

Report of Audit
on the
Financial Statements
of the
Borough of Tinton Falls
in the
County of Monmouth
New Jersey
for the
Year Ended
December 31, 2020

BOROUGH OF TINTON FALLS

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BOROUGH OF TINTON FALLS

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BOROUGH OF TINTON FALLS

PART I

INDEPENDENT AUDITOR'S REPORT ON
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
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YEAR ENDED DECEMBER 31, 2020 AND 2019



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Tinton Falls
County of Monmouth
Tinton Falls, New Jersey 07724

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Tinton Falls, as of December 31, 2020 the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 Borough of Tinton Falls' 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 Borough of Tinton Falls'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 regulatory financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough of Tinton Falls on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of Tinton Falls as of December 31, 2020 or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2020.

Basis for Qualified Opinion on Statutory Basis of Accounting

The financial activities of the Length of Service Award Program (LOSAP) are presented in the financial statements of the Borough's Trust Fund. These financial statements of the LOSAP have not been audited and were not required to be in accordance with the regulations of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Opinion on Regulatory Basis of Accounting

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

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Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Tinton Falls' regulatory financial statements. The supplementary information, schedules and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

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

Prior Period Financial Statements

The financial statements - regulatory basis of the Borough of Tinton Falls as of December 31, 2019, and for the year then ended, were audited by other auditors whose report dated August 6, 2020, expressed an adverse opinion as to conformity with accounting principles generally accepted in the United States of America and an unmodified opinion as to conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021, on our consideration of the Borough of Tinton Falls' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Tinton Falls' internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 17, 2021



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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**

The Honorable Mayor and Members
of the Borough Council
Borough of Tinton Falls
County of Monmouth
Tinton Falls, New Jersey 07724

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Tinton Falls, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated June 17, 2021. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Tinton Falls prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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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 Borough of Tinton Falls' 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*.

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 of Tinton Falls' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Tinton Falls' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 17, 2021

CURRENT FUND

BOROUGH OF TINTON FALLS

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2020</u> | <u>BALANCE DECEMBER 31, 2019</u> |
|--|-------------|--|--|
| Current Fund: | | | |
| Cash | A-4 | \$ 19,969,224.93 | \$ 19,390,121.20 |
| Change Funds | A-6 | 625.00 | 825.00 |
| Due State of New Jersey-Senior Citizens and Veterans Deductions | A-8 | 2,067.91 | 671.33 |
| | | <u>\$ 19,971,917.84</u> | <u>\$ 19,391,617.53</u> |
| Receivables with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-9 | \$ 726,593.61 | \$ 610,542.79 |
| Tax Title Liens Receivable | A-10 | 105,281.27 | 134,171.32 |
| Debris Lien | A-11 | | 314.78 |
| Revenue Accounts Receivable | A-12 | 8,143.33 | 15,785.65 |
| | A | <u>\$ 840,018.21</u> | <u>\$ 760,814.54</u> |
| | | <u>\$ 20,811,936.05</u> | <u>\$ 20,152,432.07</u> |
| Grant Fund: | | | |
| Cash | A-4 | \$ 270,587.17 | \$ 202,292.96 |
| Grants Receivable | A-24 | | 15,000.00 |
| | | <u>\$ 270,587.17</u> | <u>\$ 217,292.96</u> |
| | | <u>\$ 21,082,523.22</u> | <u>\$ 20,369,725.03</u> |

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

BOROUGH OF TINTON FALLS

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Current Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3:A-13 | \$ 1,885,767.95 | \$ 1,229,928.12 |
| Reserve for Miscellaneous Deposits | A-14 | 8,874.00 | 14,486.00 |
| Tax Overpayments | A-15 | 11,674.74 | 3,020.11 |
| Encumbrances Payable | A-16 | 605,572.52 | 1,276,395.55 |
| Accounts Payable | A-17 | 14,106.00 | 204,535.00 |
| Prepaid Taxes | A-18 | 619,990.39 | 430,171.25 |
| County Taxes Payable | A-19 | 65,980.64 | 144,996.73 |
| Regional School Taxes Payable | A-20 | 3,707,834.77 | 3,502,158.81 |
| Regional High School Taxes Payable | A-21 | 4,959,709.45 | 4,414,372.95 |
| | | <u>\$ 11,879,510.46</u> | <u>\$ 11,220,064.52</u> |
| Reserve for Receivables | A | 840,018.21 | 760,814.54 |
| Fund Balance | A-1 | <u>8,092,407.38</u> | <u>8,171,553.01</u> |
| | | <u>\$ 20,811,936.05</u> | <u>\$ 20,152,432.07</u> |
| Grant Fund: | | | |
| Encumbrances Payable | A-16 | \$ 20,660.63 | \$ 17,838.81 |
| Reserve for Grants-Appropriated | A-25 | <u>249,926.54</u> | <u>199,454.15</u> |
| | | <u>\$ 270,587.17</u> | <u>\$ 217,292.96</u> |
| | | <u>\$ 21,082,523.22</u> | <u>\$ 20,369,725.03</u> |

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

BOROUGH OF TINTON FALLS

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | <u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2020</u> | <u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2019</u> |
|---|-------------|---|---|
| <u>REVENUE AND OTHER INCOME</u> | | | |
| Fund Balance Utilized | A-1:A-2 | \$ 3,625,000.00 | \$ 3,870,000.00 |
| Miscellaneous Revenues Anticipated | A-2 | 6,995,348.59 | 7,453,380.50 |
| Receipts from Delinquent Taxes | A-2 | 655,155.62 | 623,746.17 |
| Receipts from Current Taxes | A-2 | 69,172,353.08 | 67,460,386.05 |
| Non-Budget Revenues | A-2 | 826,150.54 | 965,112.13 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserve | A-13 | 1,369,299.65 | 1,067,605.40 |
| Tax Overpayments Cancelled | | | 12,702.77 |
| Accounts Payable Cancelled | A-16 | 75,311.91 | 118,539.02 |
| <u>Total Income</u> | | <u>\$ 82,718,619.39</u> | <u>\$ 81,571,472.04</u> |
| <u>EXPENDITURES</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Within "CAPS": | | | |
| Operations | A-3 | \$ 18,747,292.00 | \$ 18,669,517.00 |
| Deferred Charges and Statutory | | | |
| Expenditures - Municipal | A-3 | 2,975,176.00 | 2,864,790.00 |
| Excluded from "CAPS" | | | |
| Operations | A-3 | 834,172.97 | 796,041.85 |
| Capital Improvement Fund | A-3 | 575,000.00 | 851,500.00 |
| Municipal Debt Service | A-3 | 2,631,058.68 | 2,631,461.63 |
| County Tax | A-19 | 9,990,371.43 | 9,756,252.47 |
| County Tax for Added and Omitted Taxes | A-19 | 65,980.64 | 144,996.73 |
| Regional District School Tax | A-20 | 25,932,434.00 | 25,280,800.00 |
| Regional District High School Tax | A-21 | 14,459,882.00 | 13,369,209.00 |
| Municipal Open Space Tax | A-22 | 787,041.75 | 768,631.71 |
| Special District Taxes | A-23 | 2,142,730.00 | 2,071,560.00 |
| Refund of Prior Year Revenue | | | 375.00 |
| Refund of Prior Year Tax Appeals | | | 44,540.83 |
| Prior Year Senior Citizens Deductions, net | A-8 | 1,923.29 | 2,791.78 |
| Refund of Prior Year Revenue - Tax Appeals | A-4 | 29,702.26 | |
| <u>Total Expenditures</u> | | <u>\$ 79,172,765.02</u> | <u>\$ 77,252,468.00</u> |
| Excess in Revenue | | \$ 3,545,854.37 | \$ 4,319,004.04 |
| <u>Fund Balance</u> | | | |
| Balance, January 1 | A | 8,171,553.01 | 7,722,548.97 |
| | | <u>\$ 11,717,407.38</u> | <u>\$ 12,041,553.01</u> |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1:A-2 | 3,625,000.00 | 3,870,000.00 |
| Balance, December 31 | A | <u>\$ 8,092,407.38</u> | <u>\$ 8,171,553.01</u> |

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

BOROUGH OF TINTON FALLS

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

| | | ANTICIPATED | | | EXCESS OR (DEFICIT) |
|--|------|------------------|-------------------------------|------------------|---------------------------|
| | REF. | BUDGET | SPECIAL N.J.S. 40A:4-87 | REALIZED | |
| Fund Balance Anticipated | A-1 | \$ 3,625,000.00 | | \$ 3,625,000.00 | |
| Miscellaneous Revenues: | | | | | |
| Alcoholic Beverage Licenses | A-12 | 35,000.00 | | 37,930.00 | 2,930.00 |
| Other Licenses | A-12 | 20,000.00 | | 24,511.00 | 4,511.00 |
| Fees and Permits: | | | | | |
| Construction Code Official | A-12 | 350,000.00 | | 699,536.00 | 349,536.00 |
| Other | A-2 | 325,000.00 | | 248,872.66 | (76,127.34) |
| Fines and Costs - Municipal Court | A-12 | 200,000.00 | | 124,823.51 | (75,176.49) |
| Interest and Costs on Taxes | A-12 | 110,000.00 | | 154,643.08 | 44,643.08 |
| Interest on Investments and Deposits | A-12 | 200,000.00 | | 343,851.13 | 143,851.13 |
| Commercial Garbage Fees | A-12 | 60,000.00 | | 82,023.54 | 22,023.54 |
| Energy Receipts Tax | A-12 | 1,490,459.00 | | 1,490,459.01 | 0.01 |
| Shared Services: | | | | | |
| Municipal Court (Eatontown and Monmouth Beach) | A-12 | 345,000.00 | | 359,215.00 | 14,215.00 |
| Finance (Keyport) | A-12 | 61,200.00 | | 61,200.00 | |
| Drunk Driving Enforcement Fund | A-24 | 31,495.62 | | 31,495.62 | |
| Clean Communities Grant | A-24 | | 41,669.94 | 41,669.94 | |
| State Body Armor Replacement Fund | A-24 | 3,941.32 | | 3,941.32 | |
| Recycling Tonnage Grant | A-24 | 64,153.09 | | 64,153.09 | |
| Hotel Occupany Tax | A-12 | 240,000.00 | | 263,576.31 | 23,576.31 |
| Franchise Fees | A-12 | 299,250.00 | | 299,250.72 | 0.72 |
| Payment in Lieu of Taxes - CommVault | A-12 | 305,333.00 | | 305,333.80 | 0.80 |
| Host Benefit Fees | A-12 | 1,920,000.00 | | 2,206,224.86 | 286,224.86 |
| General Capital Fund Balance | A-12 | 28,000.00 | | 28,000.00 | |
| Open Space Trust - Principal on Bonds | A-12 | 85,000.00 | | 85,000.00 | |
| Open Space Trust - Interest on Bonds | A-12 | 39,638.00 | | 39,638.00 | |
| | A-1 | \$ 6,213,470.03 | \$ 41,669.94 | \$ 6,995,348.59 | \$ 740,208.62 |
| Receipts From Delinquent Taxes | A-2 | \$ 600,000.00 | | \$ 655,155.62 | \$ 55,155.62 |
| Amount to be Raised by Taxes for Support of: Local Tax for Municipal Purposes | A-2 | \$ 16,153,346.16 | | \$ 16,514,531.42 | \$ 361,185.26 |
| <u>Budget Totals</u> | | \$ 26,591,816.19 | \$ 41,669.94 | \$ 27,790,035.63 | \$ 1,156,549.50 |
| Non-Budget Revenues | A-2 | | | 826,150.54 | 826,150.54 |
| | | \$ 26,591,816.19 | \$ 41,669.94 | \$ 28,616,186.17 | \$ 1,982,700.04 |
| REF. | A-3 | | A-3 | | |

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

BOROUGH OF TINTON FALLS

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

| | <u>REF.</u> | |
|---|-------------|-------------------------|
| Allocations of Current Tax Collections: | | |
| Revenues from Collections | A-1:A-9 | \$ 69,172,353.08 |
| Allocated to: | | |
| School Taxes | | \$ 40,392,316.00 |
| County Taxes | | 10,056,352.07 |
| Special District Tax | | 2,142,730.00 |
| Municipal Open Space Tax | | <u>787,041.75</u> |
| | | 53,378,439.82 |
| Balance for Support of Municipal Appropriations | | \$ 15,793,913.26 |
| Add: Appropriation "Reserve for Uncollected Taxes" | A-3 | <u>720,618.16</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | <u>\$ 16,514,531.42</u> |

ANALYSIS OF REALIZED REVENUES

| | | |
|---------------------------------|---------|----------------------|
| Receipts from Delinquent Taxes: | | |
| Delinquent Tax Collections | A-9 | \$ 612,283.11 |
| Tax Title Lien Collections | A-10 | <u>42,872.51</u> |
| | A-1:A-2 | <u>\$ 655,155.62</u> |
| Other Fees and Permits: | | |
| Building Department | A-12 | \$ 157,025.00 |
| Police | A-12 | 11,210.95 |
| Zoning | A-12 | 4,716.00 |
| Planning | A-12 | 53,535.26 |
| Recreation | A-12 | 17,471.45 |
| Street Openings | A-12 | 4,314.00 |
| Tax Assessor | A-12 | <u>600.00</u> |
| | A-2 | <u>\$ 248,872.66</u> |

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

BOROUGH OF TINTON FALLS

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

Miscellaneous Revenue Not Anticipated:

Payment in Lieu of Taxes:

| | | |
|---|----|-----------|
| Tinton Falls Senior Living | \$ | 39,260.00 |
| Pines II Meadowbrook Apartments | | 59,237.00 |
| Meadowbrook II | | 36,232.00 |
| Pines I at Tinton Falls | | 51,969.00 |
| Radar Properties Urban Renewal | | 35,106.65 |
| Charles Wood Property Urban Renewal | | 51,989.33 |
| Trinity Hall - Municipal services Agreement | | 8,000.00 |
| Ranney School - Municipal Services Agreement | | 37,826.73 |
| Fire Safety - LEA | | 44,353.44 |
| Fire Prevention Fees | | 84,414.00 |
| NJ Inspection Fines | | 1,270.67 |
| 6% Tax Penalties | | 16,395.26 |
| Garabage Can Fees | | 2,970.00 |
| Prior Year Reimbursements | | 529.74 |
| Auction of Municipal Properties | | 38,874.49 |
| NSF Fees | | 340.00 |
| Copies | | 13.85 |
| Miscellaneous | | 675.65 |
| Municipal Court Reconciling Items | | 1,943.00 |
| Senior Citizens & Veterans State Administrative Fees (2%) | | 2,898.60 |
| Inspection Fees - Street Openings | | 8,220.00 |
| AT&T Cell Site Lease | | 57,466.89 |
| T-Mobile Cell Site Lease | | 41,873.31 |
| Vending Commission | | 146.00 |
| ATM Commission | | 56.25 |
| JIF Dividend | | 41,906.00 |
| Debris Lien | | 314.78 |
| Checks Voided | | 4,860.86 |
| CARES Act Reimbursements (Non-Budgeted) | | 73,107.04 |
| Monmouth Regional - Resource Officer | | 24,000.00 |
| Tax Sale Premiums Lapsed | | 59,900.00 |

A-1:A-2

\$ 826,150.54

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

BOROUGH OF TINTON FALLS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

| | APPROPRIATIONS | | PAID OR CHARGED | RESERVED | UNEXPENDED BALANCE CANCELLED |
|--|----------------|------------------------------|--------------------|--------------|------------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | | |
| OPERATIONS WITHIN "CAPS" | | | | | |
| GENERAL GOVERNMENT | | | | | |
| General Administration: | | | | | |
| Salaries and Wages | \$ 420,000.00 | \$ 420,000.00 | \$ 405,704.76 | \$ 14,295.24 | \$ |
| Other Expenses - Miscellaneous | 35,855.00 | 35,855.00 | 22,779.84 | 13,075.16 | |
| Other Expenses - Information Technology | 127,000.00 | 152,000.00 | 144,223.05 | 7,776.95 | |
| Human Resources: | | | | | |
| Salaries and Wages | 113,600.00 | 113,600.00 | 104,001.58 | 9,598.42 | |
| Other Expenses | 27,000.00 | 27,000.00 | 25,862.61 | 1,137.39 | |
| Office of the Mayor: | | | | | |
| Salaries and Wages | 6,001.00 | 6,001.00 | 6,000.02 | 0.98 | |
| Other Expenses | 1,575.00 | 1,575.00 | 25.00 | 1,550.00 | |
| Borough Council: | | | | | |
| Salaries and Wages | 23,001.00 | 23,001.00 | 23,000.38 | 0.62 | |
| Other Expenses | 5,900.00 | 5,900.00 | 1,104.00 | 4,796.00 | |
| Municipal Clerk: | | | | | |
| Salaries and Wages | 198,000.00 | 198,000.00 | 176,742.36 | 21,257.64 | |
| Other Expenses - Miscellaneous | 54,000.00 | 54,000.00 | 32,720.06 | 21,279.94 | |
| Other Expenses - Rev. and Codification of Ordinances | 35,000.00 | 35,000.00 | | 35,000.00 | |
| Finance: | | | | | |
| Salaries and Wages | 223,000.00 | 223,000.00 | 221,602.80 | 1,397.20 | |
| Other Expenses | 11,200.00 | 11,200.00 | 9,127.97 | 2,072.03 | |
| Annual Audit: | | | | | |
| Other Expenses | 29,000.00 | 29,000.00 | 29,000.00 | | |
| Division of Revenue: | | | | | |
| Salaries and Wages | 209,000.00 | 209,000.00 | 207,666.99 | 1,333.01 | |
| Other Expenses | 18,600.00 | 18,600.00 | 14,008.63 | 4,591.37 | |
| Assessment of Taxes: | | | | | |
| Salaries and Wages | 108,100.00 | 108,100.00 | 108,045.42 | 54.58 | |
| Other Expenses | 78,045.00 | 78,045.00 | 66,318.07 | 11,726.93 | |
| Division of Central Services: | | | | | |
| Salaries and Wages | 64,100.00 | 64,100.00 | 50,462.64 | 13,637.36 | |
| Other Expenses | 39,200.00 | 39,200.00 | 22,262.52 | 16,937.48 | |
| Legal Services and Costs: | | | | | |
| Other Expenses | 310,000.00 | 310,000.00 | 268,325.58 | 41,674.42 | |

