

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY**

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2020**

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY**

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COUNTY OF MONMOUTH, NEW JERSEY**

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Sea Bright
County of Monmouth
Sea Bright, New Jersey

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Sea Bright as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough, as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough, as of December 31, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2020 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2021 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
August 10, 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

Honorable Mayor and Members
of the Borough Council
Borough of Sea Bright
County of Monmouth
Sea Bright, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Borough of Sea Bright, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 10, 2021. Our report indicated that the Borough’s financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
August 10, 2021

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

<u>Assets</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Current Fund:			
Cash	A-4	\$ 10,626,518.18	\$ 3,350,361.91
Change Fund	A-5	350.00	350.00
Petty Cash	A	200.00	200.00
Due from Monmouth County - CARES Act	A	70,414.25	-
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	A-6	<u>1,986.03</u>	<u>1,986.03</u>
		<u>10,699,468.46</u>	<u>3,352,897.94</u>
Receivables and Other Assets			
With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	341,238.22	181,663.14
Tax Title Liens	A-8	11,837.13	11,363.33
Revenue Accounts Receivable	A-9	3,349.46	4,242.92
Prepaid - Local School Taxes	A-15	73,658.52	85,849.02
Due from Trust/Other	B	-	196.50
Due from Payroll Trust	B	-	1,308.43
Due from Federal & State Grant Fund	A	-	174,817.48
Due From General Capital Fund	C	<u>-</u>	<u>951,124.20</u>
Total Receivables and Other Assets		<u>430,083.33</u>	<u>1,410,565.02</u>
		<u>11,129,551.79</u>	<u>4,763,462.96</u>
Federal and State Grants:			
Grants Receivable	A-19	152,675.22	409,715.22
Due from Current Fund	A-22	<u>84,476.75</u>	<u>-</u>
		<u>237,151.97</u>	<u>409,715.22</u>
Total Assets		<u><u>\$ 11,366,703.76</u></u>	<u><u>\$ 5,173,178.18</u></u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Liabilities:			
Appropriation Reserves	A-3	\$ 499,453.88	\$ 270,787.60
Encumbrances Payable	A-3	137,820.57	123,342.14
Accounts Payable	A-11	198,121.78	170,761.43
Prepaid Taxes	A-12	281,794.74	242,687.75
County Taxes	A-13	11,790.08	19,557.89
Regional High School Taxes	A-14	306,354.77	471,127.47
Tax Overpayments	A-16	72,862.67	89,137.02
Due to State of NJ	A-17	508.00	1,906.00
Various Reserves	A-18	75,451.78	83,451.78
Due To:			
Federal and State Grant Fund	A	84,476.75	-
General Capital Fund	C	3,001,552.00	-
Trust Other	B	-	1,504.93
Sewer Utility Capital Fund	D	298,465.00	1,788.01
Beach Capital Fund	E	<u>2,675,197.00</u>	<u>302,902.23</u>
		7,643,849.02	1,778,954.25
Reserve for Receivables and Other Assets	A	430,083.33	1,410,565.02
Fund Balance	A-1	<u>3,055,619.44</u>	<u>1,573,943.69</u>
		<u>11,129,551.79</u>	<u>4,763,462.96</u>
Federal and State Grants:			
Encumbrances Payable	A-20	6,777.55	6,478.55
Reserve For Grants:			
Appropriated	A-20	226,049.84	218,424.62
Unappropriated	A-21	4,286.61	9,956.60
Due to Current Fund	A-22	-	174,817.48
Due to Beach Capital Fund	E	<u>37.97</u>	<u>37.97</u>
Federal and State Grants:		<u>237,151.97</u>	<u>409,715.22</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 11,366,703.76</u>	<u>\$ 5,173,178.18</u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 596,715.29	\$ 661,693.97
Miscellaneous Revenue Anticipated	1,220,494.03	1,034,569.45
Delinquent Taxes	178,894.43	175,907.23
Non-Budget Revenue	209,398.25	187,936.79
Current Taxes	10,267,367.88	10,467,681.96
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	193,834.20	129,127.70
Cancellation of Appropriated Grant Reserves	-	122,172.78
Interfunds Returned	1,127,446.61	735,653.34
Local District School Tax Returned	<u>12,190.50</u>	<u>41,850.00</u>
 Total Revenue	 <u>13,806,341.19</u>	 <u>13,556,593.22</u>
 Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	2,162,600.00	2,056,100.00
Other Expenses	2,370,550.00	2,152,622.00
Deferred Charges and Statutory Expenditures	548,381.00	503,662.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	48,000.00	56,000.00
Other Expenses	210,777.68	222,537.42
Capital Improvements	75,000.00	50,000.00
Municipal Debt Service	390,239.50	678,307.50
County Taxes	2,498,196.20	2,308,875.07
Due County Added Taxes	12,269.77	20,037.61
Regional High School Taxes	2,761,737.00	3,147,116.00
Local District School Tax	624,495.00	600,105.00
Cancellation of Grants Receivable	25,704.00	141,611.35
Interfunds Advanced	<u>-</u>	<u>951,124.20</u>
 Total Expenditures	 <u>11,727,950.15</u>	 <u>12,888,098.15</u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Excess/(Deficit) in Revenue	\$ 2,078,391.04	\$ 668,495.07
Fund Balance, January 1	<u>1,573,943.69</u>	<u>1,567,142.59</u>
	3,652,334.73	2,235,637.66
Decreased By:		
Utilized as Anticipated Revenue	<u>596,715.29</u>	<u>661,693.97</u>
Fund Balance, December 31	<u><u>\$ 3,055,619.44</u></u>	<u><u>\$ 1,573,943.69</u></u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Anticipated <u>Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	Amount <u>Realized</u>	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 596,715.29	\$ -	\$ 596,715.29	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	38,000.00	-	42,927.00	4,927.00
Other	12,000.00	-	11,362.00	(638.00)
Fines and Costs - Municipal Court	130,000.00	-	129,872.60	(127.40)
Interest and Costs on Taxes	35,000.00	-	48,268.90	13,268.90
Interest on Investments and Deposits	35,000.00	-	11,526.39	(23,473.61)
Parking Meters	220,000.00	-	672,359.38	452,359.38
Cable Television Franchise Fee	40,275.87	-	40,275.87	-
Energy Receipts	160,827.00	-	160,827.01	0.01
Uniform Construction Code Fees	90,000.00	-	91,695.00	1,695.00
Distracted Driving Incentive	2,200.00	-	2,200.00	-
Recycling Tonnage Grant	3,002.98	-	3,002.98	-
Clean Communities Program	4,753.62	-	4,753.62	-
Body Armor Replacement Fund	1,423.28	-	1,423.28	-
Total Miscellaneous Revenues	<u>772,482.75</u>	-	<u>1,220,494.03</u>	<u>448,011.28</u>
Receipts From Delinquent Taxes	<u>181,792.33</u>	-	<u>178,894.43</u>	<u>(2,897.90)</u>
Amount To Be Raised By Taxes For Support of Municipal Budget	<u>4,660,000.00</u>	-	<u>4,760,669.91</u>	<u>100,669.91</u>
Budget Totals	6,210,990.37	-	6,756,773.66	545,783.29
Non-Budget Revenue	-	-	<u>209,398.25</u>	<u>209,398.25</u>
Total General Revenues	<u>\$ 6,210,990.37</u>	<u>\$ -</u>	<u>\$ 6,966,171.91</u>	<u>\$ 755,181.54</u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 10,267,367.88
Less: Allocated to School and County Taxes	<u>5,896,697.97</u>
Balance for Support of Municipal Budget Appropriations	4,370,669.91
Add: "Appropriation Reserve for Uncollected Taxes"	<u>390,000.00</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 4,760,669.91</u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 178,894.43</u>
	<u>\$ 178,894.43</u>
Miscellaneous Revenue Not Anticipated:	
Uniform Fire Safety Act	\$ 10,150.10
Fees and Permits - Health	7,545.00
Cell Tower Lease	107,884.55
Police Off Duty Admin Fee	20,795.00
Miscellaneous - Other	<u>63,023.60</u>
	<u>\$ 209,398.25</u>

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

BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations		Paid or <u>Charged</u>	Expended		Unexpended Balance <u>Cancelled</u>
	Original <u>Budget</u>	Budget After <u>Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration:						
Salaries and Wages	\$ 115,000.00	\$ 115,000.00	\$ 108,800.66	\$ -	\$ 6,199.34	\$ -
Other Expenses	108,000.00	88,000.00	70,813.78	7,440.30	9,745.92	-
Municipal Clerk:						
Salaries and Wages	109,000.00	126,000.00	120,757.44	-	5,242.56	-
Other Expenses	18,250.00	8,250.00	5,426.39	87.92	2,735.69	-
Financial Administration (Treasury):						
Salaries and Wages	55,000.00	55,000.00	52,771.86	-	2,228.14	-
Other Expenses	38,000.00	38,000.00	28,819.24	207.23	8,973.53	-
Audit Services:						
Other Expenses	34,000.00	34,000.00	31,900.00	-	2,100.00	-
Revenue Administration (Tax Collection):						
Salaries and Wages	62,000.00	62,000.00	56,478.58	-	5,521.42	-
Other Expenses	11,700.00	9,700.00	8,250.80	1,114.48	334.72	-
Tax Assessment Administration:						
Salaries and Wages	28,500.00	28,500.00	28,409.66	-	90.34	-
Other Expenses	9,500.00	6,500.00	(5,983.10)	7,200.00	5,283.10	-
Computerized Data Processing:						
Other Expenses	13,000.00	13,000.00	13,000.00	-	-	-
Legal Services:						
Other Expenses	160,000.00	171,000.00	158,605.03	900.00	11,494.97	-
Engineering Services:						
Other Expenses	70,000.00	57,000.00	28,660.28	-	28,339.72	-
LAND USE ADMINISTRATION						
Planning and Zoning Board of Adjustment:						
Salaries and Wages	65,000.00	65,000.00	65,000.00	-	-	-
Other Expenses	20,300.00	20,300.00	13,249.76	-	7,050.24	-
INSURANCE						
General Liability	76,000.00	76,000.00	72,406.40	-	3,593.60	-
Workmen's Compensation	76,000.00	76,000.00	72,591.24	-	3,408.76	-
Employee Group Health	465,000.00	465,000.00	442,789.86	-	22,210.14	-
Health Benefit Waivers	2,500.00	2,500.00	-	-	2,500.00	-
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	1,300,000.00	1,300,000.00	1,235,494.04	-	64,505.96	-
Other Expenses	185,000.00	185,000.00	89,376.78	66,549.42	29,073.80	-
Parking Program:						
Other Expenses	65,000.00	85,000.00	83,769.96	-	1,230.04	-
Office of Emergency Management:						
Salaries and Wages	3,600.00	3,600.00	1,750.00	-	1,850.00	-
Other Expenses	12,000.00	12,000.00	1,885.48	360.00	9,754.52	-
Aid to Volunteer Squad:						
Other Expenses	18,000.00	18,000.00	18,000.00	-	-	-
Fire:						
Fire Hydrant Rental	32,000.00	32,000.00	27,918.31	1,868.70	2,212.99	-
Other Expenses	55,000.00	67,000.00	37,659.69	23,000.05	6,340.26	-
PUBLIC WORKS FUNCTIONS						
Streets and Road Maintenance:						
Salaries and Wages	230,000.00	215,000.00	201,887.17	-	13,112.83	-
Other Expenses	103,000.00	103,000.00	72,674.16	9,252.67	21,073.17	-
Buildings and Grounds:						
Salaries and Wages	7,500.00	7,500.00	3,018.59	-	4,481.41	-
Other Expenses	94,000.00	94,000.00	65,613.17	15,491.41	12,895.42	-
Beautification	1,000.00	1,000.00	-	-	1,000.00	-

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

BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications		Encumbered	Reserved	
Solid Waste Disposal:						
Other Expenses	240,000.00	275,000.00	221,524.46	-	53,475.54	-
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Other Expenses	60,600.00	60,600.00	60,524.01	-	75.99	-
Animal Control Services:						
Other Expenses	7,500.00	7,500.00	2,663.51	780.64	4,055.85	-
PARK AND RECREATION FUNCTIONS						
Recreation Services and Programs:						
Salaries and Wages	6,000.00	6,000.00	4,965.88	-	1,034.12	-
Other Expenses	11,500.00	6,500.00	2,499.46	-	4,000.54	-
Celebration of Public Events:						
Other Expenses	2,500.00	-	-	-	-	-
Municipal Court:						
Salaries and Wages	26,000.00	26,000.00	23,092.27	-	2,907.73	-
Other Expenses	11,450.00	11,450.00	8,319.75	-	3,130.25	-
Public Defender:						
Salaries and Wages	1,000.00	1,000.00	800.00	-	200.00	-
STATE UNIFORM CONSTRUCTION CODE OFFICIALS						
Construction Code Official:						
Salaries and Wages	155,000.00	140,000.00	130,763.95	-	9,236.05	-
Other Expenses	13,250.00	13,250.00	3,923.02	336.71	8,990.27	-
Fire Marshall:						
Salaries and Wages	12,000.00	12,000.00	11,638.99	-	361.01	-
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-
UTILITY EXPENSE AND BULK PURCHASES						
Electricity	52,000.00	42,000.00	35,437.26	-	6,562.74	-
Street Lighting	36,000.00	37,500.00	33,906.25	-	3,593.75	-
Telephone	33,000.00	28,000.00	19,986.67	-	8,013.33	-
Water	6,000.00	8,500.00	7,717.73	581.65	200.62	-
Natural Gas & Propane	22,000.00	22,000.00	19,926.26	2,073.74	-	-
Gasoline	72,000.00	65,000.00	53,121.35	423.10	11,455.55	-
LANDFILL / SOLID WASTE DISPOSAL COSTS						
Landfill Disposal Costs	110,000.00	110,000.00	89,942.90	-	20,057.10	-
UNCLASSIFIED						
Snow Removal Trust	10,000.00	10,000.00	10,000.00	-	-	-
Accumulated Absences Trust	10,000.00	10,000.00	10,000.00	-	-	-
Total Operations Within "CAPS"	4,541,650.00	4,533,150.00	3,962,548.95	137,668.02	432,933.03	-
Total Operations Including Contingent Within "CAPS"	4,541,650.00	4,533,150.00	3,962,548.95	137,668.02	432,933.03	-
Detail:						
Salaries and Wages	2,175,600.00	2,162,600.00	2,045,629.09	-	116,970.91	-
Other Expenses	2,366,050.00	2,370,550.00	1,916,919.86	137,668.02	315,962.12	-
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
Contribution To:						
Public Employees' Retirement System	86,783.00	86,783.00	86,783.00	-	-	-
Social Security System (O.A.S.I.)	105,000.00	113,500.00	101,709.01	-	11,790.99	-
Unemployment Insurance	8,000.00	8,000.00	197.60	-	7,802.40	-
Defined Contribution Retirement Program	1,000.00	1,000.00	-	-	1,000.00	-
Police and Firemen's Retirement System	339,098.00	339,098.00	339,098.00	-	-	-

