| Decreased By Disbursements: | | |
| 2019 Budget Appropriations | 4,108,845.15 | - |
| 2018 Appropriation Reserves | 331,810.53 | - |
| Accounts Payable | 18,138.31 | - |
| Refund of Sewer Overpayments | 5,229.69 | - |
| | <u>4,464,023.68</u> | <u>-</u> |
| Balance, December 31, 2019 | <u><u>\$ 4,522,230.75</u></u> | <u><u>\$ 15,013.47</u></u> |

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER UTILITY CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Balance December 31, <u>2019</u> |
|----------------------|--|
| Encumbrances Payable | \$ 10,334.83 |
| Fund Balance | <u>4,678.64</u> |
| | <u><u>\$ 15,013.47</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | |
|----------------------------|-------------------|-----------------------------|
| Balance, December 31, 2018 | | \$ 161,869.03 |
| Increased By: | | |
| Sewer Rents Levied | | <u>4,437,804.93</u> |
| | | 4,599,673.96 |
| Decreased By: | | |
| Cash Collections | \$ 3,772,838.02 | |
| Prepaid Rents Applied | <u>686,882.56</u> | |
| | | <u>4,459,720.58</u> |
| Balance, December 31, 2019 | | <u><u>\$ 139,953.38</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019**

| <u>Description</u> | Balance December 31, <u>2018</u> | Increased by <u>Capital Outlay</u> | Transferred From Fixed Capital Authorized and Uncompleted | Balance December 31, <u>2019</u> |
|---|--|--|--|--|
| Construction of a System Interceptor and Collection System | \$ 7,895,324.05 | \$ - | \$ - | \$ 7,895,324.05 |
| Installation of Sanitary Sewer Mains (01-1059) | 505,519.98 | - | - | 505,519.98 |
| Squankum Pump Station | 234,851.06 | - | - | 234,851.06 |
| Wyncrest Pump Station | 1,303,957.34 | - | - | 1,303,957.34 |
| Sewer Infrastructure Improvements | 105,341.12 | 9,925.32 | - | 115,266.44 |
| Pump Station Improvements | 806,826.81 | 286,559.33 | 400,000.00 | 1,493,386.14 |
| Sewer GIS Mapping | 72,400.05 | - | - | 72,400.05 |
| Sewer Jet Truck | 408,670.68 | - | - | 408,670.68 |
| | <u>\$ 11,332,891.09</u> | <u>\$ 296,484.65</u> | <u>\$ 400,000.00</u> | <u>\$ 12,029,375.74</u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2019**