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

BOROUGH OF TINTON FALLS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

| | APPROPRIATIONS | | PAID OR CHARGED | RESERVED | UNEXPENDED BALANCE CANCELLED |
|--|----------------|------------------------------|--------------------|-------------|------------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | | |
| <u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u> | | | | | |
| <u>GENERAL GOVERNMENT</u> | | | | | |
| Engineering Services: | | | | | |
| Other Expenses | \$ | 110,000.00 \$ | 108,500.00 \$ | 1,500.00 \$ | |
| Historic Sites Office: | | | | | |
| Other Expenses | 5,000.00 | 5,000.00 | 3,473.48 | 1,526.52 | |
| Planning Board: | | | | | |
| Salaries and Wages | 29,100.00 | 29,100.00 | 23,158.21 | 5,941.79 | |
| Other Expenses | 50,570.00 | 50,570.00 | 31,994.10 | 18,575.90 | |
| Zoning Board: | | | | | |
| Salaries and Wages | 29,000.00 | 29,000.00 | 25,038.87 | 3,961.13 | |
| Other Expenses | 34,400.00 | 34,400.00 | 28,116.01 | 6,283.99 | |
| Division of Housing | | | | | |
| Other Expenses | 26,000.00 | 26,000.00 | 384.31 | 25,615.69 | |
| Insurance: | | | | | |
| General Liability Insurance | 377,000.00 | 377,000.00 | 377,000.00 | | |
| Worker's Compensation Insurance | 196,000.00 | 196,000.00 | 196,000.00 | | |
| Group Health Insurance | 2,650,000.00 | 2,636,500.00 | 2,355,370.04 | 181,129.96 | |
| Unemployment Insurance | 25,000.00 | 25,000.00 | 25,000.00 | | |
| <u>PUBLIC SAFETY</u> | | | | | |
| Police: | | | | | |
| Salaries and Wages | 5,652,000.00 | 5,652,000.00 | 5,508,458.47 | 143,541.53 | |
| Other Expenses | 291,440.00 | 291,440.00 | 285,591.37 | 5,848.63 | |
| Emergency Management Services: | | | | | |
| Salaries and Wages | 64,000.00 | 64,000.00 | 52,739.51 | 11,260.49 | |
| Other Expenses | 40,000.00 | 40,000.00 | 22,297.12 | 17,702.88 | |
| Aid to Volunteer Emergency Medical Services: | | | | | |
| Other Expenses | 100,000.00 | 100,000.00 | 100,000.00 | | |
| Fire Prevention: | | | | | |
| Salaries and Wages | 137,000.00 | 137,000.00 | 101,187.43 | 35,812.57 | |
| Other Expenses | 7,230.00 | 7,230.00 | 6,032.35 | 1,197.65 | |
| 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 | |

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

BOROUGH OF TINTON FALLS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

| | <u>APPROPRIATIONS</u> | | <u>PAID OR</u> | <u>RESERVED</u> | <u>UNEXPENDED</u> |
|---|-----------------------|---------------------|----------------|-----------------|-------------------|
| | <u>BUDGET</u> | <u>BUDGET AFTER</u> | <u>CHARGED</u> | | <u>BALANCE</u> |
| | | <u>MODIFICATION</u> | | | <u>CANCELLED</u> |
| <u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u> | | | | | |
| <u>PUBLIC WORKS</u> | | | | | |
| Division of Streets: | | | | | |
| Salaries and Wages | \$ 547,300.00 | \$ 547,300.00 | \$ 520,413.82 | \$ 26,886.18 | \$ |
| Other Expenses | 211,000.00 | 151,000.00 | 100,484.42 | 50,515.58 | |
| Division of Sanitation: | | | | | |
| Salaries and Wages | 1,235,500.00 | 1,182,500.00 | 1,050,152.86 | 132,347.14 | |
| Other Expenses | 18,500.00 | 23,500.00 | 21,665.25 | 1,834.75 | |
| Division of Buildings and Grounds: | | | | | |
| Salaries and Wages | 367,000.00 | 346,000.00 | 306,836.82 | 39,163.18 | |
| Other Expenses | 141,500.00 | 141,500.00 | 134,099.95 | 7,400.05 | |
| Division of Central Maintenance: | | | | | |
| Salaries and Wages | 523,000.00 | 523,000.00 | 502,064.58 | 20,935.42 | |
| Other Expenses | 420,000.00 | 525,000.00 | 504,546.45 | 20,453.55 | |
| Community Services Act: | | | | | |
| Other Expenses | 130,000.00 | 130,000.00 | 70,156.13 | 59,843.87 | |
| Shade Tree Commission: | | | | | |
| Other Expenses | 1,400.00 | 1,400.00 | 540.46 | 859.54 | |
| <u>HEALTH AND WELFARE</u> | | | | | |
| Division of Health: | | | | | |
| Other Expenses | 176,400.00 | 176,400.00 | 176,377.00 | 23.00 | |
| NJ Public Employees Occupational Safety and Health: | | | | | |
| Other Expenses | 3,500.00 | 3,500.00 | | 3,500.00 | |
| Environmental Health Services: | | | | | |
| Other Expenses | 3,100.00 | 3,100.00 | 450.00 | 2,650.00 | |
| Animal Control Services: | | | | | |
| Other Expenses | 27,000.00 | 27,000.00 | 27,000.00 | | |
| Contributions to Social Service Agencies | | | | | |
| Other Expenses | 19,450.00 | 19,450.00 | 8,060.00 | 11,390.00 | |
| <u>PARKS AND RECREATION:</u> | | | | | |
| Division of Recreation: | | | | | |
| Salaries and Wages | 360,800.00 | 360,800.00 | 227,664.06 | 133,135.94 | |
| Other Expenses | 157,260.00 | 157,260.00 | 63,547.08 | 93,712.92 | |
| Maintenance of Parks: | | | | | |
| Salaries and Wages | 386,000.00 | 386,000.00 | 367,667.83 | 18,332.17 | |
| Other Expenses | 56,000.00 | 56,000.00 | 46,063.28 | 9,936.72 | |

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

BOROUGH OF TINTON FALLS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

| | APPROPRIATIONS | | PAID OR CHARGED | RESERVED | UNEXPENDED BALANCE CANCELLED |
|--|------------------|------------------------------|--------------------|-----------------|------------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | | |
| <u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u> | | | | | |
| Municipal Court: | | | | | |
| Salaries and Wages | \$ 274,000.00 | \$ 274,000.00 | 252,022.52 | \$ 21,977.48 | \$ |
| Other Expenses | 34,955.00 | 34,955.00 | 18,220.68 | 16,734.32 | |
| Public Defender: | | | | | |
| Salaries and Wages | 21,505.00 | 21,505.00 | 21,500.18 | 4.82 | |
| Other Expenses | 800.00 | 800.00 | | 800.00 | |
| Construction Code Official: | | | | | |
| Salaries and Wages | 351,000.00 | 351,000.00 | 350,941.19 | 58.81 | |
| Other Expenses | 9,970.00 | 9,970.00 | 6,767.60 | 3,202.40 | |
| Division of Code Enforcement: | | | | | |
| Salaries and Wages | 79,900.00 | 79,900.00 | 55,214.43 | 24,685.57 | |
| Other Expenses | 41,830.00 | 41,830.00 | 33,483.86 | 8,346.14 | |
| <u>UNCLASSIFIED</u> | | | | | |
| Utilities: | | | | | |
| Telephone | 108,200.00 | 108,200.00 | 51,095.56 | 57,104.44 | |
| Electricity | 187,000.00 | 187,000.00 | 157,229.06 | 29,770.94 | |
| Gasoline and Diesel Fuel | 280,000.00 | 280,000.00 | 154,201.57 | 125,798.43 | |
| Water | 19,000.00 | 19,000.00 | 18,081.73 | 918.27 | |
| Street Lighting | 103,000.00 | 103,000.00 | 90,892.47 | 12,107.53 | |
| Natural Gas | 53,000.00 | 53,000.00 | 44,307.45 | 8,692.55 | |
| Telecommunications | 93,000.00 | 93,000.00 | 68,509.42 | 24,490.58 | |
| Landfill/Solid Waste Disposal Costs | 275,000.00 | 315,000.00 | 277,425.76 | 37,574.24 | |
| Accumulated Absences Compensation | 100,000.00 | 100,000.00 | 100,000.00 | | |
| <u>TOTAL OPERATIONS WITHIN "CAPS"</u> | \$ 18,819,792.00 | \$ 18,747,292.00 | \$ 17,054,809.06 | \$ 1,692,482.94 | \$ |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u> | | | | | |
| Statutory Expenditures: | | | | | |
| Contribution to: | | | | | |
| Public Employees' Retirement System | 654,988.00 | 654,988.00 | 654,988.00 | | |
| Social Security System (OASI) | 801,200.00 | 801,200.00 | 753,323.09 | 47,876.91 | |
| Police and Firemen's Retirement System of NJ | 1,450,988.00 | 1,509,988.00 | 1,509,022.26 | 965.74 | |
| Defined Contribution Retirement Program | 9,000.00 | 9,000.00 | 3,367.31 | 5,632.69 | |
| <u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u> | \$ 2,916,176.00 | \$ 2,975,176.00 | \$ 2,920,700.66 | \$ 54,475.34 | \$ |
| <u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u> | \$ 21,735,968.00 | \$ 21,722,468.00 | \$ 19,975,509.72 | \$ 1,746,958.28 | \$ |

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

BOROUGH OF TINTON FALLS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

| | APPROPRIATIONS | | PAID OR CHARGED | RESERVED | UNEXPENDED BALANCE CANCELLED |
|--|----------------------|------------------------------|----------------------|----------------------|------------------------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | | | |
| <u>OPERATIONS EXCLUDED FROM "CAPS"</u> | | | | | |
| Length of Service Award Program | \$ 46,000.00 | \$ 46,000.00 | | \$ 46,000.00 | |
| NJPDES Stormwater Permit (NJSA 40A4-45.39(cc)) | 14,075.00 | 14,075.00 | 13,534.43 | 540.57 | |
| Recycling Tax (NJSA 13:1E-96.5) | 3,000.00 | 3,500.00 | 2,959.71 | 540.29 | |
| Shared Services: | | | | | |
| Dispatch/911 - County of Monmouth | 285,278.00 | 285,278.00 | 285,278.00 | | |
| Municipal Court - Monmouth Beach and Eatontown: | | | | | |
| Salaries & Wages | 220,000.00 | 220,000.00 | 193,934.21 | 26,065.79 | |
| Other Expenses | 58,000.00 | 58,000.00 | 26,861.78 | 31,138.22 | |
| Tax Collector - Borough of Keyport: | | | | | |
| Salaries & Wages | 61,200.00 | 61,200.00 | 61,200.00 | | |
| TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS" | \$ 687,553.00 | \$ 688,053.00 | \$ 583,768.13 | \$ 104,284.87 | \$ |
| <u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY</u> | | | | | |
| <u>REVENUE</u> | | | | | |
| Drunk Driving Enforcement Fund | 31,495.62 | 31,495.62 | 31,495.62 | | |
| Body Armor Replacement Fund | 3,941.32 | 3,941.32 | 3,941.32 | | |
| Recycling Tonnage Grant | 64,153.09 | 64,153.09 | 64,153.09 | | |
| Clean Communities Grant (40A:4-87 +47,669.94) | | | 41,669.94 | | |
| Supplemental Fire Services - Fire District Payment | 4,860.00 | 4,860.00 | 4,860.00 | | |
| TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY | \$ 104,450.03 | \$ 146,119.97 | \$ 146,119.97 | \$ | \$ |
| <u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u> | | | | | |
| Capital Improvement Fund | 50,000.00 | 50,000.00 | 50,000.00 | | |
| Acquisition of Automation Refuse Containers | 40,000.00 | 53,000.00 | 52,555.00 | 445.00 | |
| Upgrades to Sanitation Truck | 35,000.00 | 35,000.00 | 29,010.20 | 5,989.80 | |
| Upgrades to Command Truck - Police | 90,000.00 | 90,000.00 | 61,910.00 | 28,090.00 | |
| Acquisition of Wheel Loader with Bucket | 190,000.00 | 190,000.00 | 190,000.00 | | |
| Acquisition of Backhoe | 132,000.00 | 132,000.00 | 132,000.00 | | |
| Upgrades to Traffic Safety Truck | 25,000.00 | 25,000.00 | 25,000.00 | | |
| Improvements to Library | 150,000.00 | 150,000.00 | | | 150,000.00 |
| TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS" | \$ 712,000.00 | \$ 725,000.00 | \$ 540,475.20 | \$ 34,524.80 | \$ 150,000.00 |

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

BOROUGH OF TINTON FALLS

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

| | <u>APPROPRIATIONS</u> | | <u>BUDGET AFTER</u> | <u>PAID OR</u> | <u>RESERVED</u> | <u>UNEXPENDED</u> |
|---|-------------------------|-----------|----------------------|-------------------------|------------------------|----------------------|
| | <u>BUDGET</u> | | <u>MODIFICATION</u> | <u>CHARGED</u> | | <u>BALANCE</u> |
| | | | | | | <u>CANCELLED</u> |
| <u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u> | | | | | | |
| Payment of Bond Principal | \$ 1,640,000.00 | \$ | 1,640,000.00 | \$ 1,640,000.00 | \$ | \$ |
| Payment of Bond Anticipation Note | 430,000.00 | | 430,000.00 | 430,000.00 | | |
| Interest on Bonds | 467,488.00 | | 467,488.00 | 467,319.80 | | 168.20 |
| Interest on Notes | 93,739.00 | | 93,739.00 | 93,738.88 | | 0.12 |
| <u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u> | <u>\$ 2,631,227.00</u> | <u>\$</u> | <u>2,631,227.00</u> | <u>\$ 2,631,058.68</u> | <u>\$</u> | <u>168.32</u> |
| <u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u> | <u>\$ 4,135,230.03</u> | <u>\$</u> | <u>4,190,399.97</u> | <u>\$ 3,901,421.98</u> | <u>\$ 138,809.67</u> | <u>\$ 150,168.32</u> |
| <u>SUB-TOTAL GENERAL APPROPRIATIONS</u> | <u>\$ 25,871,198.03</u> | <u>\$</u> | <u>25,912,867.97</u> | <u>\$ 23,876,931.70</u> | <u>\$ 1,885,767.95</u> | <u>\$ 150,168.32</u> |
| <u>RESERVE FOR UNCOLLECTED TAXES</u> | <u>720,618.16</u> | | <u>720,618.16</u> | <u>720,618.16</u> | | |
| <u>TOTAL GENERAL APPROPRIATIONS</u> | <u>\$ 26,591,816.19</u> | <u>\$</u> | <u>26,633,486.13</u> | <u>\$ 24,597,549.86</u> | <u>\$ 1,885,767.95</u> | <u>\$ 150,168.32</u> |
| <u>REF.</u> | <u>A-2</u> | | | <u>A-1</u> | <u>A-A-1</u> | |
| Budget | | \$ | 26,591,816.19 | | | |
| Budget Amendments | | | 41,669.94 | | | |
| | | \$ | <u>26,633,486.13</u> | | | |
| Cash Disbursements - Net | A-4 | \$ | 23,130,099.21 | | | |
| Reserve for Encumbrances | A-16 | | 605,572.52 | | | |
| Reserve for Grants Appropriated | A-25 | | 141,259.97 | | | |
| Reserve for Uncollected Taxes | A-2 | | <u>720,618.16</u> | | | |
| | | \$ | <u>24,597,549.86</u> | | | |

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

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TRUST FUND

"B"

BOROUGH OF TINTON FALLS

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

| | | | BALANCE DECEMBER 31, 2020 | BALANCE DECEMBER 31, 2019 |
|---|-------------|----|---------------------------------|---------------------------------|
| | <u>REF.</u> | | | |
| <u>ASSETS</u> | | | | |
| Animal Control Fund: | | | | |
| Cash and Cash Equivalents | B-1 | \$ | 8,338.64 | \$ 5,304.34 |
| | | \$ | 8,338.64 | \$ 5,304.34 |
| Open Space Trust Fund: | | | | |
| Cash and Cash Equivalents | B-1 | | 174,041.17 | 1,022,644.49 |
| | | | 174,041.17 | 1,022,644.49 |
| Other Funds: | | | | |
| Cash and Cash Equivalents | B-1 | \$ | 4,232,378.21 | \$ 4,561,449.42 |
| Mortgage Receivable | | | 300,000.00 | 300,000.00 |
| | | \$ | 4,532,378.21 | \$ 4,861,449.42 |
| Length of Service Award Program Fund (LOSAP): | | | | |
| Investments (Unaudited) | B-7 | | 751,797.50 | 611,995.13 |
| | | \$ | 5,466,555.52 | \$ 6,501,393.38 |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | | |
| Animal Control Fund: | | | | |
| Reserve for Animal Control Expenditures | B-2 | \$ | 2,562.94 | \$ 2,355.44 |
| Due State of New Jersey | B-3 | | 10.20 | 2.40 |
| Encumbrances Payable | B-6 | | 5,755.50 | 2,946.50 |
| Prepaid Licences | B-1 | | 10.00 | |
| | | \$ | 8,338.64 | \$ 5,304.34 |
| Open Space Trust Fund: | | | | |
| Reserve for Open Space Trust | B-4 | | 98,105.00 | 1,014,517.04 |
| Encumbrances Payable | B-6 | | 75,936.17 | 8,127.45 |
| | | | 174,041.17 | 1,022,644.49 |
| Other Funds: | | | | |
| Various Trust Reserves | B-5 | \$ | 4,072,607.81 | \$ 4,395,255.35 |
| Encumbrances Payable | B-6 | | 159,770.40 | 166,194.07 |
| Reserve for Mortgage Receivable | | | 300,000.00 | 300,000.00 |
| | | \$ | 4,532,378.21 | \$ 4,861,449.42 |
| Length of Service Award Program Fund (LOSAP): | | | | |
| Miscellaneous Reserves (Unaudited) | | | 751,797.50 | 611,995.13 |
| | | \$ | 5,466,555.52 | \$ 6,501,393.38 |

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u> |
|---|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash | C-2:C-3 | \$ 2,634,243.06 | \$ 1,019,432.20 |
| Grants Receivable | C-6 | 571,250.00 | 371,250.00 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 10,110,000.00 | 12,195,000.00 |
| Unfunded | C-5 | <u>8,817,000.00</u> | <u>6,925,000.00</u> |
| | | \$ <u><u>22,132,493.06</u></u> | \$ <u><u>20,510,682.20</u></u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| General Serial Bonds | C-7 | \$ 10,110,000.00 | \$ 12,195,000.00 |
| Bond Anticipation Notes | C-8 | 7,495,000.00 | 4,700,000.00 |
| Improvement Authorizations: | | | |
| Funded | C-9 | 53,421.14 | 265,096.54 |
| Unfunded | C-9 | 2,576,057.83 | 2,351,393.76 |
| Capital Improvement Fund | C-10 | 64,163.00 | 14,163.00 |
| Contracts Payable | C-11 | 1,637,199.78 | 791,601.30 |
| Various Reserves | C-12 | 191,652.56 | 165,096.36 |
| Fund Balance | C-1 | <u>4,998.75</u> | <u>28,331.24</u> |
| | | \$ <u><u>22,132,493.06</u></u> | \$ <u><u>20,510,682.20</u></u> |

There were Bonds and Notes Authorized but not Issued of \$1,322,000.00 and \$2,225,000.00 at December 31, 2020 and 2019 respectively.