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

BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications		Encumbered	Reserved	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	539,881.00	548,381.00	527,787.61	-	20,593.39	-
Total General Appropriations for Municipal Purposes Within "CAPS"	5,081,531.00	5,081,531.00	4,490,336.56	137,668.02	453,526.42	-
OPERATIONS - EXCLUDED FROM "CAPS"						
Aid to Privately Owned Library (NJSA 40:54-35)						
Salaries and Wages	48,000.00	48,000.00	21,924.33	-	26,075.67	-
Other Expenses	19,350.00	19,350.00	11,102.29	152.55	8,095.16	-
Recycling Tax	5,000.00	5,000.00	3,243.37	-	1,756.63	-
Total Other Operations Excluded From "CAPS"	72,350.00	72,350.00	36,269.99	152.55	35,927.46	-
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Flood Warning System - Monmouth County	1,500.00	1,500.00	1,500.00	-	-	-
Municipal Court - Oceanport	78,000.00	78,000.00	78,000.00	-	-	-
Monmouth County Sheriff's Office- 911 Dispatch	84,348.00	84,348.00	84,348.00	-	-	-
Fire Marshall Vehicle - Ocean Township	1,200.00	1,200.00	1,200.00	-	-	-
Total Interlocal Municipal Service Agreements	165,048.00	165,048.00	165,048.00	-	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
State of New Jersey:						
Department of Environmental Protection:						
Clean Communities Program	4,753.62	4,753.62	4,753.62	-	-	-
Body Armor Replacement Fund	1,423.08	1,423.08	1,423.08	-	-	-
Matching Funds for Grants	10,000.00	10,000.00	-	-	10,000.00	-
Recycling Tonnage Grant	3,002.98	3,002.98	3,002.98	-	-	-
Distracted Driving Incentive	2,200.00	2,200.00	2,200.00	-	-	-
Total Public and Private Programs Offset By Revenue	21,379.68	21,379.68	11,379.68	-	10,000.00	-
Total Operations - Excluded From "CAPS"	258,777.68	258,777.68	212,697.67	152.55	45,927.46	-
Detail:						
Salaries and Wages	48,000.00	48,000.00	21,924.33	-	26,075.67	-
Other Expenses	210,777.68	210,777.68	190,773.34	152.55	19,851.79	-
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	75,000.00	75,000.00	75,000.00	-	-	-
Total Capital Improvements - Excluded From "CAPS"	75,000.00	75,000.00	75,000.00	-	-	-
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	220,000.00	220,000.00	220,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	65,000.00	65,000.00	50,072.00	-	-	14,928.00
Interest on Notes	50,119.19	50,119.19	50,119.19	-	-	-
Interest on Bonds	70,562.50	70,562.50	70,048.31	-	-	514.19
Total Municipal Debt Service - Excluded From "CAPS"	405,681.69	405,681.69	390,239.50	-	-	15,442.19

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications		Encumbered	Reserved	
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	739,459.37	739,459.37	677,937.17	152.55	45,927.46	15,442.19
Subtotal General Appropriations	5,820,990.37	5,820,990.37	5,168,273.73	137,820.57	499,453.88	15,442.19
Reserve for Uncollected Taxes	390,000.00	390,000.00	390,000.00	-	-	-
Total General Appropriations	\$ 6,210,990.37	\$ 6,210,990.37	\$ 5,558,273.73	\$ 137,820.57	\$ 499,453.88	\$ 15,442.19
Budget as Adopted		\$ 6,210,990.37				
		\$ 6,210,990.37				
Analysis of Paid or Charged:						
Reserve For:						
Uncollected Taxes			\$ 390,000.00			
Federal and State Grants			11,379.68			
Cash Disbursements			5,156,894.05			
			\$ 5,558,273.73			

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ 1,542.73	\$ 848.53
Other Trust Funds:			
Cash - Trust Other	B-1	713,622.51	506,308.56
Accounts Receivable	B	2,379.73	-
Due From Current Fund	A	-	1,504.93
Due From General Capital Fund	B-5	-	31,294.00
Due From Payroll Trust	A	58,904.94	52,724.82
Due From Beach Capital Fund	B-6	-	16,000.00
		<u>774,907.18</u>	<u>607,832.31</u>
Payroll Agency Fund:			
Cash	B-1	85,798.81	97,805.12
Total Assets		<u>\$ 862,248.72</u>	<u>\$ 706,485.96</u>
<u>Liabilities and Reserves</u>			
Animal Control Fund:			
Due to State	B-2	\$ 6.20	\$ 7.40
Reserve For Animal Control Fund Expenditures	B-3	1,536.53	841.13
		<u>1,542.73</u>	<u>848.53</u>
Other Trust Funds:			
Reserve For:			
Due To Current Fund	A	-	196.50
Due To Sewer Operating Fund	B-7	-	299.75
Various Reserves	B-8	774,907.18	607,336.06
		<u>774,907.18</u>	<u>607,832.31</u>
Payroll Agency Fund:			
Due To Current Fund	A	-	1,308.43
Due to Trust Other	B	58,904.94	52,724.82
Reserve for Payroll	B-9	26,893.87	43,771.87
		<u>85,798.81</u>	<u>97,805.12</u>
Total Liabilities and Reserves		<u>\$ 862,248.72</u>	<u>\$ 706,485.96</u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

<u>Assets</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Cash	C-2	\$ 1,323,463.82	\$ 63,120.36
Grants Receivable	C-4	2,010,445.54	1,668,761.13
Due from Home Owner	C-5	24,104.00	24,104.00
Insurance Proceeds Receivable	C-2	30,430.84	-
Due from Current Fund	C-6	3,001,552.00	-
Deferred Charges to Future Taxation:			
Funded	C-7	5,570,000.00	1,825,000.00
Unfunded	C-8	3,351,206.54	7,777,830.54
		<u> </u>	<u> </u>
Total Assets		<u>\$ 15,311,202.74</u>	<u>\$ 11,358,816.03</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Due to Current Fund	C-6	\$ -	\$ 951,124.20
Serial Bonds	C-9	5,570,000.00	1,825,000.00
Bond Anticipation Notes	C-13	6,490,252.00	3,341,279.00
Due to Other Trust Fund	C-10	-	31,294.00
Encumbrances Payable	C-11	178,653.65	455,450.36
Due to Sewer Operating Fund	D	-	369,842.88
Due to Beach Capital Fund	E	-	626,592.35
Due to Beach Operating Fund	E	-	392,466.49
Improvement Authorizations:			
Funded	C-11	2,199,666.33	1,908,568.55
Unfunded	C-11	195,798.80	913,984.02
Capital Improvement Fund	C-12	181,031.87	106,031.87
Various Reserves	C-14	410,545.23	351,927.45
Fund Balance	C-1	85,254.86	85,254.86
		<u> </u>	<u> </u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 15,311,202.74</u>	<u>\$ 11,358,816.03</u>

There were bonds and notes authorized but not issued on December 31, 2020 in the amount of \$1,289,509.37 and on December 31, 2019 in the amount of \$4,436,562.37.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Balance, December 31, 2020 and 2019

\$ 85,254.86

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Operating Fund:			
Cash - Checking	D-5	\$ 293,332.58	\$ 66,710.10
Due from General Capital Fund	C	-	369,842.88
Due from Trust - Other	B	-	299.75
		<u>293,332.58</u>	<u>436,852.73</u>
Receivables with Full Reserves:			
Sewer Rents Receivable	D-7	<u>43,547.60</u>	<u>41,033.61</u>
Total Operating Fund		<u>336,880.18</u>	<u>477,886.34</u>
Capital Fund:			
Cash - Checking	D-5	426,521.06	130,289.45
Fixed Capital	D-8	1,637,399.80	1,637,399.80
Fixed Capital Authorized and Uncompleted	D-9	1,073,913.54	1,073,913.54
Due from Current Fund	D-19	298,465.00	1,788.01
Due from Sewer Operating Fund	D	-	70,000.00
Total Capital Fund		<u>3,436,299.40</u>	<u>2,913,390.80</u>
Total Assets		<u>\$ 3,773,179.58</u>	<u>\$ 3,391,277.14</u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4	\$ 102,534.01	\$ 67,458.11
Encumbrances Payable	D-4	14,586.01	8,526.10
Sewer Rent Overpayments	D-11	7,496.81	7,948.36
Accrued Interest on Bonds	D-12	761.61	260.00
Accounts Payable	D	175.00	175.00
Due to Sewer Capital Fund	D	-	70,000.00
		<u>125,553.44</u>	<u>154,367.57</u>
Reserve for Receivables	D	43,547.60	41,033.61
Fund Balance	D-1	<u>167,779.14</u>	<u>282,485.16</u>
		<u>211,326.74</u>	<u>323,518.77</u>
Total Operating Fund		<u>336,880.18</u>	<u>477,886.34</u>
Capital Fund:			
Serial Bonds	D-15	575,000.00	-
Bond Anticipation Notes	D-14	298,465.00	309,931.00
Improvement Authorizations:			
Funded	D-13	4,212.12	43,937.52
Unfunded	D-13	265,992.15	398,233.15
Encumbrances Payable	D-13	534.74	4,124.74
Capital Improvement Fund	D-16	148,452.00	128,452.00
Reserve to Pay Debt	D	5,243.59	5,243.59
Reserve for Amortization	D-17	1,637,399.80	1,637,399.80
Deferred Reserve for Amortization	D-18	498,913.54	383,982.54
Fund Balance	D-2	<u>2,086.46</u>	<u>2,086.46</u>
Total Capital Fund		<u>3,436,299.40</u>	<u>2,913,390.80</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,773,179.58</u>	<u>\$ 3,391,277.14</u>

There were bonds and notes authorized but not issued on December 31, 2020 in the amount of \$57,949.00 and on December 31, 2019 in the amount of \$380,000.00.

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:		
Surplus Anticipated	\$ 140,000.00	\$ 194,450.00
Sewer Rents	689,346.00	684,501.68
Miscellaneous Revenue	9,428.21	33,413.27
Other Credits To Income:		
Appropriation Reserves Lapsed	56,485.77	17,452.82
Cancel Prior Year Overpayments	-	2,847.24
	<u>895,259.98</u>	<u>932,665.01</u>
Total Revenue		
Expenditures:		
Operating:		
Salaries and Wages	161,000.00	150,000.00
Other Expenses	648,000.00	651,631.00
Debt Service	16,466.00	20,382.25
Capital Improvements	30,000.00	40,000.00
Deferred Charges and Statutory Expenditures	14,500.00	12,100.00
	<u>869,966.00</u>	<u>874,113.25</u>
Excess/(Deficit) in Revenue	25,293.98	58,551.76
Fund Balance, January 1	<u>282,485.16</u>	<u>418,383.40</u>
	307,779.14	476,935.16
Decreased By:		
Utilized as Anticipated Revenue	<u>140,000.00</u>	<u>194,450.00</u>
Fund Balance, December 31	<u><u>\$ 167,779.14</u></u>	<u><u>\$ 282,485.16</u></u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Balance, December 31, 2020 and 2019

\$ 2,086.46

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus	\$ 140,000.00	\$ 140,000.00	\$ -
Rents - Sewer	680,000.00	680,000.00	-
Additional Sewer User Charges	50,000.00	9,346.00	(40,654.00)
Miscellaneous Revenue Not Anticipated	-	9,428.21	9,428.21
	<u>\$ 870,000.00</u>	<u>\$ 838,774.21</u>	<u>\$ (31,225.79)</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Delinquent Accounts	\$ 6,299.98
Interest Earned on Investments	<u>3,128.23</u>
	<u>\$ 9,428.21</u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Expended			
	Original Budget	Budget After Modifications	Paid or Charged	Encumbrances	Reserved	Cancelled
Operating:						
Sewer:						
Salaries and Wages	\$ 155,000.00	\$ 161,000.00	\$ 159,939.58	\$ -	\$ 1,060.42	\$ -
Other Expenses	160,000.00	153,000.00	101,522.27	14,586.01	36,891.72	-
Two Rivers Water Reclamation Authority	495,000.00	495,000.00	441,568.50	-	53,431.50	-
Total Operating	810,000.00	809,000.00	703,030.35	14,586.01	91,383.64	-
Capital Improvements:						
Capital Improvement Fund	20,000.00	20,000.00	20,000.00	-	-	-
Capital Outlay	10,000.00	10,000.00	-	-	10,000.00	-
Total Capital Improvements	30,000.00	30,000.00	20,000.00	-	10,000.00	-
Debt Service:						
Payment on BANs & Capital Notes	11,500.00	11,500.00	11,466.00	-	-	34.00
Interest on Notes	5,000.00	5,000.00	5,000.00	-	-	-
Total Debt Service	16,500.00	16,500.00	16,466.00	-	-	34.00
Statutory Expenditures:						
Contributions To:						
Public Employees Retirement System	6,000.00	6,000.00	6,000.00	-	-	-
Social Security System (O.A.S.I.)	7,500.00	8,500.00	7,349.63	-	1,150.37	-
Total Statutory Expenditures	13,500.00	14,500.00	13,349.63	-	1,150.37	-
Total Sewer Utility Appropriations	\$ 870,000.00	\$ 870,000.00	\$ 752,845.98	\$ 14,586.01	\$ 102,534.01	\$ 34.00
Cash Disbursed			\$ 752,344.37			
Accrued Interest			501.61			
			<u>\$ 752,845.98</u>			