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Ordinance</u> | | <u>Balance</u> | <u>Transferred</u> | <u>Balance</u> |
|-----------------------------|---|------------------|---------------|------------------------------|-----------------------------|------------------------------|
| | | <u>Date</u> | <u>Amount</u> | <u>December 31, 2018</u> | <u>To Fixed Capital</u> | <u>December 31, 2019</u> |
| 14-1376 | Various Pump Station Improvements and Generator Replacements | 08/05/14 | \$ 400,000.00 | \$ 400,000.00 | \$ 400,000.00 | \$ - |
| | | | | <u>\$ 400,000.00</u> | <u>\$ 400,000.00</u> | <u>\$ -</u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Balance December 31, <u>2018</u> | Balance After <u>Modifications</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|---|--|--|---------------------------|--------------------------|
| Operating: | | | | |
| Salaries and Wages | \$ 85,602.64 | \$ 85,602.64 | \$ 25,800.00 | \$ 59,802.64 |
| Other Expenses | 411,784.00 | 411,784.00 | 93,624.33 | 318,159.67 |
| | <hr/> | | | |
| Total Operating | 497,386.64 | 497,386.64 | 119,424.33 | 377,962.31 |
| | <hr/> | | | |
| Capital Improvements: | | | | |
| Capital Outlay | 380,000.00 | 380,000.00 | 237,325.00 | 142,675.00 |
| | <hr/> | | | |
| Total Capital Improvements | 380,000.00 | 380,000.00 | 237,325.00 | 142,675.00 |
| | <hr/> | | | |
| Statutory Expenditures: | | | | |
| Contributions To: | | | | |
| Social Security System (O.A.S.I.) | 6,774.56 | 6,774.56 | 2,061.20 | 4,713.36 |
| | <hr/> | | | |
| Total Statutory Expenditures | 6,774.56 | 6,774.56 | 2,061.20 | 4,713.36 |
| | <hr/> | | | |
| Total Sewer Utility Fund Appropriations | <u>\$ 884,161.20</u> | <u>\$ 884,161.20</u> | <u>\$ 358,810.53</u> | <u>\$ 525,350.67</u> |
| | <hr/> | | | |
| Appropriation Reserves | | \$ 512,129.23 | | |
| Encumbrances Payable | | <u>372,031.97</u> | | |
| | | <u>\$ 884,161.20</u> | | |
| | | <hr/> | | |
| Cash Disbursements | | | \$ 331,810.53 | |
| Accounts Payable | | | <u>27,000.00</u> | |
| | | | <u>\$ 358,810.53</u> | |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | | |
|--------------------------------------|-----------------|--|----------------------------|
| Balance, December 31, 2018 | | | \$ 46,403.55 |
| Increased By: | | | |
| Transfer from Appropriation Reserves | | | <u>27,000.00</u> |
| | | | 73,403.55 |
| Decreased By: | | | |
| Cash Disbursements | \$ 18,138.31 | | |
| Cancellation | <u>1,110.99</u> | | |
| | | | <u>19,249.30</u> |
| Balance, December 31, 2019 | | | <u><u>\$ 54,154.25</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID SEWER RENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|--|-----------------------------|
| Balance, December 31, 2018 | \$ 686,882.56 |
| Increased By: | |
| Collections - 2020 Sewer Rents | <u>604,882.69</u> |
| | 1,291,765.25 |
| Decreased By: | |
| Applied To 2019 Sewer Rents Receivable | <u>686,882.56</u> |
| Balance, December 31, 2019 | <u><u>\$ 604,882.69</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| <u>Improvement Description</u> | <u>Ordinance Number</u> | <u>Date</u> | <u>Amount</u> | <u>Balance December 31, 2018</u> | | <u>Transferred To Encumbrances Payable</u> | <u>Balance December 31, 2019</u> | |
|---|-----------------------------|-------------|---------------|--|-----------------|--|--|-----------------|
| | | | | <u>Funded</u> | <u>Unfunded</u> | | <u>Funded</u> | <u>Unfunded</u> |
| Various Pump Station Improvements and Generator Replacements | 14-1376 | 08/05/14 | \$ 400,000.00 | \$ 10,334.83 | \$ - | \$ 10,334.83 | \$ - | \$ - |
| | | | | <u>\$ 10,334.83</u> | <u>\$ -</u> | <u>\$ 10,334.83</u> | <u>\$ -</u> | <u>\$ -</u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | | | |
|--|-------------------|-------------------|--------------------------------|
| Balance, December 31, 2018 | | | \$ 11,332,891.09 |
| Increased By: | | | |
| Transferred From Deferred Reserve for Amortization | \$ 400,000.00 | | |
| Capital Outlay | <u>296,484.65</u> | | |
| | | <u>696,484.65</u> | |
| Balance, December 31, 2019 | | | <u><u>\$ 12,029,375.74</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|---|--------------------|
| Balance, December 31, 2018 | \$ 400,000.00 |
| Decreased By: | |
| Transferred To Reserve for Amortization | <u>400,000.00</u> |
| Balance, December 31, 2019 | <u><u>\$ -</u></u> |

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF OVERPAID SEWER RENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | |
|----------------------------|--------------------|
| Balance, December 31, 2018 | \$ 379.00 |
| Increased By: | |
| Overpayments Created | <u>4,850.69</u> |
| | 5,229.69 |
| Decreased By: | |
| Refunds of Overpayments | <u>5,229.69</u> |
| Balance, December 31, 2019 | <u><u>\$ -</u></u> |

BOROUGH OF TINTON FALLS

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2019

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**BOROUGH OF TINTON FALLS
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**BOROUGH OF TINTON FALLS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

STATE FINANCIAL ASSISTANCE

N/A – No State Single Audit in prior year.

BOROUGH OF TINTON FALLS

PART III

LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2019:

| <u>Name</u> | <u>Title</u> |
|------------------------|-----------------------------|
| Vito P. Perillo | Mayor |
| Gary Baldwin | Council President |
| Nancyanne Fama | Councilmember |
| John Manginelli | Councilmember |
| Christopher Pak | Councilmember |
| Brock Siebert | Councilmember |
| Michael Skudera | Business Administrator |
| Thomas Fallon | Chief Financial Officer (1) |
| Melissa A. Hesler | Borough Clerk (2) |
| Carol Hussey | Tax Collector (1) |
| Stacey Kitson | Court Administrator (1) |
| Scott Imbriaco | Tax Assessor (1) |
| Kevin N. Starkey, Esq. | Borough Attorney (1) |

(1) Employees were covered by a statutory blanket crime bond which provided by Travelers Casualty & Surety Company of America in the amount of \$1,000,000.

(2) Employees were covered by a blanket honesty bond which provides coverage of \$50,000 per individual.

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Honorable Mayor and Members
of the Borough Council
Borough of Tinton Falls
County of Monmouth
Tinton Falls, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2019.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or 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 by the Governing Body of the contracting unit 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 the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 2019.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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 or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 8, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Tinton Falls, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Tinton Falls, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Toms River, New Jersey
August 6, 2020