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

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE-REGULATORY BASIS

| | <u>REF.</u> | | |
|---|-------------|----|------------------------|
| Balance, December 31, 2019 | C | \$ | 28,331.24 |
| Increased by: | | | |
| Premium on Bond Anticipation Notes Issued | C-2 | \$ | <u>4,667.51</u> |
| Improvement Authorization Cancelled | C-9 | | <u>4,667.51</u> |
| | | | <u>32,998.75</u> |
| Decreased by: | | | |
| Anticipated in Current Fund Budget | C-2 | \$ | <u>28,000.00</u> |
| | | | <u>28,000.00</u> |
| Balance, December 31, 2020 | C | \$ | <u><u>4,998.75</u></u> |

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

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SEWER UTILITY FUND

BOROUGH OF TINTON FALLS
SEWER UTILITY FUND
BALANCE SHEETS - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2020</u> | <u>BALANCE DECEMBER 31, 2019</u> |
|---------------------------------|-------------|--|--|
| Operating Fund: | | | |
| Cash | D-5 | \$ 4,566,962.26 | \$ 4,522,230.75 |
| Change Fund | D | 50.00 | 50.00 |
| | | <u>4,567,012.26</u> | <u>4,522,280.75</u> |
| Receivables with Full Reserves: | | | |
| Consumer Accounts Receivable | D-7 | <u>155,919.41</u> | <u>139,953.38</u> |
| <u>Total Operating Fund</u> | | <u>4,722,931.67</u> | <u>4,662,234.13</u> |
| Capital Fund: | | | |
| Cash | D-5; D-6 | 4,678.64 | 15,013.47 |
| Fixed Capital | D-13 | <u>12,659,481.10</u> | <u>12,029,375.74</u> |
| <u>Total Capital Fund</u> | | <u>12,664,159.74</u> | <u>12,044,389.21</u> |
| | | <u>\$ 17,387,091.41</u> | <u>\$ 16,706,623.34</u> |

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

BOROUGH OF TINTON FALLS
SEWER UTILITY FUND
BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Operating Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | D-4:D-9 | \$ 583,949.96 | \$ 639,432.52 |
| Prepaid Sewer Rents | D-8 | 567,984.53 | 604,882.69 |
| Encumbrances Payable | D-10 | 164,295.67 | 926,792.33 |
| Accounts Payable | D-11 | 260,990.05 | 54,154.25 |
| | | <u>1,577,220.21</u> | <u>2,225,261.79</u> |
| Reserve for Receivables | D | 155,919.41 | 139,953.38 |
| Fund Balance | D-1 | <u>2,989,792.05</u> | <u>2,297,018.96</u> |
| <u>Total Operating Fund</u> | | <u>4,722,931.67</u> | <u>4,662,234.13</u> |
| Capital Fund: | | | |
| Contracts Payable | D-14 | | 10,334.83 |
| Reserve for Amortization | D-15 | 12,659,481.10 | 12,029,375.74 |
| Fund Balance | D-2 | <u>4,678.64</u> | <u>4,678.64</u> |
| <u>Total Capital Fund</u> | | <u>12,664,159.74</u> | <u>12,044,389.21</u> |
| | | <u>\$ 17,387,091.41</u> | <u>\$ 16,706,623.34</u> |

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

BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | <u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2020</u> | <u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2019</u> |
|---|-------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Fund Balance Utilized | D-3 | \$ 907,200.00 | \$ 1,575,000.00 |
| Sewer Rents | D-3 | 4,179,797.10 | 4,459,720.58 |
| Non-Budget Revenue | D-3 | 743,147.62 | 345,291.52 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | D-9 | 671,292.56 | 525,350.67 |
| Cancel Accounts Payable | D-11 | <u>12,507.79</u> | <u>1,110.99</u> |
| <u>TOTAL INCOME</u> | | <u>6,513,945.07</u> | <u>6,906,473.76</u> |
| <u>EXPENDITURES</u> | | | |
| Operating | D-4 | 4,560,700.00 | 4,677,570.00 |
| Capital Improvements | D-4 | 220,000.00 | 865,000.00 |
| Deferred Charged and Statutory Expenditures | D-4 | 126,500.00 | 132,500.00 |
| Refund of Prior Year Revenue | D-5 | <u>6,771.98</u> | |
| <u>TOTAL EXPENDITURES</u> | | <u>4,913,971.98</u> | <u>5,675,070.00</u> |
| Excess in Revenue | | 1,599,973.09 | 1,231,403.76 |
| <u>Fund Balance</u> | | | |
| Balance, January 1 | D | <u>2,297,018.96</u> | <u>2,640,615.20</u> |
| | | 3,896,992.05 | 3,872,018.96 |
| Decreased by: | | | |
| Utilization by Sewer Utility Operating Budget | D-1:D-3 | <u>907,200.00</u> | <u>1,575,000.00</u> |
| Balance, December 31 | D | <u>\$ 2,989,792.05</u> | <u>\$ 2,297,018.96</u> |

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

BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

STATEMENTS OF CHANGE IN CAPITAL FUND BALANCE - REGULATORY BASIS

REF.

Balance, December 31, 2019 and
December 31, 2020

D

\$ 4,678.64

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

BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

| | <u>REF.</u> | <u>ANTICIPATED</u> | <u>REALIZED</u> | <u>EXCESS OR (DEFICIT)</u> |
|--------------------------|-------------|------------------------|------------------------|--------------------------------|
| Fund Balance Anticipated | D-1 | \$ 907,200.00 | \$ 907,200.00 | \$ |
| Sewer Rents | D-1:D-3 | 4,000,000.00 | 4,179,797.10 | 179,797.10 |
| Miscellaneous Revenue | D-1:D-3 | | 743,147.62 | 743,147.62 |
| | D-4 | \$ <u>4,907,200.00</u> | \$ <u>5,830,144.72</u> | \$ <u>922,944.72</u> |

ANALYSIS OF REALIZED REVENUE

Sewer Fees:

Treasurer:

| | | | |
|-----------------|-----|-------------------|------------------------|
| Cash Received | D-7 | \$ 3,574,914.41 | |
| Prepaid Applied | D-7 | <u>604,882.69</u> | |
| | D-3 | | \$ <u>4,179,797.10</u> |

Miscellaneous Revenue Not Anticipated:

| | | | |
|-------------------------|---------|---------------|----------------------|
| Interest on Investments | | \$ 61,413.29 | |
| Interest on Sewer rents | | 27,895.33 | |
| Connection Fees | | 653,679.00 | |
| Miscellaneous | | <u>160.00</u> | |
| | D-3;D-5 | | \$ <u>743,147.62</u> |

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

BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | |
|--|------------------------|--------------------------------------|----------------------------|----------------------|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> |
| Operating: | | | | |
| Salaries and Wages | \$ 634,000.00 | \$ 634,000.00 | \$ 584,049.11 | \$ 49,950.89 |
| Other Expenses | 3,926,700.00 | 3,926,700.00 | 3,418,454.11 | 508,245.89 |
| <u>Total Operating</u> | <u>4,560,700.00</u> | <u>4,560,700.00</u> | <u>4,002,503.22</u> | <u>558,196.78</u> |
| Capital Improvements: | | | | |
| Capital Outlay | 220,000.00 | 220,000.00 | 201,567.00 | 18,433.00 |
| <u>Total Capital Improvements</u> | <u>220,000.00</u> | <u>220,000.00</u> | <u>201,567.00</u> | <u>18,433.00</u> |
| Statutory Expenditures: | | | | |
| Contributions to: | | | | |
| Public Employees Retirement System | 73,000.00 | 73,000.00 | 73,000.00 | |
| Social Security System (O.A.S.I.) | 52,000.00 | 52,000.00 | 44,679.82 | 7,320.18 |
| Unemployment Compensation Insurance | 1,500.00 | 1,500.00 | 1,500.00 | |
| <u>Total Deferred Charges and Statutory Expenditures</u> | <u>126,500.00</u> | <u>126,500.00</u> | <u>119,179.82</u> | <u>7,320.18</u> |
| | <u>\$ 4,907,200.00</u> | <u>\$ 4,907,200.00</u> | <u>\$ 4,323,250.04</u> | <u>\$ 583,949.96</u> |
| | | | D-1 | D; D-1 |
| Cash Disbursements | | | \$ 4,158,954.37 | |
| Encumbrances Payable | | | 164,295.67 | |
| | | | <u>\$ 4,323,250.04</u> | |

REF.
D-5
D-10

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

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GENERAL FIXED ASSET ACCOUNT GROUP

"E"

BOROUGH OF TINTON FALLS
GENERAL FIXED ASSETS ACCOUNT GROUP
BALANCE SHEET - REGULATORY BASIS

| | BALANCE DECEMBER <u>31, 2020</u> | BALANCE DECEMBER <u>31, 2019</u> |
|-------------------------------------|--|--|
| Fixed Assets: | | |
| 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 and Equipment | <u>9,906,824.73</u> | <u>12,268,920.90</u> |
| <u>Total Fixed Assets</u> | \$ <u>54,255,271.47</u> \$ | <u>56,617,367.64</u> |
| Reserve: | | |
| Investments in General Fixed Assets | \$ <u>54,255,271.47</u> \$ | <u>56,617,367.64</u> |

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF TINTON FALLS

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Tinton Falls is an instrumentality of the State of New Jersey, established to function as a municipality. 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 Borough. It was renamed "Tinton Falls" in 1975. 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.

Except as noted below, the financial statements of the Borough of Tinton Falls include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Tinton Falls, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Tinton Falls do not include the operations of the Regional and Regional High School School Districts and Fire Districts, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Tinton Falls conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Under this method of accounting, the financial transactions and accounts of the Borough of Tinton Falls are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity.

As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose for which each reserve was created as well as records resources and expenditures for payroll purposes.

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

Sewer Utility Fund – records resources and expenditures for the operations and acquisition of capital equipment and facilities of the municipally owned Water Utility.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenue when anticipated in the Borough's budget.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues (Continued) - Receivables for property taxes are recorded with offsetting reserves on the balance sheet 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 revenue when received. 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. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - N.J.A.C 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized in their own respective funds.

The General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported in the financial statements.

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

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

Fixed Capital - Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Sewer Utility (Continued)

The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Accounting and Financial Reporting for Pensions

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (an amendment of GASB Statement No. 68), local government employers (or non-employer contributing entity in a special funding situation) are required to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year.

If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize their proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources on the Statement of Net Position and the proportionate share of the pension related expense on the Statement of Activities.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan).

The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2020 was not available, therefore the information dated June 30, 2019 is disclosed.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository.

A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department.

When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Borough of Tinton Falls had the following cash and cash equivalents at December 31, 2020:

| <u>Fund</u> | <u>Cash in Bank</u> | <u>Reconciling Items</u> | <u>Change Funds</u> | <u>Total</u> |
|-------------------------------|-------------------------|------------------------------|-------------------------|------------------------|
| Checking Accounts | \$35,158,954.84 | (\$3,955,233.43) | | \$31,203,721.41 |
| NJ Cash Management Fund | 656,732.67 | | | 656,732.67 |
| Change Funds | | | 675.00 | 675.00 |
| | <u>\$35,815,687.51</u> | <u>(\$3,955,233.43)</u> | <u>\$675.00</u> | <u>\$31,861,129.08</u> |

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. 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, 2020, the Borough's bank balance of \$35,815,687.51 was insured or collateralized as follows:

| | |
|---------------------------------|------------------------|
| Insured under FDIC and GUDPA | \$33,271,528.42 |
| New Jersey Cash Management Fund | 656,732.67 |
| Uninsured and Uncollateralized | <u>1,887,426.42</u> |
| | <u>\$35,815,687.51</u> |

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for Investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2020, the Borough has \$656,732.67 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: GOVERNMENTAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

**SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT
OPERATING DEBT AND TYPE II SCHOOL DEBT)**

| | <u>YEAR 2020</u> | <u>YEAR 2019</u> | <u>YEAR 2018</u> |
|---|-------------------------------|-------------------------------|-------------------------------|
| Issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | <u>\$17,605,000.00</u> | <u>\$16,895,000.00</u> | <u>\$18,894,000.00</u> |
| Net Debt Issued | <u>\$17,605,000.00</u> | <u>\$16,895,000.00</u> | <u>\$18,894,000.00</u> |
| Less: Open Space Debt - Trust Fund Tax | <u>3,247,000.00</u> | <u>1,070,000.00</u> | <u>1,155,000.00</u> |
| Net Debt Issued | <u><u>\$14,358,000.00</u></u> | <u><u>\$15,825,000.00</u></u> | <u><u>\$17,739,000.00</u></u> |
| <u>Authorized but not Issued</u> | | | |
| General: | | | |
| Bonds and Notes | <u>\$1,322,000.00</u> | <u>\$2,225,000.00</u> | |
| Total Authorized but not Issued | <u>\$1,322,000.00</u> | <u>\$2,225,000.00</u> | |
| Net Bonds and Notes Issued and and Authorized but not issued | <u><u>\$15,680,000.00</u></u> | <u><u>\$18,050,000.00</u></u> | <u><u>\$17,739,000.00</u></u> |

**SUMMARY OF REGULATORY DEBT CONDITION
(ANNUAL DEBT STATEMENT)**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of .440%

| | <u>GROSS DEBT</u> | <u>DEDUCTIONS</u> | <u>NET DEBT</u> |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Regional School District Debt | \$45,871,458.80 | \$45,871,458.80 | -0- |
| General Debt | <u>18,927,000.00</u> | <u>3,247,000.00</u> | <u>15,680,000.00</u> |
| | <u><u>\$64,798,458.80</u></u> | <u><u>\$49,118,458.80</u></u> | <u><u>\$15,680,000.00</u></u> |

NET DEBT \$15,680,000.00 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, AS AMENDED, \$3,561,928,420.00 EQUALS .440%.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

| | |
|--|-------------------------|
| Equalized Valuation Basis* - December 31, 2020 | \$3,561,928,420.00 |
| 3-1/2 of Equalized Valuation Basis | 124,667,494.70 |
| Net Debt | 15,680,000.00 |
| Remaining Borrowing Power | <u>\$108,987,494.70</u> |

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Borough for the last three (3) preceding years.

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY PER N.J.S.A. 40A:2-45

Sewer Utility:

Surplus Anticipated and Total Cash Receipts from
Fees, Rents, or Other Charges for the Year \$ 5,830,144.72

Deductions:

Operating and Maintenance Cost \$ 4,687,200.00
Total Deductions 4,687,200.00

Excess in Revenue \$ 1,142,944.72

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2020

| CALENDAR YEAR | GENERAL CAPITAL | | |
|------------------|------------------------|-----------------------|------------------------|
| | PRINCIPAL | INTEREST | TOTAL |
| 2021 | \$1,670,000.00 | \$364,696.67 | \$2,034,696.67 |
| 2022 | 1,245,000.00 | 327,450.00 | 1,572,450.00 |
| 2023 | 1,080,000.00 | 273,100.00 | 1,353,100.00 |
| 2024 | 1,100,000.00 | 227,250.00 | 1,327,250.00 |
| 2025 | 900,000.00 | 183,000.00 | 1,083,000.00 |
| 2026-2030 | 3,605,000.00 | 422,225.00 | 4,027,225.00 |
| 2031-2032 | 510,000.00 | 30,400.00 | 540,400.00 |
| | <u>\$10,110,000.00</u> | <u>\$1,828,121.67</u> | <u>\$11,938,121.67</u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

The General Capital Bonds are comprised of the following issues:

| <u>ISSUE</u> | <u>OUTSTANDING BALANCE DECEMBER 31, 2020</u> |
|--|--|
| \$3,510,000.00 in General Obligation Bonds dated January 24, 2011, due in one remaining annual installment of \$425,000.00 due January 1, 2021 with interest of 5.000% | \$425,000.00 |
| \$1,460,000.00 in Monmouth County Improvement Authority Bonds dated December 19, 2012, due in remaining annual installments ranging between \$110,000.00 and \$125,000.00 beginning December 1, 2021 and ending December 1, 2026 with interest from 2.000% to 4.000% | 705,000.00 |
| \$1,485,000.00 in Monmouth County Improvement Authority Bonds dated December 10, 2013, due in remaining annual installments ranging between \$185,000.00 and \$195,000.00 beginning December 1, 2021 and ending December 1, 2022 with interest at 5.000% | 380,000.00 |
| \$2,200,000.00 in Monmouth County Improvement Authority Bonds dated December 24, 2014, due in remaining annual installments ranging between \$220,000.00 and \$225,000.00 beginning December 1, 2021 and ending December 1, 2024 with interest at 5.000% | 890,000.00 |
| \$5,175,000.00 in Refunding Bonds dated May 18, 2016, due in remaining annual installments ranging between \$415,000.00 and \$545,000.00 beginning January 1, 2021 and ending January 1, 2029 with interest from 3.000% to 4.000% | 4,390,000.00 |
| \$2,865,000.00 in General Obligation Refunding Bonds dated August 25, 2020, due in remaining annual installments ranging between \$215,000.00 and \$275,000.00 beginning January 1, 2021 and ending January 1, 2032 with interest at 4.000% | 2,865,000.00 |
| \$455,000.00 in Open Space Refunding Bonds dated August 25, 2020, due in remaining annual installments ranging between \$35,000.00 and \$40,000.00 beginning January 1, 2021 and ending January 1, 2032 with interest at 4.000% | 455,000.00 |
| | <u>\$10,110,000.00</u> |

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2020, the Borough has authorized but not issued bonds and notes as follows:

| | |
|----------------------|-----------------------|
| General Capital Fund | <u>\$1,322,000.00</u> |
|----------------------|-----------------------|

SHORT TERM DEBT

At December 31, 2020, the Borough has the following Bond Anticipation Note outstanding:

General Capital Fund:

| <u>Ordinance Number</u> | <u>Date of Original Issue</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Amount</u> |
|-----------------------------|-----------------------------------|--------------------------|-----------------------------|--------------------------|-----------------------|
| 11-1329 | 12/13/13 | 10/29/20 | 10/28/21 | 0.40% | \$820,000.00 |
| 16-1405 | 12/01/16 | 10/29/20 | 10/28/21 | 0.40% | 1,210,000.00 |
| 18-1430 | 10/31/18 | 10/29/20 | 10/28/21 | 0.40% | 2,240,000.00 |
| 19-1451 | 10/29/20 | 10/29/20 | 10/28/21 | 0.40% | 2,225,000.00 |
| 20-1462 | 10/29/20 | 10/29/20 | 10/28/21 | 0.40% | <u>1,000,000.00</u> |
| | | | | | <u>\$7,495,000.00</u> |

NOTE 4: FUND BALANCES APPROPRIATED

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

| | |
|------------------------------|----------------|
| Current Fund | \$3,950,000.00 |
| Sewer Utility Operating Fund | \$1,195,500.00 |

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

| | BALANCE DECEMBER 31, <u>2020</u> | BALANCE DECEMBER 31, <u>2019</u> |
|---------------|--|--|
| Prepaid Taxes | <u>\$619,990.39</u> | <u>\$430,171.25</u> |

NOTE 6: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

NOTE 6: PENSION PLANS (CONTINUED)

Plan Descriptions (Continued)

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit. In which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. As of July 1, 2019 PERS, provides for employee contributions of 7.50% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2020, members contributed at a uniform rate of 10.00% of base salary.