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Operating Fund:			
Cash	E-5	\$ 1,488,005.27	\$ 79,035.60
Change Fund	E-6	145.00	145.00
Due from Monmouth County	E-3	87,634.01	-
Due From General Capital Fund	C	-	392,466.49
Due From Beach Utility Capital Fund	E-21	-	586,476.78
		<hr/>	<hr/>
Total Operating Fund		1,575,784.28	1,058,123.87
Deferred Charges:			
Emergency Authorization	E	60,000.00	85,305.00
		<hr/>	<hr/>
Total Deferred Charges		60,000.00	85,305.00
		<hr/>	<hr/>
Total Operating Fund		1,635,784.28	1,143,428.87
Capital Fund:			
Cash	E-5	691,074.81	74,589.60
Due From Grant Fund	A	37.97	37.97
Due From Current Fund	A	2,675,197.00	302,902.23
Due From General Capital	C	-	626,592.35
Beach Settlements Receivable	E	400,000.00	400,000.00
Fixed Capital	E-8	103,144.08	103,144.08
Fixed Capital Authorized and Uncompleted	E-9	6,180,000.00	6,180,000.00
		<hr/>	<hr/>
Total Capital Fund		10,049,453.86	7,687,266.23
		<hr/>	<hr/>
Total Assets		<u>\$ 11,685,238.14</u>	<u>\$ 8,830,695.10</u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	E-4	\$ 74,380.27	\$ 35,265.26
Encumbrances Payable	E-4	14,895.34	1,324.84
Accrued Interest on Bonds	E-11	4,971.31	2,287.69
Prepaid Badges	E-12	300,460.00	197,010.00
Accounts Payable	E-19	9,237.85	9,237.85
		<u>403,944.77</u>	<u>245,125.64</u>
Fund Balance	E-1	<u>1,231,839.51</u>	<u>898,303.23</u>
Total Operating Fund		<u>1,635,784.28</u>	<u>1,143,428.87</u>
Capital Fund:			
Serial Bonds	E-14	2,460,000.00	-
Bond Anticipation Notes	E-13	2,745,497.00	2,745,230.00
Encumbrances Payable	E-15	177,940.60	187,302.20
Improvement Authorizations:			
Funded	E-15	142,555.78	168,351.86
Unfunded	E-15	396,262.78	406,937.69
Reserve For:			
Amortization	E-16	132,144.08	132,144.08
Deferred Amortization	E-17	3,619,750.00	3,094,520.00
Payment of Debt	E-20	28,768.90	28,768.90
Capital Improvement Fund	E-18	346,485.96	321,485.96
Due To Beach Utility Operating Fund	E-21	-	586,476.78
Due To Other Trust Fund	E-22	-	16,000.00
Fund Balance	E-2	48.76	48.76
Total Capital Fund		<u>10,049,453.86</u>	<u>7,687,266.23</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 11,685,238.14</u>	<u>\$ 8,830,695.10</u>

There were bonds and notes authorized but not issued at December 31, 2020 of \$129,930.00 and at December 31, 2019 of \$311,250.00.

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:		
Operating Surplus Anticipated	\$ 272,738.00	\$ 250,500.00
Beach Fees By Ordinance	1,081,878.00	627,373.00
Miscellaneous Revenue Not Anticipated	89,176.73	155,473.30
Other Credits To Income:		
Appropriation Reserves Lapsed	<u>35,219.55</u>	<u>93,915.99</u>
Total Revenue	<u>1,479,012.28</u>	<u>1,127,262.29</u>
Expenditures:		
Operating:		
Salaries and Wages	439,400.00	375,000.00
Other Expenses	213,000.00	201,000.00
Debt Service	112,033.00	168,541.26
Capital Improvements	55,000.00	75,000.00
Deferred Charges and Statutory Expenditures	<u>113,305.00</u>	<u>44,500.00</u>
	<u>932,738.00</u>	<u>864,041.26</u>
Excess/(Deficit) in Revenue	546,274.28	263,221.03
Adjustment to Income Before Fund Balance:		
Expenditures Included Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years:		
Emergency Authorization	<u>60,000.00</u>	<u>85,305.00</u>
Statutory Excess to Fund Balance	606,274.28	348,526.03
Fund Balance, January 1	<u>898,303.23</u>	<u>800,277.20</u>
	1,504,577.51	1,148,803.23
Decreased By:		
Utilized as Anticipated Revenue	<u>272,738.00</u>	<u>250,500.00</u>
Fund Balance, December 31	<u>\$ 1,231,839.51</u>	<u>\$ 898,303.23</u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Balance, December 31, 2020 and 2019

\$ 48.76

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 272,738.00	\$ 272,738.00	\$ -
Beach Fees By Ordinance	600,000.00	1,081,878.00	481,878.00
Miscellaneous Revenue Not Anticipated	-	89,176.73	89,176.73
	<u>\$ 872,738.00</u>	<u>\$ 1,443,792.73</u>	<u>\$ 571,054.73</u>

Analysis of Beach Fees

Current Year Cash Receipts	\$ 884,868.00
Prepaid Badges Applied	<u>197,010.00</u>
	<u>\$ 1,081,878.00</u>

Analysis of Miscellaneous Revenue Not Anticipated

Current Year Cash Receipts	\$ 1,542.72
Accounts Receivable	<u>87,634.01</u>
	<u>\$ 89,176.73</u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Original Budget	Budget After Modifications	Cash Disbursed	Expended	
				Encumbered	Reserved
Operating:					
Salaries and Wages	\$ 379,400.00	\$ 439,400.00	\$ 416,191.03	\$ -	\$ 23,208.97
Other Expenses	196,000.00	196,000.00	175,056.58	8,415.38	12,528.04
Dune Maintenance	10,000.00	10,000.00	-	6,479.96	3,520.04
Junior Lifeguard Program	7,000.00	7,000.00	3,371.54	-	3,628.46
Total Operating	592,400.00	652,400.00	594,619.15	14,895.34	42,885.51
Capital Improvements:					
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	-	-
Capital Outlay	30,000.00	30,000.00	-	-	30,000.00
Total Capital Improvements	55,000.00	55,000.00	25,000.00	-	30,000.00
Debt Service:					
Payment of Bond Anticipation Notes	70,033.00	70,033.00	70,033.00	-	-
Interest on Notes	42,000.00	42,000.00	42,000.00	-	-
Total Debt Service	112,033.00	112,033.00	112,033.00	-	-
Deferred Charges:					
Emergency Authorization	85,305.00	85,305.00	85,305.00	-	-
Total Statutory Expenditures	85,305.00	85,305.00	85,305.00	-	-
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	6,000.00	6,000.00	6,000.00	-	-
Social Security System (O.A.S.I.)	22,000.00	22,000.00	20,505.24	-	1,494.76
Total Statutory Expenditures	28,000.00	28,000.00	26,505.24	-	1,494.76
Total Beach Utility Appropriations	\$ 872,738.00	\$ 932,738.00	\$ 843,462.39	\$ 14,895.34	\$ 74,380.27
Original Budget		\$ 872,738.00			
Deferred Charge - Emergency Appropriations		<u>60,000.00</u>			
		<u>\$ 932,738.00</u>			
Cash Disbursed			\$ 755,473.77		
Accrued Interest			2,683.62		
Deferred Charges			<u>85,305.00</u>		
			<u>\$ 843,462.39</u>		

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	Balance December 31, <u>2020</u>	Balance December 31, <u>2019</u>
Land	F-1	\$ 9,503,700.00	\$ 9,488,800.00
Building	F-1	8,261,934.10	551,100.00
Machinery and Equipment	F-1	<u>5,100,309.22</u>	<u>5,147,154.22</u>
Total General Fixed Assets	F-1	<u>\$ 22,865,943.32</u>	<u>\$ 15,187,054.22</u>
Investment in General Fixed Assets		<u>\$ 22,865,943.32</u>	<u>\$ 15,187,054.22</u>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Sea Bright, County of Monmouth, New Jersey (hereafter referred to as the "Borough") is governed by the Borough form of government, with a mayor and a 6-member Borough Council. Administrative responsibilities are assigned to the Borough Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80, 90 and 97, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, 80, 90 and 97.

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

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

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

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

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

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

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued)

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

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

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

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Oceanport School District and Shore Regional School District]. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30, increased by the amount deferred at December 31, 2019 and decreased by the amount deferred at December 31, 2020.

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued)

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

Reserve for Uncollected Taxes – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Borough’s annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

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

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

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

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2020:

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to section 1, paragraph 4 are effective immediately. All other requirements will be effective for reporting periods beginning June 15, 2021.

Management has determined that the implementation of these Statements did not have a significant impact on the Borough's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021.

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 2. Deposits and Investments

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

Deposits

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

As of December 31, 2020, the Borough's bank balance of \$15,706,239.53 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 14,796,560.86
NJ Cash Management Fund	82.23
Uninsured and Uncollateralized	<u>909,596.44</u>
	<u><u>\$ 15,706,239.53</u></u>

Investments

The Borough had no investments as of December 31, 2020.

Note 3. Property Taxes

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

Comparison Schedule of Tax Rates

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 1.284</u>	<u>\$ 1.357</u>	<u>\$ 1.436</u>
Apportionment of Tax Rate:			
Municipal	0.567	0.578	0.593
County General	0.305	0.297	0.289
Local School	0.076	0.077	0.070
Regional School	0.336	0.405	0.484

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 3. Property Taxes (Continued)

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 821,693,910.00
2019	777,727,764.00
2018	738,116,674.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2020	\$ 10,606,311.19	\$ 10,267,367.88	96.80%
2019	10,649,845.83	10,467,681.96	98.28%
2018	10,670,449.01	10,494,013.33	98.34%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2020	\$ 11,837.13	\$ 341,238.22	\$ 353,075.35	3.33%
2019	11,363.33	181,663.14	193,026.47	1.81%
2018	10,862.60	175,907.23	186,769.83	1.75%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2020	2
2019	3
2018	3

The last tax sale was held on December 15, 2020.

Note 4. Property Acquired By Tax Title Lien Liquidation

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2020, 2019 or 2018.

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 5. Sewer Utility Service Charges

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2020	\$ 41,033.61	\$ 691,859.99	\$ 732,893.60	\$ 689,346.00	94.05%
2019	71,036.42	654,498.87	725,535.29	684,501.68	94.34%
2018	78,065.23	679,074.20	757,139.43	686,103.01	90.61%

Note 6. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2020	\$ 3,055,619.44	\$ 612,135.94	20.03%
2019	1,573,943.69	596,715.29	37.91%
2018	1,567,142.59	661,693.97	42.22%
Sewer Utility Operating Fund:			
2020	\$ 167,779.14	\$ 156,400.00	93.22%
2019	282,485.16	140,000.00	49.56%
2018	418,383.40	194,450.00	46.48%
Beach Utility Operating Fund:			
2020	\$ 1,231,839.51	\$ 408,365.50	33.15%
2019	898,303.23	272,738.00	30.36%
2018	800,277.20	250,500.00	31.30%

Note 7. Disaggregated Receivable and Payable Balances

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 8. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2020:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ -	\$ 6,059,690.75
State and Federal Grant Fund	84,476.75	37.97
Capital Fund	3,001,552.00	-
Sewer Utility Capital Fund	298,465.00	-
Beach Utility Capital Fund	<u>2,675,234.97</u>	<u>-</u>
	<u>\$ 6,059,728.72</u>	<u>\$ 6,059,728.72</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year. A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 6,880,942.19	\$ -
State and Federal Grant Fund	-	259,294.23
Animal Control Trust	-	-
Trust Other Fund	101,523.75	496.25
Payroll Trust Fund	-	54,033.25
Capital Fund	-	5,372,871.92
Sewer Utility Operating Fund	370,142.63	70,000.00
Sewer Utility Capital Fund	-	226,676.99
Beach Utility Operating Fund	978,943.27	-
Beach Utility Capital Fund	<u>-</u>	<u>2,348,179.20</u>
	<u>\$ 8,331,551.84</u>	<u>\$ 8,331,551.84</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2020.

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Adjustments</u>	Balance December 31, <u>2020</u>
Land	\$ 9,488,800.00	\$ 14,900.00	\$ -	\$ 9,503,700.00
Buildings and Improvements	551,100.00	7,710,834.10	-	8,261,934.10
Machinery & Equipment	5,147,154.22	421,380.36	(468,225.36)	5,100,309.22
	<u>\$ 15,187,054.22</u>	<u>\$ 8,147,114.46</u>	<u>\$ (468,225.36)</u>	<u>\$ 22,865,943.32</u>

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10. Pension Obligations (continued):

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2020, the Borough's contractually required contribution to PERS plan was \$111,944.00.

Components of Net Pension Liability - At December 31, 2020, the Borough's proportionate share of the PERS net pension liability was \$1,668,737.00. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Borough's proportion measured as of June 30, 2020, was 0.0102330129% which was an increase of 0.0001139166% from its proportion measured as of June 30, 2019.

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 291,145	\$ 447,871
Deferred Inflows of Resources	741,628	786,462
Net Pension Liability	1,668,737	1,823,308
Borough's portion of the Plan's total Net Pension Liability	0.01023%	0.01012%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2020 measurement date is \$69,266.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$111,944.00 to the plan in 2020.

At December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 30,385	\$ 5,901
Changes of Assumptions	54,136	698,716
Net Difference between Projected and Actual Earnings on Pension Plan Investments	57,039	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>149,585</u>	<u>37,011</u>
	<u>\$ 291,145</u>	<u>\$ 741,628</u>

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

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

<u>Year Ending Dec 31,</u>	<u>Amount</u>
2021	\$ (132,314)
2022	(166,041)
2023	(91,557)
2024	(51,824)
2025	<u>(8,747)</u>
	<u>\$ (450,483)</u>

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Credit	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the 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 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 calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 2,117,180</u>	<u>\$ 1,668,737</u>	<u>\$ 1,312,477</u>

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

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

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

The following represents the membership tiers for PFRS:

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

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2020, the Borough's contractually required contributions to PFRS plan was \$356,247.00.

Net Pension Liability and Pension Expense - At December 31, 2020 the Borough's proportionate share of the PFRS net pension liability was \$4,120,391.00. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Borough's proportion measured as of June 30, 2020, was 0.0318883185%, which was a decrease of 0.0016820649% from its proportion measured as of June 30, 2019.

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
	June 30, 2020	June 30, 2019
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 227,007	\$ 526,919
Deferred Inflows of Resources	1,556,666	1,730,036
Net Pension Liability	4,120,391	4,108,283
Borough's portion of the Plan's total net pension Liability	0.03189%	0.03357%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2020, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2020 measurement date was \$201,390.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$356,247.00 to the plan in 2020.