The Borough's share of pension costs, which is based upon the annual billings received from the State for the preceding three years are as follows:

| <u>Year Ended</u> <u>December 31,</u> | <u>Public Employees</u> <u>Retirement System</u> | <u>Police & Firemen's</u> <u>Retirement System</u> | <u>Defined</u> <u>Contribution</u> <u>Retirement System</u> | <u>Total</u> |
|--|---|---|---|----------------|
| 2020 | \$727,988.00 | \$1,450,988.00 | \$3,367.31 | \$2,182,343.31 |
| 2019 | 788,423.00 | 1,351,367.00 | 7,129.54 | 2,146,919.54 |
| 2018 | 741,260.00 | 1,216,260.00 | 6,141.44 | 1,963,661.44 |

Certain Borough employees are also covered by Federal Insurance Contribution Act.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2020. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2020.

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$12,277,239.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Borough's proportion was 0.0752863777 percent, which was an increase of 0.0008005187 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$272,495.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$724,528.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ 223,548.00 | \$ 43,418.00 |
| Changes of assumptions | 398,288.00 | 5,140,596.00 |
| Net difference between projected and actual earnings on pension plan investments | 419,646.00 | |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | <u>267,248.00</u> | <u>672,513.00</u> |
| | <u>\$ 1,308,730.00</u> | <u>\$ 5,856,527.00</u> |

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

| <u>Year Ended June 30,</u> | <u>Amount</u> |
|--------------------------------|--------------------------------|
| 2021 | (\$3,321,184.20) |
| 2022 | (3,048,903.20) |
| 2023 | (1,844,245.20) |
| 2024 | (887,380.20) |
| 2025 | <u>(378,238.20)</u> |
| | <u><u>(\$9,479,951.00)</u></u> |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

| | <u>June 30, 2020</u> |
|---------------------------|----------------------|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | |
| Through 2026 | 2.00-6.00% |
| Thereafter | 3.00-7.00% |
| | Based on |
| | Years of Service |
| Investment Rate of Return | 7.00% |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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, 2020 are summarized in the following table:

| <u>Assets Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| US Equity | 27.00% | 7.71% |
| Non-U.S. Developed market Equity | 13.50% | 8.57% |
| Emerging Market Equity | 5.50% | 10.23% |
| Private Equity | 13.00% | 11.42% |
| Real Assets | 3.00% | 9.73% |
| Real Estate | 8.00% | 9.56% |
| High Yield | 2.00% | 5.95% |
| Private Credit | 8.00% | 7.59% |
| Investment Grade Credit | 8.00% | 2.67% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasury's | 5.00% | 1.94% |
| Risk Mitigation Strategies | 3.00% | 3.40% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. 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 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the Borough's proportionate share of net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, 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 was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | June 30, 2020 | | |
|--|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Township's proportionate share of the pension liability | \$30,933,186.00 | \$24,572,904.00 | \$19,176,030.00 |

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$18,773,852.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

At June 30, 2020, the Borough's proportion was 0.1452936222 percent, which was a decrease of 0.0016471734 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$1,608,140.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$1,450,988.00.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$ 461,221.00 | \$ 164,185.00 |
| Changes of assumptions | 115,126.00 | 12,264,872.00 |
| Net difference between projected and actual earnings on pension plan investments | 2,682,443.00 | |
| Changes in proportion and differences between the Township's contributions and proportionate share of contributions | <u>2,883,603.00</u> | <u>600,995.00</u> |
| | <u>\$ 6,142,393.00</u> | <u>\$ 13,030,052.00</u> |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended <u>June 30</u> | <u>Amount</u> |
|------------------------------|--------------------------|
| 2021 | \$ (3,822,926.40) |
| 2022 | (2,431,587.40) |
| 2023 | (719,247.40) |
| 2024 | 12,357.60 |
| 2025 | <u>73,744.60</u> |
| | <u>\$ (6,887,659.00)</u> |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Actuarial Assumptions

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

June 30, 2020

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% |
|---------------------------|-------|

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% 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-2020.

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

| <u>Assets Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| US Equity | 27.00% | 7.71% |
| Non-U.S. Developed market Equity | 13.50% | 8.57% |
| Emerging Market Equity | 5.50% | 10.23% |
| Private Equity | 13.00% | 11.42% |
| Real Assets | 3.00% | 9.73% |
| Real Estate | 8.00% | 9.56% |
| High Yield | 2.00% | 5.95% |
| Private Credit | 8.00% | 7.59% |
| Investment Grade Credit | 8.00% | 2.67% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasury's | 5.00% | 1.94% |
| Risk Mitigation Strategies | 3.00% | 3.40% |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. 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 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the 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 of the participating employers as of June 30, 2020 respectively, 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 was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | June 30, 2020 | | |
|---|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Township's proportionate share of the PFRS pension liability | \$60,835,954.00 | \$45,748,399.00 | \$33,217,032.00 |

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Special Funding Situation

In accordance with 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.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough 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 nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At June 30, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,913,616.00 and \$2,775,788.00, respectively.

At June 30, 2020, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

| | |
|--|------------------------|
| Township's Proportionate Share of Net Pension Liability | \$45,748,399.00 |
| State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township | <u>7,099,943.00</u> |
| | <u>\$52,848,342.00</u> |

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 7: LITIGATION

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material financial impact on the Borough.

NOTE 8: SCHOOL TAXES

Regional School and Regional High School District Taxes have been raised and liabilities deferred by statute, resulting in the school taxes prepaid set forth in the Current Fund liabilities as follows:

| | Regional District School Tax | |
|----------------|------------------------------|------------------------------|
| | Balance | Balance |
| | <u>December 31, 2020</u> | <u>December 31, 2019</u> |
| Balance of Tax | 12,257,834.00 | 12,052,158.04 |
| Deferred | <u>8,549,999.23</u> | <u>8,549,999.23</u> |
| Tax Payable | <u><u>\$3,707,834.77</u></u> | <u><u>\$3,502,158.81</u></u> |

| | Regional District High School Tax | |
|----------------|-----------------------------------|------------------------------|
| | Balance | Balance |
| | <u>December 31, 2020</u> | <u>December 31, 2019</u> |
| Balance of Tax | 7,229,941.00 | 6,684,604.50 |
| Deferred | <u>2,270,231.55</u> | <u>2,270,231.55</u> |
| Tax Prepaid | <u><u>\$4,959,709.45</u></u> | <u><u>\$4,414,372.95</u></u> |

NOTE 9: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date as outlined in Borough personnel policies. The Borough estimates that the current cost of such unpaid compensation to be \$1,238,251.00 and \$1,491,047.00, at December 31, 2020 and 2019 respectively. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented. The Borough has established a Reserve for Accumulated Absences in the Trust Other Fund in the amount of \$18,920.72 and 51,884.73 at December 31, 2020 and 2019, respectively.

NOTE 10: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2020 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 11: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives.

NOTE 12: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disasters. The Borough is a member of the Monmouth County Municipal Joint Insurance Fund ("JIF"). The JIF is a public entity risk pool currently operating as a common risk management and insurance program for municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workers' compensation. While additional assessments on premiums can be levied by the JIF to assure payment of the JIF's obligations, no such additional premiums have been necessary as of December 31, 2020. The JIF is expected to be self-sustaining through member premiums of which the Borough portion is reported as expenditure in the Borough's financial statements and liabilities of the JIF are based on the estimated ultimate cost of settling the claims. The JIF participates in the Municipal Excess Liability Program, which has a contract for excess liability insurance. The Borough is not aware of any claims pending that have a demand in excess of coverages provided under the JIF. In addition, there were no significant reductions in insurance coverage from prior year coverage and there were no amounts settled which exceeded insurance coverage for each of the past three years.

NOTE 12: RISK MANAGEMENT (CONTINUED)

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

| <u>Year</u> | <u>Borough Contributions and Interest</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|---|------------------------------|---------------------------|
| 2020 | \$28,815.99 | \$40,418.27 | \$150,686.91 |
| 2019 | 29,172.60 | 61,234.91 | 162,289.19 |
| 2018 | 28,557.71 | 34,140.87 | 194,351.50 |

NOTE 13: DEFERRED COMPENSATION PLAN

The Borough has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The plan's assets are not the property of the Borough and therefore are not presented in the financial statements.

NOTE 14: LENGTH OF SERVICE AWARDS PROGRAM

The Borough of Tinton Falls has adopted an ordinance establishing a Length of Service Awards Program for the members of the in accordance with Chapter 388 of the Laws of 1997 (N.J.S.A. 40A:14-183 et seq.) and N.J.A.C. 5:30-14.1 et seq. to reward active volunteer firefighters and emergency medical personnel.

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 \$1,510.89 for the year ended December 31, 2020 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2020, the Borough contributed a total of \$36,261.36 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.

NOTE 14: LENGTH OF SERVICE AWARDS PROGRAM

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 years ended December 31, 2020 and December 31, 2019 payouts of \$-0- and \$97,599.93, respectively were made to vested participants.

Forfeited Accounts

During the year ended December 31, 2020, no accounts were forfeited.

Reporting Requirements

The New Jersey Administrative Code N.J.A.C. 5:30-14.49 requires that the Borough have performed a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services.

Plan Information

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

NOTE 15: 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 resolutions of the Council, 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. All the units in the project qualify as low- or moderate-income units under the Fair Housing Act, NJSA, 52:270-301 et seq. the regulations of the council on Affordable Housing, NJAC5:94: et seq. and NJAC 5:95 et seq. and the Uniform Housing Affordability Controls, NJAC 5:94 et seq. Tax abatements may be granted to any affordable housing, as deemed appropriate by the Borough. During 2020 the Borough abated Municipal Purpose taxes in the amount of \$442,225.70 and collected \$651,657.80 in P.I.L.O.T fees.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

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. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the 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.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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.

Contributions

The Borough's annual contributions to SHBP for retirees were \$603,735.00 for 2019, and \$779,295.00 for 2018, which equaled the required contributions for that year.

Total Net OPEB Liability

At June 30, 2019, the Plan reported a liability of \$20,955,366.00 for the Borough's proportionate share of the collective net OPEB liability. The total Net OPEB Liability measured 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 Borough's proportion of the Net OPEB Liability was 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.

At June 30, 2019, the Borough's proportion was 0.154697 percent, which was a decrease of 0.009454 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the State reported OPEB benefit of \$726,012.00. This OPEB benefit was based on the OPEB plans June 30, 2019 measurement date.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total Net OPEB Liability (Continued)

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | - | \$3,329,754 |
| Changes of assumptions | - | 4,034,998 |
| Net difference between projected and actual earnings on OPEB plan investments | \$9,379 | - |
| Changes in proportion | <u>196,037</u> | <u>2,783,090</u> |
| | <u>\$205,416</u> | <u>\$10,147,842</u> |

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension (benefit)/expense as follows:

| Year Ended <u>June 30,</u> | <u>Amount</u> |
|-------------------------------|----------------------|
| 2020 | (\$1,715,364) |
| 2021 | (1,715,364) |
| 2022 | (1,716,099) |
| 2023 | (1,717,288) |
| 2024 | (1,718,374) |
| Total Thereafter | <u>(1,359,939)</u> |
| | <u>(\$9,942,426)</u> |

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate 2.50%

Salary Increases:

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 |
| PFRS | 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.

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

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

Health Care Trend Assumptions

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

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Discount Rate

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

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the Borough as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

| | June 30, 2019 | | |
|--|----------------------------------|-----------------------------------|----------------------------------|
| | 1.00% <u>Decrease (2.50%)</u> | At Discount <u>Rate (3.50)</u> | 1.00% <u>Increase (4.50%)</u> |
| Borough's proportionate share of the Net OPEB Liability | \$13,516,182 | \$11,386,150 | \$9,696,589 |

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Borough 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:

| | June 30, 2019 | | |
|--|--------------------------|--------------------------------------|--------------------------|
| | 1.00% <u>Decrease</u> | Healthcare Cost <u>Trend Rate</u> | 1.00% <u>Increase</u> |
| Borough's proportionate share of the Net OPEB Liability | \$9,364,008 | \$11,386,150 | \$14,071,531 |

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 17: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through June 17, 2021 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that no subsequent event needed to be disclosed.

BOROUGH OF TINTON FALLS
SUPPLEMENTARY SCHEDULES - ALL FUNDS
YEAR ENDED DECEMBER 31, 2020

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF CASH - TREASURER

| <u>REF.</u> | | <u>CURRENT FUND</u> | <u>GRANT FUND</u> |
|-------------|---|----------------------|-------------------|
| A | Balance, December 31, 2019 | \$ 19,390,121.20 | \$ 202,292.96 |
| | Increased by Receipts: | | |
| A-5 | Property Taxes Receivable | \$ 70,246,936.77 | \$ |
| A-6 | Change Funds | 200.00 | |
| A-7 | Petty Cash | 250.00 | |
| A-11 | Debris Lien Receivable | 314.78 | |
| A-12 | Revenue Accounts Receivable | 6,699,445.54 | |
| A-2 | Miscellaneous Revenue Not Anticipated | 830,507.58 | |
| A-8 | State of N.J. - Senior Citizens and Veterans Deductions | 144,680.13 | |
| A-14 | Reserve for Miscellaneous Deposits | 55,376.00 | |
| A-24 | Grants Receivable | | 141,259.97 |
| | | <u>77,977,710.80</u> | <u>141,259.97</u> |
| | | \$ 97,367,832.00 | \$ 343,552.93 |
| | Decreased by Disbursements: | | |
| A-3 | 2020 Appropriations | \$ 23,130,099.21 | \$ |
| A-13 | 2019 Appropriation Reserves | 1,122,918.02 | |
| A-14 | Reserve for Miscellaneous Deposits | 60,988.00 | |
| A-15 | Refund of Tax Overpayments | 214,311.22 | |
| A-17 | Accounts Payable | 129,223.09 | |
| A-19 | County Taxes Payable | 10,135,368.16 | |
| A-20 | Regional School District Tax | 25,726,758.04 | |
| A-21 | Regional High School District Taxes | 13,914,545.50 | |
| A-22 | Municipal Open Space Tax | 787,041.75 | |
| A-23 | Special District Tax Payable | 2,142,730.00 | |
| A-7 | Petty Cash | 250.00 | |
| A-2 | Refund of Miscellaneous Revenue | 4,671.82 | |
| A-1 | Budget Operations | 29,702.26 | |
| A-25 | Reserve for Grants-Appropriated | | 72,965.76 |
| | | <u>77,398,607.07</u> | <u>72,965.76</u> |
| A | Balance, December 31, 2020 | \$ 19,969,224.93 | \$ 270,587.17 |

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

REF.