At December 31, 2020, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 41,541	\$ 14,788
Changes of Assumptions	10,369	1,104,652
Net Difference between Projected and Actual Earnings on Pension Plan Investments	241,598	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions:	<u>227,007</u>	<u>437,226</u>
	<u>\$ 520,515</u>	<u>\$ 1,556,666</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90

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

<u>Year Ending Dec 31,</u>	<u>Amount</u>
2021	\$ (485,409)
2022	(341,530)
2023	(129,788)
2024	(25,777)
2025	<u>(53,647)</u>
	<u>\$ (1,036,151)</u>

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001.

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Borough is \$639,466.00 as of December 31, 2020. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The State’s proportion of the net pension liability associated with the Borough was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2020 was 0.0318883185%, which was a decrease of 0.0016820649% from its proportion measured as of June 30, 2019, which is the same proportion as the Borough’s. At December 31, 2020, the Borough’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 4,120,391
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	639,466
	\$ 4,759,857

At December 31, 2020, the State’s proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2020 measurement date was \$72,471.00.

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

Inflation		
Price		2.75%
Wage		3.25%
Salary Increases:		
Through all future years		3.25 - 15.25%
		Based on Years of Service
Investment Rate of Return		7.00%
Mortality Rate Table		
	PFRS	Pub-2010 Safety Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based		July 1, 2013 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. 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.

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Credit	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make 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 calculated using the discount rate as disclosed above, as well as what the Borough’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 5,479,272	\$ 4,120,391	\$ 2,991,737
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	850,358	639,466	464,304
	\$ 6,329,630	\$ 4,759,857	\$ 3,456,041

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

Note 11. Postemployment Benefits Other Than Pensions

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other postemployment benefit (OPEB) plans for the year ended June 30, 2020. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2019.

General Information about the OPEB Plan

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

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775.00 and \$8,182,092,807.00, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Net OPEB Liability

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

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

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

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2019 was \$3,876,208.00. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.0286149982%, which was a decrease of 0.0022839996% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$(89,364.00) for the State's proportionate share of the OPEB (benefit) expense attributable to the Borough. This OPEB (benefit) expense was based on the OPEB plans June 30, 2019 measurement date.

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 4,481,882.51	\$ 3,876,208.00	\$ 3,384,017.41
State of New Jersey's Total Nonemployer OPEB Liability	15,662,704,137.00	13,546,071,100.00	11,826,026,995.00

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

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough	\$ 3,271,041.86	\$ 3,876,208.00	\$ 4,648,199.28
State of New Jersey's Total Nonemployer OPEB Liability	11,431,214,644.00	13,546,071,100.00	16,243,926,531.00

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

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

	12/31/2019	12/31/2018
	June 30, 2019	June 30, 2018
Actuarial valuation date (including roll forward)		
Collective Deferred Outflows of Resources	\$ 11,158,226.00	\$ 8,279,239.00
Collective Deferred Inflows of Resources	8,761,825,481.00	7,154,925,195.00
Collective Net OPEB Liability	13,546,071,100.00	15,666,618,141.00
 Borough's Portion	 0.028615%	 0.030899%

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

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Changes in Proportion

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

Plan Membership

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

	June 30, 2018
Active Plan Members	63,032
Retirees Currently Receiving Benefits	27,871
Total Plan Members	90,903

Changes in the Total OPEB Liability

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

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

BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 12. Municipal Debt

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

	2020	2019	2018
Issued:			
General:			
Bonds, Notes and Loans	\$ 12,060,252.00	\$ 5,166,279.00	\$ 5,659,507.00
Sewer Utility:			
Bonds, Notes and Loans	873,465.00	309,931.00	321,000.00
Beach Utility:			
Bonds, Notes and Loans	5,205,497.00	2,745,230.00	2,830,535.00
Total Debt Issued	<u>18,139,214.00</u>	<u>8,221,440.00</u>	<u>8,811,042.00</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	1,289,509.37	4,436,562.37	4,056,913.00
Sewer Utility:			
Bonds, Notes and Loans	57,949.00	380,000.00	380,000.00
Beach Utility:			
Bonds, Notes and Loans	129,930.00	311,250.00	258,500.00
Total Authorized But Not Issued	<u>1,477,388.37</u>	<u>5,127,812.37</u>	<u>4,695,413.00</u>
Total Gross Debt	<u>\$ 19,616,602.37</u>	<u>\$ 13,349,252.37</u>	<u>\$ 13,506,455.00</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 396,677.24	\$ 329,424.27	\$ 260,460.73
Utility:			
Self Liquidating Debt	6,266,841.00	3,746,411.00	3,694,375.18
Total Deductions	<u>6,663,518.24</u>	<u>4,075,835.27</u>	<u>3,954,835.91</u>
Total Net Debt	<u>\$ 12,953,084.13</u>	<u>\$ 9,273,417.10</u>	<u>\$ 9,551,619.09</u>

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 12. Municipal Debt (continued):

Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Debt	\$ 1,277,391.02	\$ 1,277,391.02	\$ -
General Debt	13,349,761.37	396,677.24	12,953,084.13
Utility Debt	6,266,841.00	6,266,841.00	-
	<u>\$ 20,893,993.39</u>	<u>\$ 7,940,909.26</u>	<u>\$ 12,953,084.13</u>

Net Debt \$12,953,084.13 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$866,741,945.00 equals 1.494%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2020 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 30,335,968.08
Net Debt	<u>12,953,084.13</u>
Remaining Borrowing Power	<u>\$ 17,382,883.95</u>

Self-Liquidating Sewer Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 845,819.47
Deductions:	
Operating and Maintenance Costs	\$ 717,616.36
Debt Service	16,466.00
Total Deductions	734,082.36
Excess/(Deficit) in Revenue	<u>\$ 111,737.11</u>

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 12. Municipal Debt (continued):

Self-Liquidating Beach Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 1,452,805.46
Deductions:		
Operating and Maintenance Costs	\$ 621,124.39	
Debt Service	112,033.00	
Total Deductions		733,157.39
Excess/(Deficit) in Revenue		\$ 719,648.07

*If Excess in Revenues all Utility Debt is Deducted

General Debt

A. Serial Bonds Payable

The Borough currently has \$5,570,000.00 of General Obligation Bonds & Refunding Bonds outstanding. The Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on December 1, 2025, December 1, 2028 & December 1, 2040.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 355,000.00	\$ 207,357.78	\$ 562,357.78
2022	370,000.00	201,462.50	571,462.50
2023	390,000.00	185,362.50	575,362.50
2024	405,000.00	166,962.50	571,962.50
2025	415,000.00	150,162.50	565,162.50
2026-2030	1,250,000.00	552,337.50	1,802,337.50
2031-2035	1,110,000.00	308,700.00	1,418,700.00
2036-2040	1,275,000.00	115,950.00	1,390,950.00
	\$ 5,570,000.00	\$ 1,888,295.28	\$ 7,458,295.28

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 12. Municipal Debt (continued):

General Debt (Continued):

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2020:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2020</u>
2020B General Improvement Note	1/4/2020	1/3/2021	0.750%	<u>\$ 6,490,252.00</u>

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

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2020, the Borough had \$1,289,509.37 in various General Capital bonds and notes authorized but not issued.

Sewer Utility Debt

A. Serial Bonds Payable

The Borough currently has \$575,000.00 of General Obligation Bonds outstanding. The Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on December 1, 2039.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 20,000.00	\$ 21,641.39	\$ 41,641.39
2022	20,000.00	22,250.00	42,250.00
2023	20,000.00	21,450.00	41,450.00
2024	25,000.00	20,450.00	45,450.00
2025	25,000.00	19,200.00	44,200.00
2026-2030	135,000.00	77,000.00	212,000.00
2031-2035	170,000.00	41,950.00	211,950.00
2036-2039	160,000.00	12,000.00	172,000.00
	<u>\$ 575,000.00</u>	<u>\$ 235,941.39</u>	<u>\$ 810,941.39</u>

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 12. Municipal Debt (continued):

Sewer Utility Debt (Continued):

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2020:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2020</u>
2020B Sewer Utility Note	1/4/2021	1/3/2021	0.750%	<u>\$ 298,465.00</u>

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

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2020 the Borough had \$57,949.00 in various Utility bonds and notes authorized but not issued.

Beach Utility Debt

A. Serial Bonds Payable

The Borough currently has \$2,460,000 of General Obligation Bonds outstanding. The Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on December 1, 2040.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 85,000.00	\$ 91,025.28	\$ 176,025.28
2022	85,000.00	93,550.00	178,550.00
2023	85,000.00	90,150.00	175,150.00
2024	90,000.00	85,900.00	175,900.00
2025	95,000.00	81,400.00	176,400.00
2026-2030	545,000.00	331,250.00	876,250.00
2031-2035	675,000.00	191,400.00	866,400.00
2036-2040	800,000.00	73,500.00	873,500.00
	<u>\$ 2,460,000.00</u>	<u>\$ 1,038,175.28</u>	<u>\$ 3,498,175.28</u>

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 12. Municipal Debt (continued):

Beach Utility Debt (Continued):

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2020:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2020</u>
2020B Beach Utility Note	1/4/2020	1/3/2021	0.750%	<u>\$ 2,745,230.00</u>

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

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2020 the Borough had \$129,930.00 in various Utility bonds and notes authorized but not issued.

Summary of Principal Debt

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

	Balance December 31, <u>2019</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2020</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 1,825,000.00	\$ 3,965,000.00	\$ 220,000.00	\$ 5,570,000.00	\$ 355,000.00
Bond Anticipation Notes	3,341,279.00	6,490,252.00	3,341,279.00	6,490,252.00	6,490,252.00
	<u>\$ 5,166,279.00</u>	<u>\$ 10,455,252.00</u>	<u>\$ 3,561,279.00</u>	<u>\$ 12,060,252.00</u>	<u>\$ 6,845,252.00</u>
Sewer Utility Capital:					
Utility Bonds	\$ -	\$ 575,000.00	\$ -	\$ 575,000.00	\$ 20,000.00
Bond Anticipation Notes	\$ 309,931.00	\$ 298,465.00	\$ 309,931.00	\$ 298,465.00	\$ 298,465.00
	<u>\$ 309,931.00</u>	<u>\$ 873,465.00</u>	<u>\$ 309,931.00</u>	<u>\$ 873,465.00</u>	<u>\$ 318,465.00</u>
Beach Utility Capital:					
Utility Bonds	\$ -	\$ 2,460,000.00	\$ -	\$ 2,460,000.00	\$ 85,000.00
Bond Anticipation Notes	\$ 2,745,230.00	\$ 2,745,497.00	\$ 2,745,230.00	\$ 2,745,497.00	\$ 2,745,497.00
	<u>\$ 2,745,230.00</u>	<u>\$ 5,205,497.00</u>	<u>\$ 2,745,230.00</u>	<u>\$ 5,205,497.00</u>	<u>\$ 2,830,497.00</u>

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 13. Deferred School Taxes

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

<u>Local Taxes</u>	<u>Balance, December 31,</u>	
	<u>2020</u>	<u>2019</u>
Total Balance of Local Tax	\$ 184,543.98	\$ 172,353.48
Deferred Taxes	<u>258,202.50</u>	<u>258,202.50</u>
Local Tax Payable/(Prepaid)	<u>\$ (73,658.52)</u>	<u>\$ (85,849.02)</u>

<u>Regional Tax</u>	<u>Balance, December 31,</u>	
	<u>2020</u>	<u>2019</u>
Total Balance of Regional Tax	\$ 1,216,363.08	\$ 1,577,828.08
Deferred Taxes	<u>910,008.31</u>	<u>910,008.31</u>
Regional Tax Payable	<u>\$ 306,354.77</u>	<u>\$ 667,819.77</u>

Note 14. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	<u>Balance December 31, 2019</u>	<u>Amount Resulting from 2020</u>	<u>Balance to Succeeding Budgets</u>
Beach Utility Operating Fund:			
Emergency Authorization (40A:4-47)	\$ -	\$ 60,000.00	\$ 60,000.00

Note 15. Deferred Compensation Salary Account

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 16. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$596,146.93 at December 31, 2020.

Note 17. Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough is a member of the Monmouth County Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property, general liability, auto liability, public official liability, law enforcement liability and workman's compensation.

New Jersey Unemployment Compensation Insurance

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

<u>Year</u>	<u>Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 6,180.12	\$ 83.49	\$ 517.60	\$ 34,249.12
2019	27,019.77	1.87	196.50	28,503.11
2018	-	1.98	116.50	1,677.97

Note 18. Contingencies

Grantor Agencies

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 18. Contingencies (continued):

disallowed and require repayment to the grantor agency. As of December 31, 2020 the Borough estimates that no material liabilities will result from such audits.

Litigation

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

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2020.

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SUPPLEMENTARY SCHEDULES

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CURRENT FUND

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR/TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

		Current Fund
Balance, December 31, 2019		\$ 3,350,361.91
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 209,398.25	
Veterans and Senior Citizens	11,250.00	
Taxes Receivable	10,214,646.37	
Revenue Accounts Receivable	1,209,114.15	
Prepaid Taxes	249,404.96	
Due to State of NJ	3,822.00	
Due from:		
General Capital	3,952,676.20	
Beach Capital	2,675,197.00	
Sewer Capital	298,465.00	
Payroll Trust	1,308.43	
Trust Other	196.50	
Grants Receivable	232,759.28	
Reserve for Federal and State Grants - Unappropriated	4,286.61	
		19,062,524.75
		22,412,886.66
Decreased By Disbursements:		
2020 Budget Appropriations	5,156,894.05	
Appropriation Reserves	160,444.44	
Accounts Payable	12,490.75	
County Taxes	2,518,233.78	
Regional High School Taxes	2,926,509.70	
Local School Taxes	612,304.50	
Due to State of NJ	5,220.00	
Due To:		
Beach Capital Fund	302,902.23	
Trust Other	1,504.93	
Sewer Capital Fund	1,788.01	
Tax Overpayments Reimbursed	6,206.38	
Due from Monmouth County - CARES Act	70,414.25	
Various Reserves	8,000.00	
Reserve for Federal and State Grants	3,455.46	
		11,786,368.48
Balance, December 31, 2020		\$ 10,626,518.18

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Balance, December 31, 2020 and 2019

\$ 350.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 1,986.03
Increased By:		
Senior Citizens' Deductions Per Billing	\$ 750.00	
Veterans' Deductions Per Tax Billing	10,250.00	
2020 Veterans' Tax Deductions Allowed by Tax Collector	<u>250.00</u>	
		<u>11,250.00</u>
		13,236.03
Decreased By:		
Cash Receipts		<u>11,250.00</u>
Balance, December 31, 2020		<u><u>\$ 1,986.03</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2020**

Year	Balance December 31, 2019	2020 Levy	Added Taxes	Collections		Senior Citizens' and Veterans' Deductions	Transfer to Liens	Balance December 31, 2020
				2019	2020			
2019	\$ 181,663.14	-	\$ -	\$ -	\$ 178,894.43	\$ -	\$ -	\$ 2,768.71
2020	-	10,550,549.96	55,761.23	242,687.75	10,013,430.13	11,250.00	473.80	338,469.51
	\$ 181,663.14	\$ 10,550,549.96	\$ 55,761.23	\$ 242,687.75	\$ 10,192,324.56	\$ 11,250.00	\$ 473.80	\$ 341,238.22

Cash Receipts	\$ 10,214,646.37
Overpayments Created	(78,367.33)
Overpayments Applied	56,045.52
	<u>\$ 10,192,324.56</u>

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax:
General Property Tax
Added and Omitted Taxes

\$ 10,550,549.96	
<u>55,761.23</u>	
\$ 10,606,311.19	

Tax Levy:

Regional High School Tax
Local District School Tax
County Tax
County Added Taxes

\$ 2,498,196.20	
<u>12,269.77</u>	
\$ 2,761,737.00	
624,495.00	
<u>2,510,465.97</u>	

Local Taxes for Municipal Purposes
Add: Additional Tax Levied

4,660,000.00	
<u>49,613.22</u>	
4,709,613.22	
<u>\$ 10,606,311.19</u>	

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 11,363.33
Increased By:	
Transfers From Taxes Receivable	<u>473.80</u>
Balance, December 31, 2020	<u><u>\$ 11,837.13</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	Accrued in <u>2020</u>	<u>Collections</u>	Balance December 31, <u>2020</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 42,927.00	\$ 42,927.00	\$ -
Other	-	11,362.00	11,362.00	-
Fines and Costs - Municipal Court	4,242.92	128,979.14	129,872.60	3,349.46
Interest and Costs on Taxes	-	48,268.90	48,268.90	-
Interest on Investments	-	11,526.39	11,526.39	-
Parking Meters	-	672,359.38	672,359.38	-
Cable Television Franchise Fee	-	40,275.87	40,275.87	-
Energy Receipts	-	160,827.01	160,827.01	-
Uniform Construction Code Fees	-	91,695.00	91,695.00	-
	<u>\$ 4,242.92</u>	<u>\$ 1,208,220.69</u>	<u>\$ 1,209,114.15</u>	<u>\$ 3,349.46</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	December 31, 2019		Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
	<u>Reserved</u>	<u>Encumbrances</u>			
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 13,137.27	\$ -	\$ 137.27	\$ -	\$ 137.27
Other Expenses	5,407.57	2,850.17	23,257.74	18,466.88	4,790.86
Municipal Clerk:					
Salaries and Wages	496.10	-	496.10	-	496.10
Other Expenses	3,004.37	66.24	3,070.61	42.24	3,028.37
Financial Administration (Treasury):					
Salaries and Wages	515.25	-	515.25	-	515.25
Other Expenses	4,893.59	1,428.51	6,322.10	2,209.70	4,112.40
Audit Service:					
Other Expenses	425.00	-	425.00	-	425.00
Revenue Administration (Tax Collection):					
Salaries and Wages	869.70	-	869.70	-	869.70
Other Expenses	1,190.51	-	1,190.51	132.00	1,058.51
Tax Assessment Administration:					
Salaries and Wages	283.36	-	283.36	-	283.36
Other Expenses	2,760.20	-	2,760.20	-	2,760.20
Computerized Data Processing:					
Other Expenses	4,241.94	1,130.00	5,371.94	2,984.94	2,387.00
Legal Services:					
Other Expenses	29,753.97	3,215.00	32,968.97	11,105.68	21,863.29
Engineering Services:					
Other Expenses	5,717.30	1,205.25	6,922.55	5,717.30	1,205.25
LAND USE ADMINISTRATION					
Planning and Zoning Board of Adjustment:					
Salaries and Wages	373.18	-	373.18	-	373.18
Other Expenses	3,766.22	1,356.24	5,122.46	1,356.24	3,766.22
INSURANCE					
General Liability	305.90	-	305.90	-	305.90
Workmen's Compensation	298.52	-	298.52	-	298.52
Employee Group Health	21,015.90	-	21,015.90	348.00	20,667.90
Health Benefit Waivers	2,500.00	-	2,500.00	-	2,500.00
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	6,392.72	-	1,292.72	-	1,292.72
Other Expenses	16,685.58	35,052.75	51,738.33	38,069.58	13,668.75
Parking Program:					
Other Expenses	1,565.55	-	1,565.55	-	1,565.55
Emergency Management Services:					
Salaries and Wages	725.00	-	725.00	-	725.00
Other Expenses	29.88	4,871.47	4,901.35	4,249.79	651.56
Fire:					
Fire Hydrant Rental	1.79	2,530.00	2,531.79	2,530.00	1.79
Other Expenses	875.38	43,757.02	44,632.40	43,663.20	969.20

BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020

	December 31, 2019		Balance After Modifications	Paid or Charged	Balance Lapsed
	<u>Reserved</u>	<u>Encumbrances</u>			
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	3,085.96	-	85.96	-	85.96
Other Expenses	14,418.70	16,054.63	30,473.33	13,582.85	16,890.48
Buildings and Grounds:					
Salaries and Wages	617.49	-	617.49	-	617.49
Other Expenses	922.76	6,601.44	7,524.20	4,425.12	3,099.08
Solid Waste Disposal:					
Other Expenses	26,962.25	-	26,962.25	19,939.72	7,022.53
HEALTH AND HUMAN SERVICES					
Animal Control Services:					
Other Expenses	2,533.55	-	2,533.55	-	2,533.55
PARK AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	1,102.58	-	1,102.58	-	1,102.58
Other Expenses	-	790.56	790.56	790.56	-
Celebration of Public Events:					
Other Expenses	977.25	298.48	1,275.73	398.48	877.25
Municipal Court:					
Salaries and Wages	1,811.03	-	1,811.03	-	1,811.03
Other Expenses	1,333.79	-	1,333.79	75.08	1,258.71
Public Defender:					
Salaries and Wages	1,000.00	-	1,000.00	-	1,000.00
UNIFORM CONSTRUCTION CODE					
Construction Code Official:					
Salaries and Wages	6,996.57	-	96.57	-	96.57
Other Expenses	1,589.50	-	1,589.50	592.34	997.16
Fire Marshall:					
Salaries and Wages	595.86	-	595.86	-	595.86
Other Expenses	860.00	-	860.00	-	860.00
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	699.15	-	11,699.15	11,477.37	221.78
Street Lighting	-	-	2,000.00	1,979.75	20.25
Telephone	5,543.96	1,009.24	6,553.20	1,821.94	4,731.26
Water	2,333.40	819.35	3,152.75	886.46	2,266.29
Natural Gas & Propane	2,450.63	-	2,450.63	2,274.72	175.91
Gasoline	9,204.40	-	9,204.40	3,707.81	5,496.59
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Landfill Disposal Costs	15,037.56	-	15,037.56	7,087.07	7,950.49
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	1,926.13	-	1,926.13	-	1,926.13
Unemployment Insurance	1,787.49	-	1,787.49	-	1,787.49
Defined Contribution Retirement Program	1,000.00	-	1,000.00	-	1,000.00
Aid to Privately Owned Library (NJSA 40:54-35)					
Salaries and Wages	13,392.49	-	13,392.49	125.00	13,267.49
Other Expenses	50.38	305.79	356.17	-	356.17
Recycling Tax	2,251.77	-	2,251.77	255.72	1,996.05

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	December 31, 2019		Balance After Modifications	Paid or Charged	Balance Lapsed
	<u>Reserved</u>	<u>Encumbrances</u>			
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Municipal Court - Oceanport	0.20	-	0.20	-	0.20
Monmouth County Sheriff's Office - Dispatch	71.00	-	71.00	-	71.00
Monmouth County Archive Program	3,000.00	-	3,000.00	-	3,000.00
Matching Funds for Grants	20,000.00	-	20,000.00	-	20,000.00
Total General Appropriations	<u>\$ 270,787.60</u>	<u>\$ 123,342.14</u>	<u>\$ 394,129.74</u>	<u>\$ 200,295.54</u>	<u>\$ 193,834.20</u>

Cash Disbursements	\$ 160,444.44
Accounts Payable	<u>39,851.10</u>
	<u>\$ 200,295.54</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 170,761.43
Increased By:	
Transfer from 2019 Appropriation Reserves	<u>39,851.10</u>
	210,612.53
Decreased By:	
Cash Disbursements	<u>12,490.75</u>
Balance, December 31, 2020	<u><u>\$ 198,121.78</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 242,687.75
Increased By:		
Cash Receipts:		
Collection of 2021 Taxes	\$ 249,404.96	
Transferred from Tax Overpayments	<u>32,389.78</u>	
		<u>281,794.74</u>
		524,482.49
Decreased By:		
Amount Applied To 2020 Taxes		<u>242,687.75</u>
Balance, December 31, 2020		<u><u>\$ 281,794.74</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 19,557.89
Increased By:		
2020 Tax Levy:		
County Tax	\$ 2,100,139.06	
County Library Tax	152,851.89	
County Open Space Fund Tax	245,205.25	
Due County for Added Taxes	<u>12,269.77</u>	
		<u>2,510,465.97</u>
		2,530,023.86
Decreased By:		
Cash Disbursements		<u>2,518,233.78</u>
Balance, December 31, 2020		<u><u>\$ 11,790.08</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL TAXES PAYABLE/RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019:			
School Tax Payable	\$	471,127.47	
School Tax Deferred		910,008.31	
		910,008.31	\$ 1,381,135.78
Increased By:			
Levy (School Year July 1, 2020 to June 30, 2021)			2,761,737.00
			4,142,872.78
Decreased By:			
Cash Disbursements			2,926,509.70
Balance, December 31, 2020:			
School Tax Payable		306,354.77	
School Tax Deferred		910,008.31	
		910,008.31	\$ 1,216,363.08
<u>2020 Liability for Regional District School Tax</u>			
Tax Payable, December 31, 2020			\$ 306,354.77
Tax Paid			2,926,509.70
			3,232,864.47
Less:			
Tax Payable, December 31, 2019			471,127.47
Amount Charged To 2020 Operations			\$ 2,761,737.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019:			
School Tax Payable/(Prepaid)	\$	(85,849.02)	
School Tax Deferred		<u>258,202.50</u>	
			\$ 172,353.48
Increased By:			
Levy (School Year July 1, 2020 to June 30, 2021)			<u>624,495.00</u>
			796,848.48
Decreased By:			
Cash Disbursements			<u>612,304.50</u>
Balance, December 31, 2020:			
School Tax Payable/(Prepaid)		(73,658.52)	
School Tax Deferred		<u>258,202.50</u>	
			<u>\$ 184,543.98</u>
 <u>2020 Liability for Local District School Tax</u>			
Tax Payable/(Prepaid), December 31, 2020			\$ (73,658.52)
Tax Paid			<u>612,304.50</u>
			538,645.98
Less:			
Tax Payable/(Prepaid), December 31, 2019			<u>(85,849.02)</u>
Amount Charged To 2020 Operations			<u>\$ 624,495.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 89,137.02
Increased By:		
Overpayments Created		<u>78,367.33</u>
		167,504.35
Decreased By:		
Tax Overpayments Applied	\$ 56,045.52	
Cash Disbursements	6,206.38	
Transferred to Prepaid Taxes	<u>32,389.78</u>	
		<u>94,641.68</u>
Balance, December 31, 2020		<u><u>\$ 72,862.67</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2020</u>
Due to State:				
Marriage License	\$ 241.00	\$ 395.00	\$ 611.00	\$ 25.00
DCA Training Fees	1,665.00	3,427.00	4,609.00	483.00
	<u>\$ 1,906.00</u>	<u>\$ 3,822.00</u>	<u>\$ 5,220.00</u>	<u>\$ 508.00</u>

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF VARIOUS RESERVES
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>		<u>Increased</u>		<u>Decreased</u>		Balance December 31, <u>2020</u>
Reserve For:							
Health Insurance	\$ 570.85	\$	-	\$	-	\$	570.85
Superstorm Sandy	10,918.50		-		-		10,918.50
Revaluation	71,962.43		-		8,000.00		63,962.43
	<hr/>						<hr/>
	\$ 83,451.78	\$	-	\$	8,000.00	\$	<hr/> <hr/> 75,451.78

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	Increased By Revenue Anticipated <u>2020</u>	Transferred From Grants <u>Unappropriated</u>	<u>Canceled</u>	Cash <u>Receipts</u>	Balance December 31, <u>2020</u>
Recycling Tonnage Grant	\$ -	\$ 3,002.98	\$ 3,002.98	-	\$ -	\$ -
Clean Communities Program	-	4,753.62	4,753.62	-	-	-
Body Armor Replacement Fund	-	1,423.28	-	-	1,423.28	-
Distracted Driving Incentive	-	2,200.00	2,200.00	-	-	-
Drunk Driving Enforcement	0.67	-	-	-	-	0.67
NJ DEP Temp Bulk	55,000.00	-	-	-	-	55,000.00
NJ DEP P1 Bulkhead	97,674.55	-	-	-	-	97,674.55
FEMA Hazard Mitigation, 25 Center St.	257,040.00	-	-	25,704.00	231,336.00	-
	<u>\$ 409,715.22</u>	<u>\$ 11,379.88</u>	<u>\$ 9,956.60</u>	<u>\$ 25,704.00</u>	<u>\$ 232,759.28</u>	<u>\$ 152,675.22</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, 2019	Transfer from Appropriations	Transferred From Encumbrances	Expended	Transferred To Encumbrances	Balance December 31, 2020
DEP Public Access	\$ 25,360.00	\$ -	\$ -	\$ -	\$ -	\$ 25,360.00
Alcohol Education and Rehabilitation Fund	3,610.91	-	-	-	-	3,610.91
Body Armor Fund	4,950.30	1,423.08	-	-	-	6,373.38
Improvement Grant	262.79	-	-	-	-	262.79
Comcast Technology	1,461.80	-	-	-	-	1,461.80
Clean Communities Program	18,295.65	4,753.62	-	-	-	23,049.27
Domestic Violence Training Grant	3,826.09	-	-	-	-	3,826.09
NJ Clean Shores	719.35	-	-	-	-	719.35
Recycling Tonnage Grant	18,055.16	3,002.98	-	-	-	21,058.14
Distracted Driving Incentive	-	2,200.00	-	-	-	2,200.00
Click it or Ticket Grant	10,500.00	-	-	-	-	10,500.00
Drunk Driving Enforcement	3,780.62	-	-	2,230.46	299.00	1,251.16
State and Local All Hazards Emergency						
Operations Planning Grant	84.72	-	-	-	-	84.72
Stormwater Regulation	6,822.00	-	-	-	-	6,822.00
Department of Environmental Protection:						
2010 Green Communities Grant	179.16	-	-	-	-	179.16
Local Share	1,500.00	-	-	-	-	1,500.00
County of Monmouth:						
CDBG - Beach Access Project	99,377.00	-	-	-	-	99,377.00
Pedestrian Safety	5,529.64	-	-	1,225.00	-	4,304.64
NJEDA Streetscape	3,000.30	-	-	-	-	3,000.30
NJ DEP Temp Bulk	1,500.00	-	368.06	-	368.06	1,500.00
NJ DEP P1 Bulkhead	9,117.05	-	6,109.58	-	6,109.58	9,117.05
Assistance To Firefighters	492.08	-	-	-	-	492.08
FEMA Hazard Mitigation - 25 Center St	-	-	0.91	-	0.91	-
	\$ 218,424.62	\$ 11,379.68	\$ 6,478.55	\$ 3,455.46	\$ 6,777.55	\$ 226,049.84