Increased by Receipts:

| | | | | |
|-----------------------------|------|----|-------------------|----------------------|
| Property Taxes Receivable | A-9 | \$ | 69,206,464.94 | |
| Tax Overpayments | A-15 | | 222,965.85 | |
| Prepaid Taxes | A-18 | | 619,990.39 | |
| Tax Title Liens | A-10 | | 42,872.51 | |
| Revenue Accounts Receivable | A-12 | | <u>154,643.08</u> | |
| | | \$ | | <u>70,246,936.77</u> |
| | | \$ | | <u>70,246,936.77</u> |

Decreased by Disbursements:

| | | | | |
|-----------------------|-----|----|--|-----------------------------|
| Payments to Treasurer | A-4 | \$ | | <u><u>70,246,936.77</u></u> |
|-----------------------|-----|----|--|-----------------------------|

"A-6"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

| <u>DEPARTMENT</u> | BALANCE DECEMBER 31, 31, 2019 | CASH RECEIPTS | CASH DISBURSEMENT | BALANCE DECEMBER 31, 31, 2020 |
|--------------------------|-------------------------------------|------------------|----------------------|-------------------------------------|
| Clerk of Municipal Court | \$ 700.00 | \$ 200.00 | \$ - | \$ 500.00 |
| Municipal Clerk | 25.00 | - | - | 25.00 |
| Tax Collector | 100.00 | - | - | 100.00 |
| | <u>\$ 825.00</u> | <u>\$ 200.00</u> | <u>\$ -</u> | <u>\$ 625.00</u> |
| <u>REF.</u> | A | A-4 | | A |

"A-7"

SCHEDULE OF PETTY CASH FUND

| <u>DEPARTMENT</u> | BALANCE DECEMBER 31, 31, 2019 | CASH RECEIPTS | CASH DISBURSEMENT | BALANCE DECEMBER 31, 31, 2020 |
|-------------------|-------------------------------------|------------------|----------------------|-------------------------------------|
| Tax Collector | \$ - | 250.00 | 250.00 | \$ - |
| | <u>\$ 0.00</u> | <u>\$ 250.00</u> | <u>\$ 250.00</u> | <u>\$ 0.00</u> |
| <u>REF.</u> | A | A-4 | A-4 | A |

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS
PER CHAPTER 20, P.L. 1971

| | <u>REF.</u> | | |
|---|-------------|----|------------------------|
| Balance, December 31, 2019 (Due to) | A | \$ | 671.33 |
| Increased by: | | | |
| Senior Citizens Deductions Per Tax Billing | | \$ | 14,250.00 |
| Veterans Deductions Per Tax Billing | | | 131,000.00 |
| Deductions Allowed by Tax Collector | | | <u>3,500.00</u> |
| | | | 148,750.00 |
| | | \$ | <u>149,421.33</u> |
| Decreased by: | | | |
| Deductions Disallowed by Collector: | | | |
| Received in Cash From State | A-4 | \$ | 144,680.13 |
| Deductions Disallowed by Tax Collector | | | 750.00 |
| Prior Year Deductions Disallowed by Tax Collector | A-1 | | <u>1,923.29</u> |
| | | | <u>147,353.42</u> |
| Balance, December 31, 2020 (Due to) | A | \$ | <u><u>2,067.91</u></u> |

ANALYSIS OF STATE SHARE OF 2020
SENIOR CITIZENS AND VETERANS DEDUCTIONS

| | | |
|---|-----|-----------------------------|
| Senior Citizens Deductions Per Tax Billing | \$ | 14,250.00 |
| Veterans Deductions Per Tax Billing | | 131,000.00 |
| Deductions Allowed by Tax Collector | | <u>3,500.00</u> |
| | \$ | <u>148,750.00</u> |
| Less: Deductions Disallowed by Tax Collector: | | |
| Senior Citizens | | <u>750.00</u> |
| | A-9 | \$ <u><u>148,000.00</u></u> |

"A-9"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| <u>YEAR</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>2020 LEVY</u> | <u>ADDED</u> | <u>CASH COLLECTIONS</u> | <u>CANCELED</u> | <u>TRANSFERRED TO TAX TITLE LIENS</u> | <u>BALANCE DECEMBER 31, 2020</u> |
|-------------|--|----------------------|--------------|-------------------------|-----------------|---|--|
| | | | | <u>2019</u> | <u>2020</u> | | |
| 2019 | \$ 610,542.79 | \$ | 1,923.29 | \$ | 612,283.11 | \$ | 182.97 |
| 2020 | | 69,474,458.82 | 457,177.58 | 430,171.25 | 68,742,181.83 | 18,921.56 | 13,768.15 |
| | | | | | | | |
| | \$ 610,542.79 | \$ 69,474,458.82 | 459,100.87 | 430,171.25 | 69,354,464.94 | 18,921.56 | 13,951.12 |
| <u>REF.</u> | <u>A</u> | | | <u>A-2-A-18</u> | <u>A-2</u> | <u>A-10</u> | <u>A</u> |

Cash-Collector
State Share of Senior Citizens and
Veterans Deductions

\$ 69,206,464.94
148,000.00
\$ 69,354,464.94

ANALYSIS OF 2020 PROPERTY TAX LEVY

| | |
|---|------------------|
| <u>TAX YIELD</u> | |
| General Property Tax | \$ 69,474,458.82 |
| Added and Omitted Tax (54:4-63.1 et seq.) | 457,177.58 |
| | \$ 69,931,636.40 |

TAX LEVY

| | | |
|---|------|------------------|
| Regional School District Taxes | A-20 | \$ 25,932,434.00 |
| Regional High School District Taxes | A-21 | 14,459,882.00 |
| Fire District Taxes | A-23 | 2,142,730.00 |
| County Taxes: | | |
| County Tax | A-19 | 9,990,371.43 |
| Due County for Added Taxes (54:4-63.1 et seq.) | A-19 | 65,980.64 |
| | | 10,056,352.07 |
| Local Tax for Municipal Purposes | A-2 | 16,153,346.16 |
| Municipal Open Space | A-22 | 787,041.75 |
| Additional Tax Levied | | 399,850.42 |
| | | 17,340,238.33 |
| | | \$ 69,931,636.40 |

"A-10"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

| | <u>REF.</u> | | |
|---------------------------------|-------------|----|--------------------------|
| Balance, December 31, 2019 | A | \$ | 134,171.32 |
| Increased by: | | | |
| Transfers From Taxes Receivable | A-9 | \$ | 13,951.12 |
| Interest and Costs | | | <u>31.34</u> |
| | | | 13,982.46 |
| | | \$ | <u>148,153.78</u> |
| Decreased by: | | | |
| Cash Receipts | A-2:A-5 | | <u>42,872.51</u> |
| | | | <u>42,872.51</u> |
| Balance, December 31, 2020 | A | \$ | <u><u>105,281.27</u></u> |

"A-11"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF DEBRIS LIEN RECEIVABLE

| | <u>REF.</u> | | |
|----------------------------|-------------|----|---------------|
| Balance, December 31, 2019 | A | \$ | 314.78 |
| Decreased by: | | | |
| Cash Receipts | A-4 | \$ | <u>314.78</u> |

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| | REF. | BALANCE DECEMBER 31, 2019 | ACCRUED IN 2020 | COLLECTED BY TREASURER/ COLLECTOR | BALANCE DECEMBER 31, 2020 |
|---|------|---------------------------------|------------------------|---|---------------------------------|
| Clerk: | | | | | |
| Licenses: | | | | | |
| Alcoholic Beverage Licenses | A-2 | \$ | \$ 37,930.00 | \$ 37,930.00 | \$ |
| Other | A-2 | | 24,511.00 | 24,511.00 | |
| Fees and Permits | A-2 | | 248,872.66 | 248,872.66 | |
| Municipal Court: | | | | | |
| Fines and Costs | A-2 | 15,785.65 | 117,181.19 | 124,823.51 | 8,143.33 |
| Interest and Costs on Taxes | A-2 | | 154,643.08 | 154,643.08 | |
| Interest on Investments and Deposits | A-2 | | 343,851.13 | 343,851.13 | |
| Commercial Garbage Fee | A-2 | | 82,023.54 | 82,023.54 | |
| Energy Receipts Tax | A-2 | | 1,490,459.01 | 1,490,459.01 | |
| Uniform Construction Code Fees | A-2 | | 699,536.00 | 699,536.00 | |
| Shared Services - Municipal Court - (Eatontown and Monmouth Beach) | A-2 | | 359,215.00 | 359,215.00 | |
| Shared Services - Finance (Keyport) | A-2 | | 61,200.00 | 61,200.00 | |
| Hotel Occupany Tax | A-2 | | 263,576.31 | 263,576.31 | |
| Franchise Fees | A-2 | | 299,250.72 | 299,250.72 | |
| Payment in Lieu of Taxes - CommVault | A-2 | | 305,333.80 | 305,333.80 | |
| Host Benefit Fees | A-2 | | 2,206,224.86 | 2,206,224.86 | |
| General Capital Fund Balance | A-2 | | 28,000.00 | 28,000.00 | |
| Open Space Trust - Principal on Bonds | A-2 | | 85,000.00 | 85,000.00 | |
| Open Space Trust - Interest on Bonds | A-2 | | 39,638.00 | 39,638.00 | |
| | | <u>\$ 15,785.65</u> | <u>\$ 6,846,446.30</u> | <u>\$ 6,854,088.62</u> | <u>\$ 8,143.33</u> |
| | REF. | A | | | A |
| Tax Collector | A-5 | | | \$ 154,643.08 | |
| Treasurer | A-4 | | | <u>6,699,445.54</u> | |
| | | | | <u>\$ 6,854,088.62</u> | |

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2019 | ADJUSTED BALANCE | PAID OR CHARGED | BALANCE LAPSED |
|--|---------------------------------|---------------------|--------------------|-------------------|
| <u>Salaries and Wages:</u> | | | | |
| Borough Council | \$ 0.62 | \$ 0.62 | \$ | 0.62 |
| Office of Mayor | 0.98 | 0.98 | | 0.98 |
| Municipal Clerk | 10,714.37 | 10,714.37 | | 10,714.37 |
| Office of the Tax Assessor | 44.02 | 44.02 | | 44.02 |
| Division of Administration: | 20,887.42 | 20,887.42 | | 20,887.42 |
| Human Resources | 1,047.10 | 1,047.10 | | 1,047.10 |
| Division of Central Services | 2,212.92 | 5,212.92 | 2,142.63 | 3,070.29 |
| Division of Recreation | 3,537.46 | 7,537.46 | 3,875.82 | 3,661.64 |
| Maintenance of Parks | 12,948.35 | 40,948.35 | 14,656.55 | 26,291.80 |
| Emergency Management | 347.30 | 347.30 | | 347.30 |
| Municipal Prosecutor | 4.96 | 4.96 | | 4.96 |
| Division of Finance | 5,520.47 | 5,520.47 | | 5,520.47 |
| Division of Revenue | 3,049.18 | 9,049.18 | 3,818.67 | 5,230.51 |
| Division of Planning | 10,838.07 | 15,838.07 | 1,839.44 | 13,998.63 |
| Division of Zoning | 5,359.13 | 9,359.13 | 810.72 | 8,548.41 |
| Uniform Construction Code | 11,981.71 | 17,981.71 | 4,833.94 | 13,147.77 |
| Division of Code Enforcement | 75,737.77 | 77,737.77 | 295.48 | 77,442.29 |
| Police | 19,810.21 | 149,810.21 | 133,884.92 | 15,925.29 |
| Division of Fire Prevention | 29,755.33 | 30,755.33 | | 30,755.33 |
| Division of Streets | 11,786.26 | 31,786.26 | 21,605.28 | 10,180.98 |
| Central Maintenance | 25,190.61 | 55,190.61 | 14,725.66 | 40,464.95 |
| Division of Sanitation | 119,320.83 | 179,320.83 | 30,061.81 | 149,259.02 |
| Division of Buildings and Grounds | 27,911.55 | 47,911.55 | 13,967.49 | 33,944.06 |
| Municipal Court - Monmouth Beach & Eatontown | | | | |
| Salaries & Wages | 14,144.93 | 22,144.93 | 8,696.15 | 13,448.78 |
| Municipal Court | 1,700.67 | 7,700.67 | 4,051.06 | 3,649.61 |
| Public Defender | 3,004.82 | 3,004.82 | | 3,004.82 |
| <u>Other Expenses:</u> | | | | |
| General Administration | | | | |
| Borough Council | 4,292.10 | 4,534.05 | 306.95 | 4,227.10 |
| Office of the Mayor | 42,920.00 | 42,920.00 | | 42,920.00 |
| Borough Clerk | | | | |
| Miscellaneous | 21,197.26 | 23,414.37 | 679.60 | 22,734.77 |
| Revision and Codification of Ordinances | 35,000.00 | 35,000.00 | | 35,000.00 |
| Division of Administration: | | | | |
| Miscellaneous | 3,751.34 | 4,387.74 | 40.40 | 4,347.34 |
| Information Technology | 20,831.05 | 54,475.52 | 45,436.92 | 9,038.60 |
| Human Resources | 678.32 | 1,117.94 | 190.58 | 927.36 |
| Division of Finance | 2,066.62 | 2,423.78 | 357.16 | 2,066.62 |
| Auditing Services | | 29,000.00 | 29,000.00 | |
| Division of Revenue | 669.27 | 1,038.73 | 269.13 | 769.60 |
| Office of the Tax Assessor | 861.32 | 4,906.87 | 1,108.90 | 3,797.97 |
| Division of Central Services | | | | |
| Miscellaneous Other Expense | 23,216.50 | 23,533.57 | 327.91 | 23,205.66 |
| Division of Law | 1,877.12 | 45,994.84 | 36,904.09 | 9,090.75 |
| Engineering Services | 1,800.00 | 6,334.34 | 3,028.43 | 3,305.91 |
| Division of Planning | 9,397.00 | 45,819.98 | 5,231.66 | 40,588.32 |
| Division of Zoning | 2,303.17 | 20,748.52 | 1,514.35 | 19,234.17 |
| Uniform Construction Code | 374.14 | 3,017.64 | 2,643.50 | 374.14 |
| Division of Code Enforcement | 1,300.42 | 2,199.36 | 898.94 | 1,300.42 |
| Police | 2,005.50 | 42,573.35 | 30,876.84 | 11,696.51 |
| Emergency Management Services | 1,066.97 | 38,450.60 | 36,383.63 | 2,066.97 |
| Division of Fire Prevention | 1,582.04 | 2,476.78 | 935.98 | 1,540.80 |
| Prosecutor | 4,000.00 | 4,000.00 | | 4,000.00 |
| Division of Streets | 20,539.73 | 57,557.84 | 33,261.64 | 24,296.20 |
| Central Maintenance | 20,144.03 | 65,928.01 | 57,983.43 | 7,944.58 |
| Division of Sanitation | | | | |
| Landfill/Solid Waste Disposal Costs | 15,762.00 | 50,813.15 | 50,105.88 | 707.27 |
| Miscellaneous Other Expense | 3,364.47 | 9,221.59 | 4,557.12 | 4,664.47 |
| Division of Buildings and Grounds | 13,210.88 | 26,832.28 | 12,021.48 | 14,810.80 |
| Shade Tree | 492.36 | 492.36 | | 492.36 |
| Historic Sites Office | 3,428.43 | 3,428.43 | | 3,428.43 |

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2019 | ADJUSTED BALANCE | PAID OR CHARGED | BALANCE LAPSED |
|--|---------------------------------|------------------------|------------------------|------------------------|
| <u>Other Expenses (Continued):</u> | | | | |
| Contribution to Social Service Agencies | \$ 1,250.00 | \$ 3,110.00 | \$ 1,860.00 | \$ 1,250.00 |
| Division of Recreation | 5,959.88 | 28,299.52 | 14,375.58 | 13,923.94 |
| Maintenance of Parks | 17,217.78 | 20,084.31 | 2,482.48 | 17,581.83 |
| Community Services Act | 2,423.00 | 2,423.00 | | 2,423.00 |
| Insurance: | | | | |
| Group Insurance | 187,101.19 | 181,101.19 | | 181,101.19 |
| Division of Health | 104.00 | 104.00 | | 104.00 |
| Environmental Health Services | 27,450.00 | 27,450.00 | | 27,450.00 |
| Division of Housing | 1,000.00 | 26,000.00 | | 26,000.00 |
| Municipal Court | 1,960.67 | 7,021.16 | 5,049.70 | 1,971.46 |
| Public Defender | 800.00 | 800.00 | | 800.00 |
| Public Employees Occupational Safety & Health Act | 3,500.00 | 3,500.00 | | 3,500.00 |
| Utility: | | | | |
| Electricity | 31,635.71 | 44,894.99 | 20,277.39 | 24,617.60 |
| Street Lighting | 12,626.42 | 20,255.96 | 7,829.54 | 12,426.42 |
| Telephone | 7,803.21 | 15,736.19 | 7,932.98 | 7,803.21 |
| Water | 579.57 | 2,603.00 | 2,347.75 | 255.25 |
| Gas | 7,084.76 | 12,295.03 | 7,134.86 | 5,160.17 |
| Fuel Oil | 38,996.90 | 89,081.07 | 44,084.17 | 44,996.90 |
| Telecommunications | 8,235.68 | 9,553.26 | 6,730.20 | 2,823.06 |
| Social Security | 28,263.29 | 53,763.29 | 19,678.91 | 34,084.38 |
| Defined Contribution Retirement System | 870.46 | 870.46 | | 870.46 |
| Emergency Telecommunications System - 911 System | 0.07 | 0.07 | | 0.07 |
| LOSAP - Volunteer Ambulance | 49,100.00 | 49,100.00 | 36,261.36 | 12,838.64 |
| NJDES Stormwater Permit | 56.36 | 1,935.13 | 530.00 | 1,405.13 |
| Recycling Tax | 130.53 | 604.78 | 436.89 | 167.89 |
| Interlocal Municipal Services: | | | | |
| Police Dispatching Service - County of Monmouth | 0.70 | 0.70 | | 0.70 |
| Municipal Court - Monmouth Beach & Eatontown | | | | |
| Other Expenses | 12,117.43 | 13,754.86 | 1,865.35 | 11,889.51 |
| Capital Improvements: | | | | |
| Purchase of Automatic Refuse Containers | 1,800.00 | 12,740.00 | 10,683.00 | 2,057.00 |
| Street Lighting Improvements - Fort Area | 25,000.00 | 25,000.00 | 22,873.00 | 2,127.00 |
| Acquisition of Police Car Video Cameras | 10,719.00 | 10,719.00 | | 10,719.00 |
| Upgrades to Sanitation Trucks | 38,705.49 | 59,665.08 | 17,541.72 | 42,123.36 |
| Acquisition of Automated Sanitation Truck | | 255,000.00 | 255,000.00 | |
| Upgrades to DPW Building - Fire Safety | 2,522.00 | 25,000.00 | | 25,000.00 |
| Upgrades to Municipal Building, Court and DPW Building - Security Improvements | 23,546.00 | 95,000.00 | 38,719.00 | 56,281.00 |
| Acquisition of Tow AWD Fleet Vehicles | 6,378.94 | 6,378.94 | | 6,378.94 |
| | <u>\$ 1,229,928.12</u> | <u>\$ 2,506,323.67</u> | <u>\$ 1,137,024.02</u> | <u>\$ 1,369,299.65</u> |
| Ref | A | | | A-1 |
| Budget - Reserved | A-13 | \$ 1,229,928.12 | | |
| Reserve for Encumbrances | A-16 | <u>1,276,395.55</u> | | |
| | | <u>\$ 2,506,323.67</u> | | |
| Cash Disbursements | A-4 | | \$ 1,122,918.02 | |
| Transferred to Accounts Payable | A-17 | | <u>14,106.00</u> | |
| | | | <u>\$ 1,137,024.02</u> | |

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

| | BALANCE DECEMBER 31, 2019 | INCREASE | DECREASE | BALANCE DECEMBER 31, 2020 |
|--------------------------|---------------------------------|---------------------|---------------------|---------------------------------|
| Due State of New Jersey: | | | | |
| Marriage License Fees | \$ 425.00 | \$ 2,550.00 | \$ 2,475.00 | \$ 500.00 |
| DCA Fees | <u>14,061.00</u> | <u>52,826.00</u> | <u>58,513.00</u> | <u>8,374.00</u> |
| | <u>\$ 14,486.00</u> | <u>\$ 55,376.00</u> | <u>\$ 60,988.00</u> | <u>\$ 8,874.00</u> |
| <u>REF.</u> | A | A-4 | A-4 | A |