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	Cash <u>Receipts</u>	Transferred to Grants <u>Receivable</u>	Balance December 31, <u>2020</u>
Recycling Tonnage Grant	\$ 3,002.98	\$ -	\$ 3,002.98	\$ -
Clean Communities	4,753.62	4,286.61	4,753.62	4,286.61
Distracted Driving Incentive	2,200.00	-	2,200.00	-
	<u>\$ 9,956.60</u>	<u>\$ 4,286.61</u>	<u>\$ 9,956.60</u>	<u>\$ 4,286.61</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF DUE TO / (FROM) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 174,817.48
Increased By:		
Client Adjustment	\$ 0.20	
Expenditures Paid by Current Fund	<u>3,455.46</u>	
		<u>3,455.66</u>
		178,273.14
Decreased By:		
Grant Receivables Cancelled	25,704.00	
Cash Receipts Collected in Current Fund	<u>237,045.89</u>	
		<u>262,749.89</u>
Balance, December 31, 2020		<u><u>\$ (84,476.75)</u></u>

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TRUST FUNDS

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Animal Control <u>Fund</u>	Payroll Trust <u>Fund</u>	Other Trust Funds
Balance, December 31, 2019	\$ 848.53	\$ 97,805.12	\$ 506,308.56
Increased By Receipts:			
State Registration Fees	75.60	-	-
Reserve for Animal Control	695.40	-	-
Interest on Investments	5.01	-	-
Net Payroll	-	1,874,961.72	-
Payroll Deductions	-	1,448,494.66	-
Due to Other Trust Fund	-	6,180.12	-
Due From Current Fund	-	-	1,504.93
Due From General Capital Fund	-	-	31,294.00
Due From Beach Capital Fund	-	-	16,000.00
Various Reserves	-	-	505,588.21
	<u>776.01</u>	<u>3,329,636.50</u>	<u>548,207.02</u>
	<u>1,624.54</u>	<u>3,427,441.62</u>	<u>1,054,515.58</u>
Decreased By Disbursements:			
State Registration Fees	76.80	-	-
Net Payroll	-	1,873,924.04	-
Payroll Deductions	-	1,466,410.34	-
Due to Current Fund	5.01	1,308.43	196.50
Various Reserves	-	-	340,396.82
Due To Sewer Operating Fund	-	-	299.75
	<u>81.81</u>	<u>3,341,642.81</u>	<u>340,893.07</u>
Balance, December 31, 2020	<u>\$ 1,542.73</u>	<u>\$ 85,798.81</u>	<u>\$ 713,622.51</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF REGISTRATION FEES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 7.40
Increased By:	
State Registration Fees	<u>75.60</u>
	83.00
Decreased By:	
Cash Disbursements	<u>76.80</u>
Balance, December 31, 2020	<u><u>\$ 6.20</u></u>

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 ANIMAL CONTROL TRUST FUND
 SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$	841.13
Increased By:		
Dog License Fees Collected		695.40
Balance, December 31, 2020		\$ 1,536.53

License Fees Collected

2018		\$	1,054.00
2019			825.60
			\$ 1,879.60

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 ANIMAL CONTROL TRUST FUND
 SCHEDULE OF DUE TO CURRENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ -
Increased By:	
Interest Earnings	<u>5.01</u>
	5.01
Decreased By:	
Transferred to Current Fund	<u>5.01</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**SCHEDULE OF DUE FROM GENERAL CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 31,294.00
Decreased By:	
Cash Receipts	<u>31,294.00</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**SCHEDULE OF DUE FROM BEACH CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 16,000.00
Decreased By:	
Cash Receipts	<u>16,000.00</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF DUE TO SEWER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 299.75
Decreased By:	
Cash Disbursements	<u>299.75</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF VARIOUS TRUST FUND RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2020</u>
Public Defender	\$ 2,869.50	\$ 1,865.50	\$ -	\$ 4,735.00
Division of Fire Safety Penalty	298.00	-	-	298.00
Parking Offense Adjudication Act (Per N.J.S.A. 40A:4-39)	3,040.78	36.00	510.10	2,566.68
Cash Performance Bonds	25,817.98	-	-	25,817.98
Recreation	15,859.50	-	-	15,859.50
Public Library	87,145.07	79,596.30	10,061.09	156,680.28
Accumulated Absences	-	10,000.00	-	10,000.00
Snow Storm Trust	-	10,000.00	-	10,000.00
Escrow for Police Employment	66.29	142,483.21	142,549.50	-
Police Donations	1,279.69	500.00	412.10	1,367.59
Beach Donations	7,010.67	1,761.00	-	8,771.67
Mayor's Ceremony Donations	400.00	-	-	400.00
Beautification Fund	43,703.15	118,287.40	56,527.97	105,462.58
Public Relations	8,907.08	-	1,400.00	7,507.08
4th of July Celebration	700.00	-	-	700.00
Sandy Acceptance of Bequests	15,658.54	-	-	15,658.54
Unemployment Trust	28,503.11	6,263.61	517.60	34,249.12
Law Enforcement Trust	1,942.25	8.18	-	1,950.43
Tax Sale Premiums	92,184.43	48,600.00	-	140,784.43
Developers Escrow	267,310.34	88,566.74	128,418.46	227,458.62
Escrow	4,639.68	-	-	4,639.68
	<u>\$ 607,336.06</u>	<u>\$ 507,967.94</u>	<u>\$ 340,396.82</u>	<u>\$ 774,907.18</u>

Cash Receipts	\$ 505,588.21	\$ -
Cash Disbursements	-	340,396.82
Accounts Receivable	<u>2,379.73</u>	-
	<u>\$ 507,967.94</u>	<u>\$ 340,396.82</u>

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 PAYROLL AGENCY TRUST FUND
 SCHEDULE OF RESERVE FOR PAYROLL AGENCY EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 43,771.87
Increased By:		
Net Pay	\$ 1,874,961.72	
Payroll Deductions	<u>1,448,494.66</u>	
		<u>3,323,456.38</u>
		3,367,228.25
Decreased By:		
Net Pay	1,873,924.04	
Payroll Deductions	<u>1,466,410.34</u>	
		<u>3,340,334.38</u>
Balance, December 31, 2020		<u><u>\$ 26,893.87</u></u>

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GENERAL CAPITAL FUND

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 63,120.36
Increased By:		
Grants Receivable	\$ 259,651.59	
Serial Bonds Payable	3,965,000.00	
Bond Anticipation Notes	6,490,252.00	
Capital Improvement Fund	75,000.00	
Various Reserves	800,169.78	
		11,590,073.37
		11,653,193.73
Decreased By:		
Improvement Authorizations	1,403,884.15	
Bond Anticipation Notes	3,291,207.00	
Insurance Reimbursement Receivable	30,430.84	
Grant Reallocated to Federal and State Grant Fund	231,336.00	
Due Current Fund	3,952,676.20	
Due to Trust - Other Fund	31,294.00	
Due to Sewer Utility Operating Fund	369,842.88	
Due to Beach Operating Fund	392,466.49	
Due to Beach Capital Fund	626,592.35	
		10,329,729.91
Balance, December 31, 2020		\$ 1,323,463.82

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2020</u>
Grants Receivable	\$ (2,010,445.54)
Due from Home Owner	(24,104.00)
Insurance Proceeds Receivable	(30,430.84)
Due to Current Fund	(3,001,552.00)
Capital Improvement Fund	181,031.87
Encumbrances Payable	178,653.65
Various Reserves	410,545.23
Fund Balance	85,254.86
Excess Financing	4,428,554.83

<u>Year</u>	<u>Improvement Description</u>	
00-08	Various General Improvements	24.02
05-20/10-12	Sand Replenishment	544,331.93
07-20	DIIP	109,864.24
11-05	Improvements to Municipal Facilities	5,575.88
11-06	Acquisition of Fire Apparatus	(0.05)
11-07	Improvements to Municipal Facilities	369,748.11
12-10/15-02	Bulkheads and Pump Station	27,560.06
13-18	Roadway and Parking Lot Improvements	(297,355.00)
13-21	Various Improvements - Municipal Facilities	439,690.74
15-11	Various General Improvements	49,338.26
15-14	Acquisition of Various Capital Equipment	8,176.29
16-15	Construction of Community Center	233.18
16-16	Construction of Municipal Complex	(866,916.49)
17-14	Acquisition of Various Equipment	1,856.15
18-07	Acquisition of Various Equipment	7,156.80
18-08	Various Road Improvements	11,579.64
18-13/19-10	Reconstruction to East Ocean Avenue and Mountainview Way	98,847.76
19-08	Acquisition and Installation of Parking Kiosks	1,991.50
19-11	Acquisition of Vehicles and Equipment for the Police Dept., DPW, and Fire Dept.	5,301.22
19-12	Improvements to Shrewsbury River Park	(189.04)
19-14	Beach Way Storm Water Pipe Extension Project	87,746.92
19-21	Various Capital Acquisitions	340.34
19-26	Acquisition of Radio Communications Equipment for the Fire Department	70.30
20-06	Various Road Improvements	500,983.00
		\$ 1,323,463.82

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 1,668,761.13
Increased By:		
Grant Awards	\$ 370,000.00	
Grant Award Reallocated	231,336.00	
		601,336.00
		2,270,097.13
Decreased By:		
Cash Receipts		259,651.59
Balance, December 31, 2020		\$ 2,010,445.54

Analysis of Balance - December 31, 2020

NJ Transportation Trust - 2015		\$ 96,650.56
FEMA - 8 Center Street		216,936.00
Insurance Proceeds (ORD 15-2016)		40,000.00
FEMA Proceeds (ORD 16-2016)		1,208,960.23
FEMA Proceeds (ORD 19-2021)		75,000.00
Monmouth County Open Space		100,000.00
NJ Transportation Trust - Ord. 2020-06		270,000.00
Monmouth County - CARES Act		2,898.75
		\$ 2,010,445.54

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM HOME OWNER
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2020 and 2019

\$ 24,104.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM/(TO) CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ (951,124.20)
Increased By:	
Transfers to Current Fund	<u>3,952,676.20</u>
Balance, December 31, 2020	<u><u>\$ 3,001,552.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 1,825,000.00
Increased By:	
Serial Bonds Issued	<u>3,965,000.00</u>
	5,790,000.00
Decreased By:	
Serial Bonds Paid	<u>220,000.00</u>
Balance, December 31, 2020	<u><u>\$ 5,570,000.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2020**

Ordinance No.	Improvement Description	Balance December 31, 2019	2020 Authorizations	Bond Anticipation Notes Paid	Bonds Issued	Bond Premium Applied	Balance December 31, 2020	Bond Anticipation Notes	Analysis of Balance			Unexpended Improvement Authorizations
									Excess Financing	Expended		
10-08	Improvements to Municipal Facilities	\$ 3,340.17	\$ -	\$ 3,351.00	\$ -	\$ -	(10.83)	\$ -	(10.83)	\$ -	\$ -	-
11-05	Improvements to Municipal Facilities	6,960.55	-	-	-	-	6,960.55	-	-	-	-	6,960.55
11-06	Acquisition of Fire Apparatus	11,756.05	-	11,756.00	-	-	0.05	-	-	0.05	-	-
11-07	Improvements to Municipal Facilities	17,401.37	-	-	-	-	17,401.37	-	-	-	-	17,401.37
12-10/15-02	Bulkheads and Pump Station	295,258.40	-	-	248,738.00	-	46,520.40	295,258.00	(248,737.60)	-	-	-
13-18	Roadway and Parking Lot Improvements	1,655,905.00	-	-	1,144,500.00	-	511,405.00	1,358,550.00	(847,145.00)	-	-	-
13-21	Various Improvements - Municipal Facilities	528,556.00	-	21,112.00	427,492.00	-	79,952.00	507,444.00	(427,492.00)	-	-	-
15-11	Various General Improvements	162,328.00	-	4,385.00	133,058.00	-	24,885.00	157,943.00	(133,058.00)	-	-	-
15-14	Acquisition of Various Capital Equipment	147,541.00	-	9,468.00	116,319.00	-	21,754.00	138,073.00	(116,319.00)	-	-	-
16-15	Construction of Community Center	321,034.00	-	-	270,453.00	-	50,581.00	321,034.00	(270,453.00)	-	-	-
16-16	Construction of Municipal Complex	3,942,500.00	-	-	836,964.00	741,552.00	2,363,984.00	3,067,618.00	(703,634.00)	-	-	-
17-14	Acquisition of Various Equipment	142,500.00	-	-	120,048.00	-	22,452.00	142,500.00	(120,048.00)	-	-	-
18-07	Acquisition of Various Equipment	80,750.00	-	-	68,027.00	-	12,723.00	80,750.00	(68,027.00)	-	-	-
18-08	Various Road Improvements	38,000.00	-	-	-	-	38,000.00	-	-	-	-	38,000.00
18-13/19-10	Reconstruction of East Ocean Avenue and Mountainview Way	120,000.00	-	-	66,957.00	-	53,043.00	119,059.00	(98,847.76)	-	-	32,831.76
19-11	Acquisition of Vehicles and Equipment for the Police Dept., DPW, and Fire Dept.	142,500.00	-	-	119,267.00	-	23,233.00	141,573.00	(118,340.00)	-	-	-
19-12	Improvements to Shrewsbury River Park	66,500.00	-	-	55,658.00	-	10,842.00	66,068.00	(55,226.00)	-	-	-
19-14	Beach Way Storm Water Pipe Extension Project	95,000.00	-	-	79,511.00	-	15,489.00	94,382.00	(87,746.92)	-	-	8,853.92
20-06	Various Road Improvements	-	330,000.00	-	278,008.00	-	51,992.00	-	-	-	-	51,992.00
		\$ 7,777,830.54	\$ 330,000.00	\$ 50,072.00	\$ 3,965,000.00	\$ 741,552.00	\$ 3,351,206.54	\$ 6,490,252.00	\$ (3,295,085.11)	\$ 0.05	\$ 0.05	\$ 156,039.60

Improvement Authorizations Unfunded Per Exh. C-11 \$ 195,798.80
Less: Unexpended proceeds of BANs Issued
Ordinance 12-10/15-02 27,560.46
Ordinance 13-21 12,198.74
\$ 156,039.60

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>	<u>Interest Rate</u>	<u>Balance December 31, 2019</u>	<u>Change</u>		<u>Balance December 31, 2020</u>		
						<u>Increased</u>	<u>Decreased</u>			
Various General Improvements	12/19/12	\$ 1,630,000.00	12/01/21 12/01/22 12/01/23 12/01/24 12/01/25 12/01/26 12/01/27 12/01/28	4.00% 4.00% 4.00% 2.00% 3.00% 2.00% 2.00% 2.25%	\$ 1,015,000.00	\$ -	\$ 100,000.00	\$ 915,000.00		
	Refunding Bond Issue	03/24/16	1,045,000.00	12/01/21 12/01/22	5.00% 5.00%	810,000.00	-	120,000.00	690,000.00	
		Various General Improvements	12/23/2020	3,965,000.00	12/01/21 12/01/22 12/01/23 12/01/24 12/01/25 12/01/26 12/01/27 12/01/28 12/01/29 12/01/30 12/01/31 12/01/32 12/01/33 12/01/34 12/01/35 12/01/36 12/01/37 12/01/38 12/01/39 12/01/40	4.00% 4.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 4.00% 4.00% 3.00% 3.00% 3.00% 3.00% 3.00% 3.00% 3.00%	-	3,965,000.00	-	3,965,000.00
						\$ 1,825,000.00	\$ 3,965,000.00	\$ 220,000.00	\$ 5,570,000.00	

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE TO OTHER TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 31,294.00
Decreased By:	
Cash Disbursements	<u>31,294.00</u>
Balance, December 31, 2020 and 2019	<u><u>\$ -</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Ordinance Number	Improvement Description	Date	Amount	2020 Authorizations				Balance December 31, 2020				
				Balance December 31, 2019		Transferred From Encumbrances	Deferred Changes To Future Taxation Unfunded	Grant Receivable	Expended	Transferred To Encumbrances	Funded	Unfunded
				Funded	Unfunded							
00-08	Various General Improvements	06/06/00	\$ 70,000.00	\$ 1,548.63	\$ -	\$ -	\$ -	\$ -	\$ 1,524.61	\$ -	\$ 24.02	\$ -
05-20/10-12	Sand Replenishment	05/18/10	910,000.00	516,745.98	27,585.95	-	-	-	-	-	544,331.93	-
07-20	DIIP	10/02/07	650,000.00	115,196.24	-	21,226.97	-	-	5,332.00	21,226.97	109,864.24	-
10-05	Various General Improvements	04/05/11	200,000.00	5,575.88	6,960.55	-	-	-	-	-	5,575.88	6,960.55
11-05	Improvements to Municipal Facilities	04/05/11	500,000.00	369,748.11	17,401.37	7,356.00	-	-	-	7,356.00	369,748.11	17,401.37
11-07	Improvements to Municipal Facilities	04/05/11	250,000.00	-	-	741.47	-	-	-	741.47	-	-
11-09	Structure Elevation Project- 8 Center Street	03/17/15	2,150,000.00	-	27,585.85	2,473.88	-	-	25.39	2,473.88	-	27,560.46
12-10/15-02	Bulkheads and Pump Station	11/05/13	600,000.00	-	439,690.74	29,105.37	-	-	-	29,105.37	-	12,198.74
13-21	Various Improvements - Municipal Facilities	11/05/13	600,000.00	-	439,690.74	29,105.37	-	-	-	29,105.37	-	12,198.74
07-15	Refunding 2007 Bonds	04/21/15	1,300,000.00	-	-	-	-	-	-	-	-	-
15-11	Various General Improvements	08/04/15	380,000.00	-	49,338.26	43,328.69	-	-	-	43,328.69	-	49,338.26
15-14	Acquisition of Various Capital Equipment	10/20/15	175,000.00	-	8,176.29	-	-	-	-	-	8,176.29	-
16-15	Construction of Community Center	06/01/16	1,400,000.00	-	224.78	29,864.18	-	-	3,675.00	26,180.78	-	233.18
16-16	Construction of Municipal Complex	06/01/16	7,900,000.00	-	8,348.14	140,436.30	-	-	140,801.95	16.98	7,965.51	-
17-14	Acquisition of Various Equipment	09/05/17	150,000.00	-	1,856.15	-	-	-	-	-	1,856.15	-
18-07	Acquisition of Various Equipment	09/18/18	85,000.00	-	7,156.80	-	-	-	-	-	7,156.80	-
18-08	Various Road Improvements	09/18/18	225,000.00	93,876.54	38,000.00	19,608.37	-	-	101,905.27	-	11,579.64	38,000.00
18-13/19-10	Reconstruction of East Ocean Avenue and Mountainview Way	05/07/19	280,000.00	57,160.61	120,000.00	24,859.63	-	-	102,231.48	-	66,957.00	32,831.76
19-08	Acquisition and Installation of Parking Kiosks	04/16/19	25,000.00	1,991.50	-	-	-	-	-	-	1,991.50	-
19-11	Acquisition of Vehicles and Equipment for the Police Dept., DPW, and Fire Dept.	05/21/19	150,000.00	-	6,794.22	64,501.00	-	-	51,325.00	13,742.00	6,228.22	-
19-12	Improvements to Shrewsbury River Park	06/18/19	170,000.00	89,382.96	66,500.00	-	-	-	155,640.00	-	242.96	-
19-14	Beach Way Storm Water Pipe Extension Project	05/21/19	100,000.00	-	88,364.92	8,565.00	-	-	8,565.00	-	79,511.00	8,853.92
19-21	Various Capital Acquisitions	10/01/19	100,000.00	36,616.50	-	63,383.50	-	-	98,461.90	1,197.76	340.34	-
19-24	Additional Costs Related to the Construction of the Firehouse/Municipal Complex Building	12/03/19	550,000.00	545,725.60	-	-	-	-	545,725.60	-	-	-
19-26	Acquisition of Radio Communications Equipment for the Fire Department	12/17/19	75,000.00	75,000.00	-	-	-	-	74,929.70	-	70.30	-
20-06	Various Road Improvements	08/13/20	600,000.00	-	-	-	330,000.00	270,000.00	13,741.25	33,283.75	500,983.00	51,992.00
20-07	COVID Related Expenses	08/13/20	100,000.00	-	-	-	-	100,000.00	100,000.00	-	-	-
				\$ 1,908,568.55	\$ 913,984.02	\$ 455,450.36	\$ 330,000.00	\$ 3,700,000.00	\$ 1,403,884.15	\$ 178,653.65	\$ 2,199,666.33	\$ 195,798.80

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 106,031.87
Increased By:	
2020 Budget Appropriation	<u>75,000.00</u>
Balance, December 31, 2020	<u><u>\$ 181,031.87</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	<u>Increase</u>	<u>Decrease</u>	Balance December 31, <u>2020</u>
Payment of Bonds	\$ 145,177.83	\$ 762,759.47	\$ 741,552.00	\$ 166,385.30
MCIA Interest	792.99	-	-	792.99
Debt Service	192,881.63	37,410.31	-	230,291.94
Development of Beachfront - Preliminary Costs	13,075.00	-	-	13,075.00
	<u>\$ 351,927.45</u>	<u>\$ 800,169.78</u>	<u>\$ 741,552.00</u>	<u>\$ 410,545.23</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2020**

Ordinance Number	Improvement Description	Balance	2020	BANs Not	BANs Issued	Bonds Issued	Balance
		December 31, 2019	Authorizations	Renewed			December 31, 2020
11-05	Improvements to Municipal Facilities	\$ 6,960.55	\$ -	\$ -	\$ -	\$ -	\$ 6,960.55
11-06	Acquisition of Fire Apparatus	0.05	-	-	-	-	0.05
11-07	Improvements to Municipal Facilities	17,401.37	-	-	-	-	17,401.37
12-10/15-02	Bulkheads and Pump Station	0.40	-	-	-	-	0.40
13-18	Roadway and Parking Lot Improvements	7,700.00	-	289,655.00	-	-	297,355.00
16-16	Construction of Municipal Complex	3,942,500.00	-	-	3,067,618.00	-	874,882.00
18-08	Various Road Improvements	38,000.00	-	-	-	-	38,000.00
18-13/19-10	Reconstruction of East Ocean Avenue and Mountainview Way	120,000.00	-	-	119,059.00	-	941.00
19-11	Acquisition of Vehicles and Equipment for the Police Dept., DPW, and Fire Dept.	142,500.00	-	-	141,573.00	-	927.00
19-12	Improvements to Shrewsbury River Park	66,500.00	-	-	66,068.00	-	432.00
19-14	Beach Way Storm Water Pipe Extension Project	95,000.00	-	-	94,382.00	-	618.00
20-06	Various Road Improvements	-	330,000.00	-	-	278,008.00	51,992.00
		<u>\$ 4,436,562.37</u>	<u>\$ 330,000.00</u>	<u>\$ 289,655.00</u>	<u>\$ 3,488,700.00</u>	<u>\$ 278,008.00</u>	<u>\$ 1,289,509.37</u>

SEWER UTILITY FUND

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Operating	Capital
Balance, December 31, 2019	\$ 66,710.10	\$ 130,289.45
Increased By Receipts:		
Miscellaneous Revenue	\$ 9,428.21	\$ -
FEMA Public Assistance Receivable		
Sewer Utility Rents	681,397.64	-
Overpayments	7,496.81	-
Due from General Capital Fund	369,842.88	-
Due from Trust - Other Fund	299.75	-
Due from Current Fund	-	1,788.01
Due from Sewer Operating Fund	-	70,000.00
Serial Bonds Issued	-	575,000.00
Premium on Serial Bonds Issued	-	103,465.00
Bond Anticipation Notes	-	298,465.00
Capital Improvement Fund	-	20,000.00
	1,068,465.29	1,068,718.01
	1,135,175.39	1,199,007.46
Decreased By Disbursements:		
Budget Appropriations	752,344.37	-
Appropriation Reserves	19,498.44	-
Due to Sewer Capital Fund	70,000.00	-
Due from Current Fund	-	298,465.00
Bond Anticipation Notes	-	298,465.00
Improvement Authorizations	-	175,556.40
	841,842.81	772,486.40
Balance, December 31, 2020	\$ 293,332.58	\$ 426,521.06

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF SEWER UTILITY CAPITAL FUND CASH
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2020</u>
Encumbrances Payable	\$ 534.74
Due from Current Fund	(298,465.00)
Capital Improvement Fund	148,452.00
Reserve to Pay Bonds	5,243.59
Fund Balance	2,086.46
Excess Financing	356,414.00

<u>Date</u>	<u>Improvement Description</u>	
14-01	Sanitary Sewer Improvements	18,233.15
17-15	Sanitary Sewer Improvements	189,810.00
18-09	Various Sewer Improvements	4,212.12
		\$ 426,521.06

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 41,033.61
Increased By:		
Sewer Rents Levied		<u>691,859.99</u>
		732,893.60
Decreased By:		
Collections	\$ 681,397.64	
Overpayments Applied	<u>7,948.36</u>	
		<u>689,346.00</u>
Balance, December 31, 2020		<u><u>\$ 43,547.60</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Balance December 31, <u>2020 & 2019</u>
Sewer System:	
Collection System	\$ 160,000.00
Infrastructure Improvements	<u>1,477,399.80</u>
	<u><u>\$ 1,637,399.80</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2020 & 2019</u>
11-05	Sanitary Sewer Rehabilitation	\$ 273,913.54
14-01	Sanitary Sewer Improvements	350,000.00
17-15	Sanitary Sewer Improvements	400,000.00
18-09	Various Sewer Improvements	<u>50,000.00</u>
		<u>\$ 1,073,913.54</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 3,174.16	\$ 3,174.16	\$ -	\$ 3,174.16
Other Expenses	44,875.00	53,401.10	19,498.44	33,902.66
Two Rivers Water Reclamation Authority	4,103.00	4,103.00	-	4,103.00
Capital Improvements:				
Capital Outlay	15,000.00	15,000.00	-	15,000.00
Statutory Expenditures:				
Contribution To Social Security System (O.A.S.I.)	305.95	305.95	-	305.95
	<u>\$ 67,458.11</u>	<u>\$ 75,984.21</u>	<u>\$ 19,498.44</u>	<u>\$ 56,485.77</u>

Appropriation Reserves	\$ 67,458.11
Encumbrances	<u>8,526.10</u>
Balance After Transfers	<u><u>\$ 75,984.21</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER RENT OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 7,948.36
Increased By:	
2020 Sewer Rent Overpayments	<u>7,496.81</u>
	15,445.17
Decreased By:	
Applied to Consumer Accounts Receivable	<u>7,948.36</u>
Balance, December 31, 2020	<u><u>\$ 7,496.81</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 260.00
Increased By:	
Interest Accrued	<u>761.61</u>
	1,021.61
Decreased By:	
Interest Paid	<u>260.00</u>
Balance, December 31, 2020	<u><u>\$ 761.61</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Ordinance Number	Description	Amount	Balance December 31, 2019		Transferred From Encumbrances	Paid or Charged	Transferred To Encumbrances	Balance December 31, 2020	
			Funded	Unfunded				Funded	Unfunded
11-05	Sanitary Sewer Rehabilitation	\$ 264,000.00	\$ -	\$ -	\$ 12.75	\$ -	\$ 12.75	\$ -	\$ -
14-01	Sanitary Sewer Improvements	350,000.00	-	18,233.15	4,111.99	3,590.00	521.99	-	18,233.15
17-15	Sanitary Sewer Improvements	400,000.00	17,511.75	380,000.00	-	149,752.75	-	-	247,759.00
18-09	Various Sewer Improvements	50,000.00	26,425.77	-	-	22,213.65	-	4,212.12	-
			<u>\$ 43,937.52</u>	<u>\$ 398,233.15</u>	<u>\$ 4,124.74</u>	<u>\$ 175,556.40</u>	<u>\$ 534.74</u>	<u>\$ 4,212.12</u>	<u>\$ 265,992.15</u>