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2019 | A | \$ | 3,020.11 |
| Increased by: | | | |
| Cash Receipts | A-5 | | <u>222,965.85</u> |
| | | \$ | 225,985.96 |
| Decreased by: | | | |
| Cash Disbursements | A-4 | \$ | <u>214,311.22</u> |
| | | \$ | <u>214,311.22</u> |
| Balance, December 31, 2020 | A | \$ | <u><u>11,674.74</u></u> |

"A-16"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

| | <u>REF.</u> | | | |
|---------------------------------|-------------|----|------------------|-----------------------------|
| Balance, December 31, 2019 | | | | |
| Current Fund | A | \$ | 1,276,395.55 | |
| Grant Fund | A | | <u>17,838.81</u> | |
| | | | | \$ 1,294,234.36 |
| Increased by: | | | | |
| Budget Appropriations | A-3 | \$ | 605,572.52 | |
| Reserve for Grants Appropriated | A-25 | | <u>20,660.63</u> | |
| | | | | <u>626,233.15</u> |
| | | | | \$ 1,920,467.51 |
| Decreased by: | | | | |
| Transferred to: | | | | |
| Appropriation Reserves | A-13 | \$ | 1,276,395.55 | |
| Reserve for Grants Appropriated | A-25 | | <u>17,838.81</u> | |
| | | | | <u>1,294,234.36</u> |
| Balance, December 31, 2020 | | | | \$ <u><u>626,233.15</u></u> |
| <u>Analysis of Balance</u> | | | | |
| Current Fund | A | | | 605,572.52 |
| Grant Fund | A | | | <u>20,660.63</u> |
| | | | | <u><u>626,233.15</u></u> |

"A-17"

SCHEDULE OF ACCOUNTS PAYABLE

| | | | | |
|----------------------------|------|----|------------------|-------------------------|
| Balance, December 31, 2019 | A | | \$ | 204,535.00 |
| Increased by: | | | | |
| Transferred from | | | | |
| Appropriation Reserves | A-13 | \$ | <u>14,106.00</u> | |
| | | | | <u>14,106.00</u> |
| | | | | \$ 218,641.00 |
| Cash Disbursements | A-4 | \$ | 129,223.09 | |
| Canceled | A-1 | | <u>75,311.91</u> | |
| | | | | <u>204,535.00</u> |
| Balance, December 31, 2020 | A | | \$ | <u><u>14,106.00</u></u> |

"A-18"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF PREPAID TAXES

| | <u>REF.</u> | |
|-----------------------------|-------------|-----------------------------|
| Balance, December 31, 2019 | A | \$ 430,171.25 |
| Increased by: | | |
| Collection of 2021 Taxes | A-5 | <u>619,990.39</u> |
| | | \$ 1,050,161.64 |
| Decreased by: | | |
| Applied to Taxes Receivable | A-9 | <u>430,171.25</u> |
| Balance, December 31, 2020 | A | <u><u>\$ 619,990.39</u></u> |

"A-19"

SCHEDULE OF COUNTY TAXES PAYABLE

| | | |
|----------------------------|---------|----------------------------|
| Balance, December 31, 2019 | A | \$ 144,996.73 |
| 2020 Tax Levy: | | |
| County Tax | A-1:A-9 | \$ 9,990,371.43 |
| Added County Taxes | A-1:A-9 | <u>65,980.64</u> |
| | | <u>10,056,352.07</u> |
| | | \$ 10,201,348.80 |
| Decreased by: | | |
| Cash Disbursements | A-4 | <u>\$ 10,135,368.16</u> |
| Balance, December 31, 2020 | A | <u><u>\$ 65,980.64</u></u> |

"A-20"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX

| | <u>REF.</u> | | |
|--|-------------|---------------------|-------------------------|
| Balance, December 31, 2019 | | | |
| Taxes Payable | A | 3,502,158.81 | |
| Taxes Deferred | | <u>8,549,999.23</u> | |
| | | | \$ 12,052,158.04 |
| Increased by: | | | |
| Levy Fiscal Year 2020 | A-1;A-9 | | <u>25,932,434.00</u> |
| | | | \$ 37,984,592.04 |
| Decreased by: | | | |
| Payment to Regional District School | A-4 | | <u>25,726,758.04</u> |
| Balance, December 31, 2020 | | | <u>\$ 12,257,834.00</u> |
| Analysis of Balance | | | |
| Payable | A | \$ 3,707,834.77 | |
| Deferred | | <u>8,549,999.23</u> | |
| | | | <u>\$ 12,257,834.00</u> |
| 2020 Liability for Local District School Tax: | | | |
| Taxes Paid | | | \$ 25,726,758.04 |
| Less: Taxes Payable Balance, December 31, 2019 | | | <u>3,502,158.81</u> |
| | | | \$ 22,224,599.23 |
| Add: Taxes Payable Balance, December 31, 2020 | | | <u>3,707,834.77</u> |
| Amount Charged to 2020 Operations | A-1 | | <u>\$ 25,932,434.00</u> |

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAX

| | <u>REF.</u> | | |
|--|-------------|---------------------|--------------------------------|
| Balance, December 31, 2019 | | | |
| Taxes Payable | A | \$ 4,414,372.95 | |
| Taxes Deferred | | <u>2,270,231.55</u> | |
| | | | \$ 6,684,604.50 |
| Increased by: | | | |
| Levy Fiscal Year 2020 | A-1;A-9 | | <u>14,459,882.00</u> |
| | | | \$ 21,144,486.50 |
| Decreased by: | | | |
| Payment to Regional District School | A-4 | | <u>13,914,545.50</u> |
| Balance, December 31, 2020 | A | | <u><u>\$ 7,229,941.00</u></u> |
| Analysis of Balance | | | |
| Payable | A | \$ 4,959,709.45 | |
| Deferred | | <u>2,270,231.55</u> | |
| | | | <u><u>\$ 7,229,941.00</u></u> |
| 2020 Liability for Local District School Tax: | | | |
| Taxes Paid | | | \$ 13,914,545.50 |
| Less: Taxes Payable Balance, December 31, 2019 | | | <u>4,414,372.95</u> |
| | | | \$ 9,500,172.55 |
| Add: Taxes Payable Balance, December 31, 2020 | | | <u>4,959,709.45</u> |
| Amount Charged to 2020 Operations | A-1 | | <u><u>\$ 14,459,882.00</u></u> |

"A-22"

BOROUGH OF TINTON FALLS

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX

| | | | |
|----------------------|---------|-----------------|-----------------------------|
| Increased by: | | | |
| Open Space Levy 2020 | A-1:A-9 | \$ 781,993.00 | |
| Open Space Added | A-1:A-9 | <u>5,048.75</u> | |
| | | | <u>787,041.75</u> |
| Decreased by: | | | |
| Cash Disbursements | A-4 | | \$ <u><u>787,041.75</u></u> |

"A-23"

SCHEDULE OF FIRE DISTRICT TAX

| | | | |
|-------------------------|---------|-------------------|-------------------------------|
| Increased by: | | | |
| Fire District Levy 2020 | | | |
| Fire District #1 | | \$ 1,209,700.00 | |
| Fire District #2 | | <u>933,030.00</u> | |
| | A-1:A-9 | | \$ 2,142,730.00 |
| Decreased by: | | | |
| Cash Disbursements | A-4 | | \$ <u><u>2,142,730.00</u></u> |

BOROUGH OF TINTON FALLS

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

| <u>GRANT</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>ACCRUED 2020 BUDGET</u> | <u>RECEIVED</u> | <u>CANCELED</u> | <u>BALANCE DECEMBER 31, 2020</u> |
|---|--|------------------------------------|----------------------|---------------------|--|
| Recycling Tonnage Grant | \$ | \$ 64,153.09 | \$ 64,153.09 | \$ | - |
| Body Armor Replacement Fund | | 3,941.32 | 3,941.32 | | - |
| Drunk Driving Enforcement Fund | | 31,495.62 | 31,495.62 | | - |
| NJ DEP Electric Vehicle Charging Grants | 15,000.00 | | | 15,000.00 | - |
| Clean Communities Grant | | 41,669.94 | 41,669.94 | | - |
| | <u>\$ 15,000.00</u> | <u>\$ 141,259.97</u> | <u>\$ 141,259.97</u> | <u>\$ 15,000.00</u> | <u>\$ -</u> |

REF.

A

A-2

A-4

A-25

A

Budget
Chapter 159

\$ 99,590.03
41,669.94

\$ 141,259.97

BOROUGH OF TINTON FALLS

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

| | BALANCE DECEMBER 31, 2019 | MODIFIED | 2020 BUDGET APPROPRIATIONS | PAID OR CHARGED | CANCELED | BALANCE DECEMBER 31, 2020 |
|---|---------------------------------|----------------------|----------------------------------|---------------------|---------------------|---------------------------------|
| <u>GRANT/PROGRAM</u> | | | | | | |
| Local Grants: | | | | | | |
| Monmouth County Joint Insurance Fund | \$ 450.00 | \$ 450.00 | \$ | \$ | \$ | 450.00 |
| Donation - Fire Prevention Training | 200.03 | 200.03 | | | | 200.03 |
| Comcast - Technology Contribution | 36,441.25 | 36,441.25 | | 36,441.25 | | |
| State Grants: | | | | | | |
| Alcohol Education and Rehabilitation Fund | 3,056.68 | 3,056.68 | | | | 3,056.68 |
| Drunk Driving Enforcement Fund | 466.69 | 466.69 | | | | 30,944.11 |
| Recycling Tonnage Grant | 107,884.14 | 114,149.14 | 31,495.62 | 1,018.20 | | 150,253.00 |
| Clean Communities Program - 2017 | 677.16 | 677.16 | 64,153.09 | 28,049.23 | | 677.16 |
| Clean Communities Program - 2018 | 163.14 | 3,973.74 | | 3,810.60 | | 163.14 |
| Clean Communities Program - 2019 | 33,667.96 | 41,431.17 | | 24,307.11 | | 17,124.06 |
| Clean Communities Program - 2020 | | | 41,669.94 | | | 41,669.94 |
| Body Armor Replacement Fund | 133.13 | 133.13 | 3,941.32 | | | 4,074.45 |
| NJ DEP Electric Vehicle Charging Grants | 15,000.00 | 15,000.00 | | | 15,000.00 | |
| Municipal Stormwater | 1,313.97 | 1,313.97 | | | | 1,313.97 |
| | <u>\$ 199,454.15</u> | <u>\$ 217,292.96</u> | <u>\$ 141,259.97</u> | <u>\$ 93,626.39</u> | <u>\$ 15,000.00</u> | <u>\$ 249,926.54</u> |
| <u>REF.</u> | <u>A</u> | | <u>A-3</u> | | <u>A-24</u> | <u>A</u> |
| Balance | | \$ 199,454.15 | | | | |
| Transferred from Encumbrances Payable | | <u>17,838.81</u> | | | | |
| | | <u>\$ 217,292.96</u> | | | | |
| Cash Disbursements | | | | \$ 72,965.76 | | |
| Encumbrances Payable | | | | <u>20,660.63</u> | | |
| | | | | <u>\$ 93,626.39</u> | | |

BOROUGH OF TINTON FALLS

TRUST FUND

SCHEDULE OF TRUST CASH

| REF. | ANIMAL CONTROL | OPEN SPACE | OTHER |
|------------------------------------|----------------|-----------------|-----------------|
| B | \$ 5,304.34 | \$ 1,022,644.49 | \$ 4,561,449.42 |
| Balance, December 31, 2019 | | | |
| Increased by Receipts: | | | |
| Animal Control Fees | \$ 34,768.00 | \$ | |
| State Registration Fees | 1,089.60 | | |
| Animal Control Prepaid Licences | 10.00 | | |
| Reserve for: | | | |
| Open Space Trust | | 797,905.06 | |
| Various Reserves and Deposits | | | 3,181,607.15 |
| | 35,867.60 | 797,905.06 | 3,181,607.15 |
| | 41,171.94 | 1,820,549.55 | 7,743,056.57 |
| Decreased by Disbursements: | | | |
| Expenditures Under R.S. 4:19-15.11 | \$ | \$ | |
| State Registration Fees | 31,751.50 | | |
| Open Space Trust | 1,081.80 | 1,646,508.38 | |
| Various Reserves and Deposits | | | 3,510,678.36 |
| | 32,833.30 | 1,646,508.38 | 3,510,678.36 |
| Balance, December 31, 2020 | \$ 8,338.64 | \$ 174,041.17 | \$ 4,232,378.21 |

BOROUGH OF TINTON FALLS

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

| | <u>REF.</u> | | |
|---------------------------------------|-------------|----|------------------------|
| Balance, December 31, 2019 | B | \$ | 2,355.44 |
| Increased by: | | | |
| Cash Receipts: | | | |
| Dog Licenses | | \$ | 7,748.00 |
| Current Fund Budget Approp | | | <u>27,000.00</u> |
| | B-1 | | 34,768.00 |
| Transferred from Encumbrances Payable | B-6 | | <u>2,946.50</u> |
| | | | <u>37,714.50</u> |
| | | \$ | 40,069.94 |
| Decreased by: | | | |
| Expenditures Under R.S. 4:19-15.11 | B-1 | \$ | 31,751.50 |
| Transferred to Encumbrances Payable | B-6 | | <u>5,755.50</u> |
| | | | <u>37,507.00</u> |
| Balance, December 31, 2020 | B | \$ | <u><u>2,562.94</u></u> |

LICENSE FEES COLLECTED

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|----------------------------|
| 2018 | \$ 7,056.81 |
| 2019 | <u>7,024.20</u> |
| | <u><u>\$ 14,081.01</u></u> |

BOROUGH OF TINTON FALLS

TRUST FUND

SCHEDULE OF STATE REGISTRATION FEES
ANIMAL CONTROL FUND

| | <u>REF.</u> | | |
|----------------------------|-------------|----|---------------------|
| Balance, December 31, 2019 | B | \$ | 2.40 |
| Increased by: | | | |
| Cash Receipts | B-1 | \$ | <u>1,089.60</u> |
| | | | <u>1,089.60</u> |
| | | \$ | <u>1,092.00</u> |
| Decreased by: | | | |
| Cash Disbursements | B-1 | \$ | <u>1,081.80</u> |
| | | | <u>1,081.80</u> |
| Balance, December 31, 2020 | B | \$ | <u><u>10.20</u></u> |

BOROUGH OF TINTON FALLS
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE TRUST

| | <u>REF.</u> | | |
|---------------------------------------|-------------|----|---------------------|
| Balance, December 31, 2019 | B | \$ | 1,014,517.04 |
| Increased by: | | | |
| Cash Receipts | | | |
| Open Space Tax Levy | | \$ | 781,993.00 |
| Open Space - Added/Omitted | | | 5,048.75 |
| Interest | | | 10,863.31 |
| | B-1 | \$ | 797,905.06 |
| Transferred from Encumbrances Payable | B-6 | | 8,127.45 |
| | | | <u>806,032.51</u> |
| | | \$ | 1,820,549.55 |
| Decreased by: | | | |
| Cash Disbursements | B-1 | \$ | 1,646,508.38 |
| Transferred to Encumbrances Payable | B-6 | | 75,936.17 |
| | | | <u>1,722,444.55</u> |
| Balance, December 31, 2020 | B | \$ | <u>98,105.00</u> |

BOROUGH OF TINTON FALLS

TRUST FUND

SCHEDULE OF VARIOUS RESERVES

| | BALANCE DECEMBER 31, 2019 | MODIFIED | CASH RECEIPTS | EXPENDITURES | BALANCE DECEMBER 31, 2020 |
|--|---------------------------------|-----------------|------------------|-----------------|---------------------------------|
| Street Openings | \$ 11,685.00 | \$ 11,685.00 | \$ 4,160.00 | \$ 9,035.00 | \$ 6,810.00 |
| Professional Fees | 6,883.58 | 6,883.58 | | | 6,883.58 |
| Tax Sale Premiums | 337,000.00 | 353,300.00 | 184,500.00 | 310,500.00 | 227,300.00 |
| Detention Basin | 112,415.50 | 112,415.50 | | 45,192.10 | 67,223.40 |
| Off Duty | 61,984.28 | 61,984.28 | 552,389.00 | 552,096.00 | 62,277.28 |
| Recycling | 14,279.55 | 16,293.98 | 42,224.34 | 47,969.32 | 10,549.00 |
| Parking Offenses Adjudication Act | 466.00 | 466.00 | 12.00 | 111.88 | 386.12 |
| DARE Program | 1,744.63 | 1,744.63 | | | 1,744.63 |
| Emergency Management | 1,855.71 | 1,855.71 | | | 1,855.71 |
| Public Defender | 11,597.10 | 12,614.60 | 3,515.00 | 3,117.50 | 13,012.10 |
| Alcohol Alliance | 1,520.85 | 1,520.85 | | | 1,520.85 |
| Recreation | 11,799.47 | 11,799.47 | | | 11,799.47 |
| Police Forfeiture | 6,518.32 | 7,268.32 | 5,730.30 | 864.19 | 12,134.43 |
| Seabrook CCO and Fire Inspection | 70,296.00 | 70,296.00 | 2,750.00 | | 73,046.00 |
| Uniform Fire Safety Penalty Funds | 4,133.79 | 15,033.79 | | 10,900.00 | 4,133.79 |
| Uniform Fire Safety Dedicated and Comp Penalties | 20,695.23 | 20,695.23 | | | 20,695.23 |
| Accumulated Absences | 51,884.73 | 51,884.73 | 100,000.00 | 132,964.01 | 18,920.72 |
| Volunteer Appreciation Day | 30.00 | 30.00 | | | 30.00 |
| Historic Crawford House | 200.00 | 200.00 | | | 200.00 |
| Community Day | 2,362.23 | 2,362.23 | | | 2,362.23 |
| Police Youth Program Donations | 12,731.45 | 12,889.45 | 1,566.08 | 3,383.44 | 11,072.09 |
| Health Fair Donations | 765.89 | 765.89 | | | 765.89 |
| Developers Escrow: | | | | | |
| Engineering Fees | 303,918.99 | 325,272.22 | 387,797.39 | 275,728.32 | 437,341.29 |
| Maintenance Fees | 342,598.78 | 357,038.28 | 729.80 | 312,689.22 | 45,078.86 |
| Performance Fees | 1,306,014.17 | 1,306,014.17 | 178,328.25 | 507,733.42 | 976,609.00 |
| Escrow Fees | 287,314.69 | 287,314.69 | 263,683.28 | 212,197.69 | 338,800.28 |
| Shaflo Rd. Sewer Line Extension | 3,183.20 | 3,183.20 | 11.92 | | 3,195.12 |
| COAH Special Master | 54,215.83 | 54,215.83 | 198.28 | 2,692.50 | 51,721.61 |
| Self-Insurance | 141,944.48 | 164,591.47 | 750,629.37 | 780,406.20 | 134,814.64 |
| Law Enforcement | 20,990.34 | 20,990.34 | 1,994.80 | | 22,985.14 |
| Tax Title Liens | 10,242.07 | 21,572.86 | 268,449.67 | 279,552.90 | 10,469.63 |
| Unemployment | 162,289.19 | 162,289.19 | 28,815.99 | 40,418.27 | 150,686.91 |
| Affordable Housing | 1,019,694.30 | 1,084,977.93 | 404,121.68 | 142,896.80 | 1,346,202.81 |
| | \$ 4,395,255.35 | \$ 4,561,449.42 | \$ 3,181,607.15 | \$ 3,670,448.76 | \$ 4,072,607.81 |