**BOROUGH OF SEA BRIGHT
 COUNTY OF OCEAN, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 FOR THE YEAR ENDED DECEMBER 31, 2020**

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance		Balance December 31, 2020
						December 31, 2019	December 31, 2020	
						Increased	Decreased	
14-01	Sewer Utility Improvements	12/14/2015	12/4/2019	12/3/2020	1.50%	\$ 309,931.00	\$ 309,931.00	\$ -
		12/14/2015	11/24/2020	1/4/2021	0.75%	-	298,465.00	-
						\$ 309,931.00	\$ 298,465.00	\$ 298,465.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2019	Balance December 31, 2020
			Date	Amount			
Sewer Utility Bonds, Series 2020	12/23/2020	\$ 575,000.00	12/01/21	\$ 20,000.00	4.00%	\$ -	\$ 575,000.00
			12/01/22	20,000.00	4.00%		
			12/01/23	20,000.00	5.00%		
			12/01/24	25,000.00	5.00%		
			12/01/25	25,000.00	5.00%		
			12/01/26	25,000.00	5.00%		
			12/01/27	25,000.00	5.00%		
			12/01/28	25,000.00	5.00%		
			12/01/29	30,000.00	5.00%		
			12/01/30	30,000.00	5.00%		
			12/01/31	30,000.00	5.00%		
			12/01/32	35,000.00	4.00%		
			12/01/33	35,000.00	4.00%		
			12/01/34	35,000.00	3.00%		
			12/01/35	35,000.00	3.00%		
			12/01/36	40,000.00	3.00%		
			12/01/37	40,000.00	3.00%		
			12/01/38	40,000.00	3.00%		
			12/01/39	40,000.00	3.00%		
							\$ - \$ 575,000.00 \$ 575,000.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 128,452.00
Increased By:	
2020 Budget Appropriation due from Sewer Operating	<u>20,000.00</u>
Balance, December 31, 2020	<u><u>\$ 148,452.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance December 31, 2020 and 2019

\$ 1,637,399.80

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 383,982.54
Increased By:		
Premium on Serial Bonds Applied	\$ 103,465.00	
Paydown Bond Anticipation Notes	<u>11,466.00</u>	
		<u>114,931.00</u>
Balance, December 31, 2020		<u><u>\$ 498,913.54</u></u>

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF DUE TO/FROM CURRENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$	1,788.01
Increased By:		
Bond Anticipation Notes Received by Current Fund		298,465.00
		300,253.01
Decreased By:		
Cash Receipts		1,788.01
Balance December 31, 2020	\$	298,465.00

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2019</u>	Bonds <u>Issued</u>	Balance December 31, <u>2020</u>
15-2017	Various Improvements	\$ 380,000.00	\$ 322,051.00	\$ 57,949.00
		<u>\$ 380,000.00</u>	<u>\$ 322,051.00</u>	<u>\$ 57,949.00</u>

BEACH UTILITY FUND

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2019	\$ 79,035.60	\$ 74,589.60
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 1,542.72	\$ -
Beach Fees Ordinance	884,868.00	-
Prepaid Badge Fees	300,460.00	-
Change Fund	6,000.00	-
Due from Beach Utility Capital Fund	586,476.78	-
Due from General Capital Fund	392,466.49	626,592.35
Due from Current Fund	-	302,902.23
Serial Bonds Issued	-	2,460,000.00
Bond Anticipation Notes	-	2,745,497.00
Capital Improvement Fund	-	25,000.00
Premium on Serial Bonds	-	455,197.00
	<u>2,171,813.99</u>	<u>6,615,188.58</u>
	2,250,849.59	6,689,778.18
Decreased By Disbursements:		
Budget Appropriations	755,473.77	-
Appropriation Reserves	1,370.55	-
Change Fund	6,000.00	-
Due from Current Fund	-	2,675,197.00
Due to Beach Utility Operating Fund	-	586,476.78
Due to Trust Other Fund	-	16,000.00
Bond Anticipation Notes	-	2,675,197.00
Improvement Authorizations	-	45,832.59
	<u>762,844.32</u>	<u>5,998,703.37</u>
Balance, December 31, 2020	<u>\$ 1,488,005.27</u>	<u>\$ 691,074.81</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF CHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance at December 31, 2019	\$ 145.00
Increase By:	
Cash Disbursement	<u>6,000.00</u>
	6,145.00
Decreased By:	
Cash Receipts	<u>6,000.00</u>
Balance, December 31, 2020	<u><u>\$ 145.00</u></u>

COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF BEACH UTILITY CAPITAL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance December 31, <u>2020</u>
Due from Federal and State Grant Fund	\$ (37.97)
Encumbrances Payable	177,940.60
Due To Current Fund	(2,675,197.00)
Reserve for Debt	28,768.90
Beach Clubs Settlement Receivable	(400,000.00)
Capital Improvement Fund	346,485.96
Fund Balance	48.76
Excess Financing	2,804,177.00

<u>Ordinance Number</u>	<u>Improvement Description</u>		\$
04-19	ADA Access Improvements	13,259.00	
12-12	Sand Replenishment	228,641.90	
14-02	Various Improvements	26,057.75	
16-17	Construction of Beach Utility Building	5,653.60	
19-13	Beach Utility Improvements	5,979.53	
19-25	Additional Costs Related to the Construction of the Beach Pavilion	129,296.78	
		129,296.78	
		\$ 691,074.81	

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2020 and 2019

\$ 103,144.08

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Amount</u>	<u>Balance December 31, 2020 and 2019</u>
04-18	Acquisition of Equipment and Improvements to Beach Facilities	\$ 200,000.00	\$ 200,000.00
04-19	ADA Access Improvements	125,000.00	125,000.00
12-12	Sand Replenishment	1,200,000.00	1,200,000.00
13-19	Various Improvements	600,000.00	600,000.00
14-02	Various Improvements	200,000.00	200,000.00
16-17	Construction of Building	3,600,000.00	3,600,000.00
19-13	Beach Utility Improvements	75,000.00	75,000.00
19-25	Additional Costs Related to the Construction of the Beach Pavilion	180,000.00	<u>180,000.00</u>
			<u><u>\$ 6,180,000.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 89.87	\$ 89.87	\$ -	\$ 89.87
Other Expenses	1,709.33	3,034.17	1,370.55	1,663.62
Dune Maintenance	-	-	-	-
Junior Lifeguard Program	488.65	488.65	-	488.65
Capital Improvements:				
Capital Outlay	32,500.00	32,500.00	-	32,500.00
Statutory Expenditures:				
Contributions To:				
Social Security System (O.A.S.I.)	477.41	477.41	-	477.41
Total Beach Utility Appropriations	<u>\$ 35,265.26</u>	<u>\$ 36,590.10</u>	<u>\$ 1,370.55</u>	<u>\$ 35,219.55</u>

Appropriation Reserves
Encumbrances Payable

\$ 35,265.26
1,324.84
\$ 36,590.10

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 2,287.69
Increased By:	
Interest Accrued	<u>4,971.31</u>
	7,259.00
Decreased By:	
Interest Paid	<u>2,287.69</u>
Balance, December 31, 2020	<u><u>\$ 4,971.31</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF PREPAID BADGE FEES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 197,010.00
Increased By:	
Cash Receipts	<u>300,460.00</u>
	497,470.00
Decreased By:	
Prepaid Applied	<u>197,010.00</u>
Balance, December 31, 2020	<u><u>\$ 300,460.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Issue Date</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>
12-12	Sand Replenishment	12/21/12	12/4/2019	12/3/2020	1.50%	\$ 627,902.00	\$ -	\$ 627,902.00	\$ -
			11/24/2020	1/4/2021	0.75%	-	586,018.00	-	586,018.00
13-19	Beach Utility Improvements	12/21/13	12/4/2019	12/3/2020	1.50%	492,074.00	-	492,074.00	-
			11/24/2020	1/4/2021	0.75%	-	470,962.00	-	470,962.00
13-19	Beach Utility Improvements	7/13/20	7/13/20	7/12/2021	2.00%	-	70,300.00	-	70,300.00
14-02	Sand Replenishment	12/21/14	12/4/2019	12/3/2020	1.50%	163,703.00	-	163,703.00	-
			11/24/2020	1/4/2021	0.75%	-	156,666.00	-	156,666.00
16-17	Construction of Beach Utility Building	12/6/18	12/4/2019	12/3/2020	1.50%	1,461,551.00	-	1,461,551.00	-
			11/24/2020	1/4/2021	0.75%	-	1,461,551.00	-	1,461,551.00
						<u>\$ 2,745,230.00</u>	<u>\$ 2,745,497.00</u>	<u>\$ 2,745,230.00</u>	<u>\$ 2,745,497.00</u>
						Paid By Budget Appropriation		\$ 70,033.00	
						Renewal		<u>2,675,197.00</u>	
								<u>\$ 2,745,230.00</u>	

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Ordinance Number	Description	Date	Amount	Balance December 31,		Transferred From Encumbrances	Paid or Charged	Transferred To Encumbrances	Balance December 31,	
				2019	2020				Funded	Unfunded
04-19	ADA Access Improvements	09/07/04	\$ 125,000.00	\$ 13,259.00	\$ -	\$ -	-	\$ -	\$ 13,259.00	\$ -
12-12	Sand Replenishment	10/02/12	1,200,000.00	-	357,621.90	-	-	-	-	357,621.90
13-19	Various Improvements	10/15/13	600,000.00	-	-	115,847.20	-	115,847.20	-	-
14-02	Various Improvements	2/18/14	200,000.00	-	26,057.75	-	-	-	-	26,057.75
16-17	Construction of Beach Utility Building	6/1/16	3,600,000.00	-	-	71,455.00	-	62,093.40	-	5,653.60
19-13	Beach Utility Improvements	5/21/19	75,000.00	-	23,258.04	-	-	-	-	6,929.53
19-25	Additional Costs Related to the Construction of the Beach Pavilion	12/3/19	180,000.00	155,092.86	-	-	25,796.08	-	129,296.78	-
				\$ 168,351.86	\$ 406,937.69	\$ 187,302.20	\$ 45,832.59	\$ 177,940.60	\$ 142,555.78	\$ 396,262.78

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2020 and 2019

\$ 132,144.08

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 3,094,520.00
Increased By:		
Bond Premium Applied	\$ 455,197.00	
Budgeted BAN Paydown	<u>70,033.00</u>	
		<u>525,230.00</u>
Balance, December 31, 2020		<u><u>\$ 3,619,750.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 321,485.96
Increased By:	
2020 Budget Appropriation	<u>25,000.00</u>
Balance, December 31, 2020	<u><u>\$ 346,485.96</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2020 and 2019

\$ 9,237.85

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF RESERVE TO PAY DEBT
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2020 and 2019

\$ 28,768.90

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF DUE TO/(FROM) BEACH UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance at December 31, 2019	\$ (586,476.78)
Increased By:	
Cash Received in Beach Operating Fund	<u>586,476.78</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF DUE TO OTHER TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 16,000.00
Decreased By:	
Cash Disbursements	<u>16,000.00</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2020**

Ordinance Number	<u>Improvement Description</u>	Balance December 31, <u>2019</u>	Funded By Serial Bonds <u>Issued</u>	Bond Anticipation <u>Notes Issued</u>	Balance December 31, <u>2020</u>
12-12	Sand Replenishment	\$ 240,000.00	\$ 111,020.00	\$ -	\$ 128,980.00
19-13	Beach Utility Improvements	71,250.00	-	70,300.00	950.00
		<u>\$ 311,250.00</u>	<u>\$ 111,020.00</u>	<u>\$ 70,300.00</u>	<u>\$ 129,930.00</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	<u>Additions</u>	Deletions/ <u>Adjustments</u>	Balance December 31, <u>2020</u>
Land	\$ 9,488,800.00	\$ 14,900.00	\$ -	\$ 9,503,700.00
Building	551,100.00	7,710,834.10	-	8,261,934.10
Machinery, Equipment & Vehicles	5,147,154.22	421,380.36	(468,225.36)	5,100,309.22
	<u>\$ 15,187,054.22</u>	<u>\$ 8,147,114.46</u>	<u>\$ (468,225.36)</u>	<u>\$ 22,865,943.32</u>

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COMMENTS AND RECOMMENDATIONS

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BOROUGH OF SEA BRIGHT

PART II

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

FOR THE YEAR ENDED DECEMBER 31, 2020

BOROUGH OF SEA BRIGHT
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

None.

**BOROUGH OF SEA BRIGHT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Financial Statement Findings

Finding No. 2019-001

Condition:

Interfunds receivable and payable are reflected on the various balance sheets of the funds at December 31, 2019.

Current Status:

This finding has been corrected.

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE

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

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BOROUGH OF SEA BRIGHT

PART III

LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2020

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2020:

<u>Name</u>	<u>Title</u>
Brian P. Kelly	Mayor
Charles H. Rooney	Council President
Kevin Birdsall	Councilmember
William J. Keeler	Councilmember
Samuel A. Catalano	Councilmember
Marc A. Leckstein	Councilmember
Jon Schwartz	Councilmember
Michael J. Bascom	Chief Financial Officer
Christine Pfeiffer	Municipal Clerk
Patricia Spahr	Tax Collector
Carol Smith	Court Administrator

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Honorable Mayor and Members
of the Borough Council
Borough of Sea Bright
County of Monmouth
Sea Bright, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2020.

GENERAL COMMENTS:

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

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500 for the year ended December 31, 2020.

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 4th, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

OTHER COMMENTS (FINDINGS):

None.

Appreciation

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Lakewood, New Jersey
August 10, 2021