B

B-1

B

Balance, December 31, 2019
Transferred from Encumbrances Payable

REF. B-5 \$ 4,395,255.35
B-6 166,194.07

Cash Disbursements
Transferred to Encumbrances Payable

B-1 \$ 3,510,678.36
B-6 159,770.40

\$ 3,670,448.76

BOROUGH OF TINTON FALLS

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

| | <u>REF.</u> | ANIMAL CONTROL <u>TRUST FUND</u> | TRUST OTHER <u>FUND</u> | OPEN SPACE TRUST <u>FUND</u> |
|---|-------------|--|-------------------------------|------------------------------------|
| Balance, December 31, 2019 | B | \$ 2,946.50 \$ | 166,194.07 \$ | 8,127.45 |
| Increased by: | | | | |
| Transferred from Various Trust Reserves | B-2:B-4:B-5 | <u>5,755.50</u> | <u>159,770.40</u> | <u>75,936.17</u> |
| | | 5,755.50 | 159,770.40 | 75,936.17 |
| Decreased by: | | | | |
| Transferred to Various Trust Reserves | B-2:B-4:B-5 | <u>2,946.50</u> | <u>166,194.07</u> | <u>8,127.45</u> |
| | | 2,946.50 | 166,194.07 | 8,127.45 |
| Balance, December 31, 2020 | B | \$ <u>5,755.50</u> \$ | <u>159,770.40</u> \$ | <u>75,936.17</u> |

BOROUGH OF TINTON FALLS

TRUST FUND

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF RESERVES

(UNAUDITED)

Reference

| | | | |
|-----------------------------|---|----|--------------------------|
| Balance, December 31, 2019 | B | \$ | 611,995.13 |
| Increased by: | | | |
| Borough Contributions | | \$ | 36,261.36 |
| Interest | | | 3,256.93 |
| Appreciation on Investments | | | <u>100,284.08</u> |
| | | | <u>139,802.37</u> |
| Balance, December 31, 2020 | B | \$ | <u><u>751,797.50</u></u> |

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH

| | <u>REF.</u> | | |
|--|-------------|----|----------------------|
| Balance, December 31, 2019 | C | \$ | 1,019,432.20 |
| Increased by Receipts: | | | |
| Budget Appropriations: | | | |
| Capital Improvement Fund | C-10 | \$ | 50,000.00 |
| Refunding Bond Premium | | | 554,857.94 |
| Bond Proceeds | C-7 | | 3,320,000.00 |
| Bond Anticipation Notes | C-8 | | 7,495,000.00 |
| Various Reserves | C-12 | | 26,556.20 |
| Due from Trust Other Fund | C-13 | | 1,208,000.00 |
| Excess Proceed on Bond Sale | C-1 | | 4,667.51 |
| | | | <u>12,659,081.65</u> |
| | | \$ | 13,678,513.85 |
| Decreased by Disbursements: | | | |
| Contracts Payable | C-11 | \$ | 6,746,270.79 |
| Fund Balance Anticipated as Current Fund Revenue | C-1 | | 28,000.00 |
| Bond Anticipation Notes | C-8 | | 4,270,000.00 |
| | | | <u>11,044,270.79</u> |
| Balance, December 31, 2020 | C | \$ | <u>2,634,243.06</u> |

"C-3"

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

BALANCE
DECEMBER
31, 2020

| | | |
|---|----|----------------------------|
| Fund Balance | \$ | 4,998.75 |
| Contracts Payable | | 1,637,199.78 |
| Various Reserves | | 191,652.56 |
| Capital Improvement Fund | | 64,163.00 |
| Grants Receivable | | (571,250.00) |
| Unexpended Proceeds of Bond Anticipation Note - Listed on "C-5" | | 1,254,057.83 |
| Improvement Authorizations Funded - Listed on Exhibit "C-9" | | <u>53,421.14</u> |
| | \$ | <u><u>2,634,243.06</u></u> |

REF.

C

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

| | <u>REF.</u> | | |
|-----------------------------------|-------------|----|-----------------------------|
| Balance, December 31, 2019 | C | \$ | 12,195,000.00 |
| Increased By: | | | |
| Funded by Sale of Refunding Bonds | C-9 | | <u>3,320,000.00</u> |
| | | \$ | <u>15,515,000.00</u> |
| Decreased by: | | | |
| Budget Appropriation to Pay Bonds | C-9 | \$ | 1,640,000.00 |
| Refunding Bonds | C-9 | | <u>3,765,000.00</u> |
| | | | <u>5,405,000.00</u> |
| Balance, December 31, 2020 | C | \$ | <u><u>10,110,000.00</u></u> |

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

| <u>ORD. #</u> | <u>PROJECT</u> | <u>SOURCE</u> | <u>BALANCE</u> <u>12/31/19</u> | <u>ACCRUED</u> | <u>BALANCE</u> <u>12/31/20</u> |
|---------------|-----------------------------------|---------------|-----------------------------------|----------------------|-----------------------------------|
| 18-1430 | 2018 Road Improvement Program | NJDOT | \$ 46,250.00 | \$ | 46,250.00 |
| 19-1451 | 2019 Road Improvement Program | NJDOT | 325,000.00 | | 325,000.00 |
| 20-1462 | Park Redevelopment & Improvements | MC Open Space | | 200,000.00 | 200,000.00 |
| | | | <u>\$ 371,250.00</u> | <u>\$ 200,000.00</u> | <u>\$ 571,250.00</u> |
| | | <u>REF.</u> | C | C-9 | C |

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

| PURPOSE | DATE OF ISSUE | ORIGINAL ISSUE | MATURITIES OF BONDS OUTSTANDING | | | INTEREST RATE | BALANCE DECEMBER 31, 2019 | INCREASED | DECREASED | BALANCE DECEMBER 31, 2020 |
|------------------------------------|------------------|-------------------|------------------------------------|---------------|-------|------------------|---------------------------------|--------------|------------|---------------------------------|
| | | | DATE | AMOUNT | | | | | | |
| | | | | | | | | | | |
| 2010 Refunding Bonds - General | 11/16/2010 | \$ 5,753,000.00 | | | | | 3,535,000.00 | | | |
| 2010 Refunding Bonds - Open Space | 11/16/2010 | 907,000.00 | | | | | 560,000.00 | | 560,000.00 | |
| 2011 General Improvement Bonds | 1/24/2011 | \$ 3,510,000.00 | 1/15/2021 | \$ 425,000.00 | 5.00% | | 830,000.00 | | 405,000.00 | 425,000.00 |
| MCIA General Improvement Bonds | 12/19/2012 | 1,460,000.00 | 12/1/2021 | 110,000.00 | 4.00% | | | | | |
| | | | 12/1/2022 | 110,000.00 | 4.00% | | | | | |
| | | | 12/1/2023 | 115,000.00 | 4.00% | | | | | |
| | | | 12/1/2024 | 120,000.00 | 2.00% | | | | | |
| | | | 12/1/2025 | 125,000.00 | 3.00% | | | | | |
| | | | 12/1/2026 | 125,000.00 | 2.00% | | 810,000.00 | | 105,000.00 | 705,000.00 |
| MCIA General Improvement Bonds | 12/10/2013 | 1,485,000.00 | 12/1/2021 | 185,000.00 | 5.00% | | | | | |
| | | | 12/1/2022 | 195,000.00 | 5.00% | | 560,000.00 | | 180,000.00 | 380,000.00 |
| MCIA General Improvement Bonds | 12/24/2014 | 2,200,000.00 | 12/1/2021 | 220,000.00 | 5.00% | | | | | |
| | | | 12/1/2022 | 220,000.00 | 5.00% | | | | | |
| | | | 12/1/2023 | 225,000.00 | 5.00% | | | | | |
| | | | 12/1/2024 | 225,000.00 | 5.00% | | 1,110,000.00 | | 220,000.00 | 890,000.00 |
| Refunding Bonds (2008) | 5/18/2016 | 5,175,000.00 | 1/1/2021 | 415,000.00 | 3.00% | | | | | |
| | | | 1/1/2022 | 430,000.00 | 4.00% | | | | | |
| | | | 1/1/2023 | 450,000.00 | 4.00% | | | | | |
| | | | 1/1/2024 | 470,000.00 | 4.00% | | | | | |
| | | | 1/1/2025 | 490,000.00 | 4.00% | | | | | |
| | | | 1/1/2026 | 515,000.00 | 4.00% | | | | | |
| | | | 1/1/2027 | 535,000.00 | 4.00% | | | | | |
| | | | 1/1/2028 | 545,000.00 | 4.00% | | | | | |
| | | | 1/1/2029 | 540,000.00 | 3.25% | | 4,790,000.00 | | 400,000.00 | 4,390,000.00 |
| General Obligation Refunding Bonds | 8/25/2020 | 2,865,000.00 | 1/1/2021 | 275,000.00 | 4.00% | | | | | |
| | | | 1/1/2022 | 250,000.00 | 4.00% | | | | | |
| | | | 1/1/2023 | 250,000.00 | 4.00% | | | | | |
| | | | 1/1/2024 | 245,000.00 | 4.00% | | | | | |
| | | | 1/1/2025 | 245,000.00 | 4.00% | | | | | |
| | | | 1/1/2026 | 240,000.00 | 4.00% | | | | | |
| | | | 1/1/2027 | 235,000.00 | 4.00% | | | | | |
| | | | 1/1/2028 | 230,000.00 | 4.00% | | | | | |
| | | | 1/1/2029 | 230,000.00 | 4.00% | | | | | |
| | | | 1/1/2030 | 225,000.00 | 4.00% | | | | | |
| | | | 1/1/2031 | 225,000.00 | 4.00% | | | | | |
| | | | 1/1/2032 | 215,000.00 | 4.00% | | | 2,865,000.00 | | 2,865,000.00 |

BOROUGH OF TINTON FALLSGENERAL CAPITAL FUNDSCHEDULE OF BOND ANTICIPATION NOTES

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</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, 2019</u> | <u>INCREASED</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2020</u> |
|-----------------------------|-----------------------------------|---|------------------------------|-----------------------------|--------------------------|--|------------------------|------------------------|--|
| 11-1329 | Acquisition of Real Property | 12/13/13 | 10/30/19 10/29/20 | 10/29/20 10/28/21 | 2.00% 0.40% | \$ 1,150,000.00 | \$ 820,000.00 | \$ 1,150,000.00 | \$ 820,000.00 |
| 16-1399/16-1405 | Various Capital Improvements | 12/01/16 | 10/30/19 10/29/20 | 10/29/20 10/28/21 | 2.00% 0.40% | 1,310,000.00 | 1,210,000.00 | 1,310,000.00 | 1,210,000.00 |
| 18-1430 | 2018 Road Program | 10/31/18 | 10/30/19 10/29/20 | 10/29/20 10/28/21 | 2.00% 0.40% | 2,240,000.00 | 2,240,000.00 | 2,240,000.00 | 2,240,000.00 |
| 19-1451 | 2019 Road Program | 10/29/20 | 10/29/20 | 10/28/21 | 0.40% | | 2,225,000.00 | 2,225,000.00 | 2,225,000.00 |
| 20-1462 | Park Redevelopment & Improvements | 10/29/20 | 10/29/20 | 10/28/21 | 0.40% | | 1,000,000.00 | | 1,000,000.00 |
| | | | | | | <u>\$ 4,700,000.00</u> | <u>\$ 7,495,000.00</u> | <u>\$ 4,700,000.00</u> | <u>\$ 7,495,000.00</u> |
| | | | | | <u>REF.</u> | <u>C</u> | <u>C-2</u> | | <u>C-C-5</u> |
| | | | Paid by Budget Appropriation | | C-5 | | \$ 430,000.00 | | |
| | | | Cash Disbursements | | C-2 | | <u>4,270,000.00</u> | | |
| | | | | | | | <u>\$ 4,700,000.00</u> | | |

BOROUGH OF TINTON FALLS
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | ORDINANCE DATE | AMOUNT | BALANCE DECEMBER 31, 2019 | | 2020 AUTHORIZATIONS | CONTRACTS PAYABLE | CANCELED | BALANCE DECEMBER 31, 2020 | |
|---------------------|--|-------------------|-----------------|------------------------------|------------------------|------------------------|------------------------|----------------------|------------------------------|------------------------|
| | | | | FUNDED | UNFUNDED | | | | FUNDED | UNFUNDED |
| 06-1181 | New Municipal Complex | 5/2/2006 | \$ 1,500,000.00 | \$ 42,150.83 | \$ | \$ | \$ 42,150.83 | \$ | \$ | |
| 09-1286 | Various Items of Equipment | 12/1/2009 | 1,095,000.00 | 22,326.49 | | | | | 22,326.49 | |
| 14-1377 | 2014 Various Capital Improvements | 8/5/2014 | 832,500.00 | 30,819.22 | | | (275.43) | | 31,094.65 | |
| 18-1430 | 2018 Road Improvement Program | 5/15/2018 | 2,791,800.00 | | 126,393.76 | | (74,735.13) | | | 201,128.89 |
| 19-1451 | 2019 Road Improvement Program | 9/17/2019 | 2,700,000.00 | 169,800.00 | | | 2,200,858.90 | | | 193,941.10 |
| 20-1458 | 2020 Refunding Bond Ordinance | 4/7/2020 | 4,000,000.00 | | | 4,000,000.00 | 3,874,857.94 | 125,142.06 | | |
| 20-1462 | Park Development & Improvements | 7/14/2020 | 3,730,000.00 | | | 3,730,000.00 | 1,549,012.16 | | | 2,180,987.84 |
| | | | | <u>\$ 265,096.54</u> | <u>\$ 2,351,393.76</u> | <u>\$ 7,730,000.00</u> | <u>\$ 7,591,869.27</u> | <u>\$ 125,142.06</u> | <u>\$ 53,421.14</u> | <u>\$ 2,576,057.83</u> |
| | | REF. | | C | C | | C-11 | C-14 | C-C-3 | C-C-5 |
| | Deferred Charges to Future Taxation - Unfunded | | | | | | | | | |
| | Open Space Trust | C-5 | | | | \$ 6,322,000.00 | | | | |
| | Grants Receivable | C-13 | | | | 1,208,000.00 | | | | |
| | | C-6 | | | | 200,000.00 | | | | |
| | | | | | | <u>\$ 7,730,000.00</u> | | | | |

"C-10"

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2019 | C | \$ | 14,163.00 |
| Increased by: | | | |
| Cash Receipts | C-2 | \$ | <u>50,000.00</u> |
| | | | <u>50,000.00</u> |
| Balance, December 31, 2020 | C | \$ | <u><u>64,163.00</u></u> |

"C-11"

SCHEDULE OF CONTRACTS PAYABLE

| | | | |
|----------------------------|-----|----|----------------------------|
| Balance, December 31, 2019 | C | \$ | 791,601.30 |
| Increased by: | | | |
| Improvement Authorizations | C-9 | \$ | <u>7,591,869.27</u> |
| | | | <u>7,591,869.27</u> |
| | | \$ | <u>8,383,470.57</u> |
| Decreased by: | | | |
| Cash Disbursements | C-2 | | <u>6,746,270.79</u> |
| Balance, December 31, 2020 | C | \$ | <u><u>1,637,199.78</u></u> |

"C-12"

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

| | BALANCE DECEMBER 31, 2019 | INCREASED | BALANCE DECEMBER 31, 2020 |
|-------------------------|---------------------------------|---------------------|---------------------------------|
| Sidewalk Contributions | \$ 20,092.20 | \$ 26,556.20 | \$ 46,648.40 |
| Calton Homes/Stormwater | 15,000.00 | | 15,000.00 |
| Sitar Off Tract | 37,000.00 | | 37,000.00 |
| Fox Chase II/Rec | 75,000.00 | | 75,000.00 |
| Matzel and Muford - RCA | 18,004.16 | | 18,004.16 |
| | <u>\$ 165,096.36</u> | <u>\$ 26,556.20</u> | <u>\$ 191,652.56</u> |
| <u>Ref</u> | C | C-2 | C |

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM TRUST OTHER FUND

| | <u>REF.</u> | | |
|---------------------------|-------------|------------------------|----------------------------|
| Increased by: | | | |
| Improvement Authorization | C-9 | \$ <u>1,208,000.00</u> | <u>1,208,000.00</u> |
| | | | \$ <u>1,208,000.00</u> |
| Decreased by: | | | |
| Cash Receipts | C-2 | \$ <u>1,208,000.00</u> | <u><u>1,208,000.00</u></u> |

BOROUGH OF TINTON FALLS

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2019</u> | <u>INCREASED BY: 2020 AUTHORIZATIONS</u> | <u>BOND SALE</u> | <u>DECREASED BY</u> | | <u>BALANCE DECEMBER 31, 2020</u> |
|-----------------------------|---------------------------------|--|--|------------------------|-------------------------|----------------------|--|
| | | | | | <u>NOTES ISSUED</u> | <u>CANCELLED</u> | |
| 19-1451 | 2019 Road Program | \$ 2,225,000.00 | \$ | \$ | 2,225,000.00 | \$ | \$ |
| 20-1458 | 2020 Refunding Bond Ordinance | | 4,000,000.00 | 3,874,857.94 | | 125,142.06 | |
| 20-1462 | Park Development & Improvements | | 2,322,000.00 | | 1,000,000.00 | | 1,322,000.00 |
| | | <u>\$ 2,225,000.00</u> | <u>\$ 6,322,000.00</u> | <u>\$ 3,874,857.94</u> | <u>\$ 3,225,000.00</u> | <u>\$ 125,142.06</u> | <u>\$ 1,322,000.00</u> |
| <u>REF.</u> | | C | C-5 | C-5 | | C-10 | C |

BOROUGH OF TINTON FALLS

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | | <u>OPERATING</u> | <u>CAPITAL</u> |
|-------------------------------|-------------|----|---------------------|------------------|
| Balance, December 31, 2019 | D | \$ | \$ 4,522,230.75 | \$ 15,013.47 |
| Increased by Receipts: | | | | |
| Sewer Rents Receivable | D-7 | | 3,574,914.41 | |
| Miscellaneous | D-3 | | 743,147.62 | |
| Overpayments | D-12 | | 7,491.27 | |
| Prepaid Rents | D-8 | | 567,984.53 | |
| | | | <u>4,893,537.83</u> | |
| | | | <u>9,415,768.58</u> | <u>15,013.47</u> |
| Decreased by Disbursements: | | | | |
| Appropriations | D-4 | | 4,158,954.37 | |
| Appropriation Reserves | D-9 | | 660,556.99 | |
| Accounts Payable | D-11 | | 15,031.71 | |
| Refund of Sewer Overpayments | D-12 | | 7,491.27 | |
| Refund of Prior Years Revenue | D-1 | | 6,771.98 | |
| Contracts Payable | D-14 | | | 10,334.83 |
| | | | <u>4,848,806.32</u> | <u>10,334.83</u> |
| Balance, December 31, 2020 | D | \$ | <u>4,566,962.26</u> | <u>4,678.64</u> |

"D-6"

BOROUGH OF TINTON FALLS

SEWER UTILITY CAPITAL FUND

ANALYSIS OF CASH

Fund Balance

BALANCE
DECEMBER 31,
2020

\$ 4,678.64

\$ 4,678.64

REF.

D

"D-7"

BOROUGH OF TINTON FALLS
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

| | <u>REF.</u> | | |
|----------------------------|-------------|----|--------------------------|
| Balance, December 31, 2019 | D | \$ | 139,953.38 |
| Increased by: | | | |
| Sewer Rents Levied | | | <u>4,195,763.13</u> |
| | | \$ | <u>4,335,716.51</u> |
| Decreased by: | | | |
| Collections | D-5 | \$ | 3,574,914.41 |
| Rents Applied | D-8 | | <u>604,882.69</u> |
| | | | <u>4,179,797.10</u> |
| Balance, December 31, 2020 | D | \$ | <u><u>155,919.41</u></u> |

"D-8"

SCHEDULE OF PREPAID SEWER RENTS

| | <u>REF.</u> | | |
|----------------------------|-------------|----|--------------------------|
| Balance, December 31, 2019 | D | \$ | 604,882.69 |
| Increased by: | | | |
| Cash Receipts | D-5 | | <u>567,984.53</u> |
| | | | <u>1,172,867.22</u> |
| Decreased by: | | | |
| Rents Applied | D-7 | | <u>604,882.69</u> |
| Balance, December 31, 2020 | D | \$ | <u><u>567,984.53</u></u> |

"D-9"

BOROUGH OF TINTON FALLS

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

| | | BALANCE DECEMBER 31, 2019 | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|---------------------------------------|-------------|---------------------------------|-------------------------------|----------------------|----------------------|
| Operating: | | | | | |
| Salaries and Wages | | \$ 127,960.44 | \$ 167,960.44 | \$ 18,641.01 | \$ 149,319.43 |
| Other Expenses | | 482,415.80 | 581,398.51 | 90,381.31 | 491,017.20 |
| Capital Improvements: | | | | | |
| Capital Outlay | | 21,130.73 | 805,840.35 | 784,483.92 | 21,356.43 |
| Statutory Expenditures: | | | | | |
| Contributions to: | | | | | |
| Social Security System (O.A.S.I.) | | <u>7,925.55</u> | <u>11,025.55</u> | <u>1,426.05</u> | <u>9,599.50</u> |
| | | <u>\$ 639,432.52</u> | <u>\$ 1,566,224.85</u> | <u>\$ 894,932.29</u> | <u>\$ 671,292.56</u> |
| | <u>REF.</u> | D | | | D-1 |
| Balance, December 31, 2019 | D-9 | | \$ 639,432.52 | | |
| Transferred from Encumbrances Payable | D-10 | | <u>926,792.33</u> | | |
| | | | <u>\$ 1,566,224.85</u> | | |
| Cash Disbursements | D-5 | | | \$ 660,556.99 | |
| Transferred to Accounts Payable | D-11 | | | <u>234,375.30</u> | |
| | | | | <u>\$ 894,932.29</u> | |

"D-10"

BOROUGH OF TINTON FALLS
SEWER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

| | <u>REF.</u> | | |
|---------------------------------------|-------------|----|--------------------------|
| Balance, December 31, 2019 | D | \$ | 926,792.33 |
| Increased by: | | | |
| Charges to 2020 Budget Appropriations | D-4 | | 164,295.67 |
| | | \$ | <u>1,091,088.00</u> |
| Decreased by: | | | |
| Transferred to Appropriation Reserves | D-9 | | <u>926,792.33</u> |
| Balance, December 31, 2020 | D | \$ | <u><u>164,295.67</u></u> |

"D-11"

SCHEDULE OF ACCOUNTS PAYABLE

| | | | |
|---|-----|----|--------------------------|
| Balance, December 31, 2019 | D | \$ | 54,154.25 |
| Increased by: | | | |
| Transferred from Appropriation Reserves | D-9 | | <u>234,375.30</u> |
| | | | 288,529.55 |
| Decreased by: | | | |
| Cash Disbursements | D-5 | \$ | 15,031.71 |
| Cancelled | D-1 | | <u>12,507.79</u> |
| | | | <u>27,539.50</u> |
| Balance, December 31, 2020 | D | \$ | <u><u>260,990.05</u></u> |

"D-12"

BOROUGH OF TINTON FALLS

SEWER UTILITY OPERATING FUND

SCHEDULE OF SEWER RENT OVERPAYMENTS

REF.

| | | | |
|--------------------|-----|----|------------------------|
| Increased by: | | | |
| Cash Receipts | D-5 | \$ | <u>7,491.27</u> |
| | | | 7,491.27 |
| Decreased by: | | | |
| Cash Disbursements | D-5 | \$ | <u>7,491.27</u> |
| | | \$ | <u><u>7,491.27</u></u> |

BOROUGH OF TINTON FALLS

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

| <u>ACCOUNT</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u> | <u>CAPITAL</u> <u>OUTLAY</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u> |
|--|--|---------------------------------|--|
| Construction of System Interceptor & Collection System | \$ 7,895,324.05 | \$ | \$ 7,895,324.05 |
| Installation of Sewer Mains | 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 | 115,266.44 | 59,925.50 | 175,191.94 |
| Pump Station Improvements | 1,493,386.14 | 570,179.86 | 2,063,566.00 |
| Sewer GIS Mapping | 72,400.05 | | 72,400.05 |
| Sewer Jet Truck | 408,670.68 | | 408,670.68 |
| | <u>\$ 12,029,375.74</u> | <u>\$ 630,105.36</u> | <u>\$ 12,659,481.10</u> |
| <u>REF.</u> | D | D-15 | D |

"D-14"

BOROUGH OF TINTON FALLS

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2019 | D | \$ | 10,334.83 |
| Decreased by: | | | |
| Cash Disbursements | D-5 | \$ | <u>10,334.83</u> |
| | | \$ | <u><u>10,334.83</u></u> |

BOROUGH OF TINTON FALLS
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-----------------------------|
| Balance, December 31, 2019 | D | \$ | 12,029,375.74 |
| Increased by: | | | |
| Capital Outlay | D-13 | \$ | <u>630,105.36</u> |
| | | | <u>630,105.36</u> |
| Balance, December 31, 2020 | D | \$ | <u><u>12,659,481.10</u></u> |

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PART II

BOROUGH OF TINTON FALLS

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

| | YEAR 2020 | | YEAR 2019 | |
|--|-------------------------|----------------|-------------------------|----------------|
| | <u>AMOUNT</u> | <u>%</u> | <u>AMOUNT</u> | <u>%</u> |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 3,625,000.00 | 4.38% | \$ 3,870,000.00 | 4.74% |
| Miscellaneous-From Other Than Local | | | | |
| Property Tax Levies | 9,266,110.69 | 11.20% | 9,617,339.82 | 11.79% |
| Collection of Delinquent Taxes and | | | | |
| Tax Title Liens | 655,155.62 | 0.79% | 623,746.17 | 0.76% |
| Collection of Current Tax Levy | <u>69,172,353.08</u> | <u>83.62%</u> | <u>67,460,386.05</u> | <u>82.70%</u> |
| <u>TOTAL INCOME</u> | <u>\$ 82,718,619.39</u> | <u>100.00%</u> | <u>\$ 81,571,472.04</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | \$ 25,762,699.65 | 32.54% | \$ 25,813,310.48 | 33.41% |
| County Taxes | 10,056,352.07 | 12.70% | 9,901,249.20 | 12.82% |
| Regional School Taxes | 14,459,882.00 | 18.26% | 13,369,209.00 | 17.31% |
| Local School Taxes | 25,932,434.00 | 32.75% | 25,280,800.00 | 32.72% |
| Municipal Open Space Taxes | 787,041.75 | 0.99% | 768,631.71 | 0.99% |
| | 2,142,730.00 | 2.71% | 2,071,560.00 | 2.68% |
| Other | <u>31,625.55</u> | <u>0.04%</u> | <u>47,707.61</u> | <u>0.06%</u> |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 79,172,765.02</u> | <u>100.00%</u> | <u>\$ 77,252,468.00</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 3,545,854.37 | | \$ 4,319,004.04 | |
| Fund Balance, January 1 | <u>8,171,553.01</u> | | <u>7,722,548.97</u> | |
| | \$ 11,717,407.38 | | \$ 12,041,553.01 | |
| Less: Utilization as Anticipated Revenue | <u>3,625,000.00</u> | | <u>3,870,000.00</u> | |
| Fund Balance, December 31 | <u>\$ 8,092,407.38</u> | | <u>\$ 8,171,553.01</u> | |

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE-SEWER UTILITY FUND

| | YEAR ENDED DECEMBER 31, 2020 | | YEAR ENDED DECEMBER 31, 2019 | |
|---|---------------------------------|----------------|---------------------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 907,200.00 | 13.93% | \$ 1,575,000.00 | 22.80% |
| Collection of Sewer Rents | 4,179,797.10 | 64.17% | 4,459,720.58 | 64.57% |
| Miscellaneous - Other Than Sewer Rents | 1,426,947.97 | 21.91% | 871,753.18 | 12.62% |
| <u>TOTAL INCOME</u> | <u>\$ 6,513,945.07</u> | <u>100.00%</u> | <u>\$ 6,906,473.76</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Operating | \$ 4,560,700.00 | 92.81% | \$ 4,677,570.00 | 82.42% |
| Capital Improvements | 220,000.00 | 4.48% | 865,000.00 | 15.24% |
| Deferred Charges and Statutory Expenditures | 126,500.00 | 2.57% | 132,500.00 | 2.33% |
| Other Expenditures | 6,771.98 | 0.14% | | |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 4,913,971.98</u> | <u>100.00%</u> | <u>\$ 5,675,070.00</u> | <u>99.99%</u> |
| Excess in Revenue | 1,599,973.09 | | \$ 1,231,403.76 | |
| Fund Balance, January 1 | <u>2,297,018.96</u> | | <u>2,640,615.20</u> | |
| | \$ 3,896,992.05 | | \$ 3,872,018.96 | |
| Decreased by: | | | | |
| Utilized as Anticipated Revenue | <u>907,200.00</u> | | <u>1,575,000.00</u> | |
| Fund Balance, December 31 | <u>\$ 2,989,792.05</u> | | <u>\$ 2,297,018.96</u> | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|----------------------------|--------------|--------------|--------------|
| Tax Rate | <u>1.937</u> | <u>1.933</u> | <u>1.937</u> |
| Apportionment of Tax Rate: | | | |
| Municipal | 0.487 | 0.495 | 0.512 |
| County | 0.288 | 0.290 | 0.300 |
| Regional Elementary School | 0.746 | 0.751 | 0.732 |
| Regional High School | 0.416 | 0.397 | 0.393 |

ASSESSED VALUATIONS:

| | | |
|------|---------------------------|---------------------------|
| 2020 | <u>\$3,475,525,357.00</u> | |
| 2019 | | <u>\$3,365,319,487.00</u> |
| 2018 | | <u>\$3,186,061,290.00</u> |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

| <u>YEAR</u> | <u>TAX LEVY</u> | <u>CASH COLLECTION</u> | <u>PERCENTAGE OF COLLECTIONS</u> |
|-------------|-----------------|----------------------------|--------------------------------------|
| 2020 | \$69,931,639.65 | \$69,172,353.08 | 98.91% |
| 2019 | 68,134,970.06 | 67,460,386.05 | 99.01% |
| 2018 | 64,465,911.37 | 63,791,819.95 | 98.95% |

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

| <u>YEAR</u> | <u>AMOUNT OF TAX TITLE LIENS</u> | <u>AMOUNT OF DELINQUENT TAXES</u> | <u>TOTAL DELINQUENT</u> | <u>PERCENTAGE OF TAX LEVY</u> |
|-------------|--------------------------------------|---|-----------------------------|-----------------------------------|
| 2020 | \$105,281.27 | \$726,593.61 | \$831,874.88 | 1.19% |
| 2019 | 134,171.32 | 610,542.79 | 744,714.11 | 1.09% |
| 2018 | 121,457.22 | 609,138.16 | 730,595.38 | 1.13% |

COMPARATIVE SCHEDULE OF FUND BALANCES

| | <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 | 2020 | \$8,092,407.38 | \$3,950,000.00 | 48.81% |
| | 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% |
| | 2016 | 5,301,513.01 | 3,375,000.00 | 63.66% |

| | <u>YEAR</u> | <u>BALANCE DECEMBER 31</u> | <u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u> | <u>PERCENTAGE OF FUND BALANCE USED</u> |
|------------------------------------|-------------|--------------------------------|--|--|
| Sewer Utility Operating Fund | 2020 | \$2,989,792.05 | \$1,195,500.00 | 39.99% |
| | 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% |
| | 2016 | 2,611,505.47 | 1,200,000.00 | 45.95% |

EQUALIZED VALUATIONS - REAL PROPERTY

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|--------------------|
| 2020 | \$3,806,685,636.00 |
| 2019 | \$3,494,695,498.00 |
| 2018 | \$3,384,404,126.00 |

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

| <u>NAME</u> | <u>TITLE</u> |
|-----------------------|---|
| Vito P. Perillo | Mayor |
| Tracy A. Buckley | Council President |
| Risa Clay | Councilperson |
| Michael J. Nesci | Councilperson |
| John A. Manginelli | Councilperson |
| Brock Siebert | Councilperson |
| Michael Skudera | Business Administrator to 01/07/20 |
| Thomas P. Fallon | Acting Business Administrator from 01/07/20 |
| Thomas P. Fallon | Chief Financial Officer |
| Melissa A. Hesler | Borough Clerk |
| Stacey Kitson | Court Administrator |
| Scott Imbriaco | Tax Assessor |
| Kevin N. Starkey, Esq | Borough Attorney |

All of the bonds were examined and were properly executed.

A public employee dishonesty blanket bond covering municipal employees in the amount of \$50,000 was in effect with the Monmouth Municipal Joint Insurance Fund. There are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000 for Public Employees and \$1,000,000 for Public Officials. Both of these bonds are subject to deductibles based upon other required coverages.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only 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 amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Borough has a Qualified Purchasing Agent and has elected to increase its bid threshold to \$40,000.00.

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

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

2020 Road Improvement Program
Park Development

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$44,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S.A. 40:11-14:

Auditor
Engineering Services
Architectural Services
Labor Counsel
Borough Attorney
Legal Services
Planning Services
Appraisal Services
Affordable Housing Administration Services

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body has adopted ordinance 91-763 authorizing interest to be charged on delinquent taxes and sewer charges:

§ 3-29 RATE OF INTEREST TO BE CHARGED ON DELINQUENCY TAXES OR ASSESSMENTS.

a. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500 becoming delinquent after due date and if a delinquency is in excess of \$10,000 and remains in arrears after December 31, an additional penalty of 6% shall be charged against the delinquency, all such payments to be calculated from the date the tax, assessment or charge was payable until the date of actual payment. This shall apply to all existing tax sale certificates held by the Borough of Tinton Falls.

b. As to tax sale certificates, the Tax Collector is hereby authorized and directed to collect 2% when the taxes, interest and costs shall exceed the sum of \$200. When the taxes, interest and costs shall exceed the sum of \$5,000, such additional sum shall be equal to 4% of such amount paid; and when that sum exceeds \$10,000, such additional sum shall be equal to 6% of such amount paid. This shall apply to all existing tax sale certificates held by the Borough of Tinton Falls.

c. No interest shall be charged if payment of any installment is made within the tenth calendar day following the date upon which the same became payable.

d. Should the date upon which any installment becomes due fall on a date which is a legal holiday or a date when the office of the Tax Collector is not open for business for the day, no interest shall be charged if payment for such installment is made on the first business day thereafter.

e. For the purpose of this section, "delinquency" means the sum of all taxes, assessments and municipal charges due on a given parcel of property covering any number of quarters or years.

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

| <u>TYPE</u> | <u>NUMBER</u> |
|-------------------------------|---------------|
| Payments of 2020 Taxes | 50 |
| Payment of 2020 Sewer Charges | 50 |

TAX TITLE LIENS

The last tax sale was held on October 28, 2020 and was complete.

An examination of the tax sale certificates revealed all certificates were on file and available for audit.

The following is a comparison of the number of tax title liens receivable on December 31 of the last three years:

| <u>YEAR</u> | <u>NUMBER OF LIENS</u> |
|-------------|----------------------------|
| 2020 | 23 |
| 2019 | 22 |
| 2018 | 22 |

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

RECOMMENDATIONS

None

