

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
DECEMBER 31, 2020

ROBERT A. HULSART AND COMPANY
Certified Public Accountants

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COUNTY OF MONMOUTH
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BOROUGH OF BRIELLE

COUNTY OF MONMOUTH

PART I

AUDITOR'S REPORT ON THE BOROUGH'S FINANCIAL STATEMENTS,

FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

1.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Brielle
County of Monmouth
Brielle, New Jersey 08730

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Brielle (the "Borough"), as of December 31, 2020 and 2019, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Borough's basis 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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 in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (The "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough'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 Borough'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 opinion.

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

As discussed in Note 1 to the financial statements, the Borough prepares 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. In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit the LOSAP fund financial statements as a part of our audit of the Borough's financial statements. The LOSAP fund financial statements are included in the Borough's Trust Fund and represent 52% and 49% of the assets and liabilities as of December 31, 2020 and 2019, respectively, of the Borough's Trust Fund.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2020 and 2019, the changes in financial position, or where applicable, its cash flows for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic consolidated financial statements.

However, in our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Borough, as of December 31, 2020 and 2019, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the consolidated statements of revenues – regulatory basis and consolidated statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2020 on the basis of accounting described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Brielle's basis financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

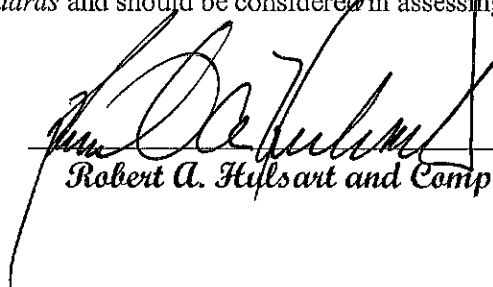
The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 9, 2021 on our consideration of the Borough's internal control over financial reporting and 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 reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.


Robert A. Hulsart and Company

Robert A. Hulsart
Certified Public Accountant
Registered Municipal Accountant
R.M.A. Number 158

September 9, 2021

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**COMPARATIVE BALANCE SHEET - CURRENT FUND****Exhibit A
Sheet 1 of 2****REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Cash	A-4	\$ 1,878,017.29	3,474,375.49
Change Funds		1,150.00	1,150.00
Petty Cash		250.00	250.00
Bond Anticipation Notes - Investment Water Sewer Capital	D	2,308,148.61	1,445,850.33
Bond Anticipation Notes - Investment General Capital	C	3,874,435.00	1,906,932.94
		<u>8,062,000.90</u>	<u>6,828,558.76</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	204,150.68	248,483.16
Tax Title Liens	A-6a	10,853.41	8,242.59
Liens on Clearing Lots		500.00	500.00
Foreclosed Property		42,900.00	42,900.00
Federal & State Grants	Contra		239,609.57
		<u>258,404.09</u>	<u>539,735.32</u>
Total Current Fund		<u>8,320,404.99</u>	<u>7,368,294.08</u>
<u>Federal and State Grants</u>			
State Funds:			
Grants Receivable	A-12	487,171.38	655,460.00
Interfund - Current	A-4	142,658.50	
		<u>629,829.88</u>	<u>655,460.00</u>
Total Assets		<u>\$ 8,950,234.87</u>	<u>8,023,754.08</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**COMPARATIVE BALANCE SHEET - CURRENT FUND****REGULATORY BASIS****Exhibit A
Sheet 2 of 2****DECEMBER 31**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities:			
Due State Veterans and Senior Citizens	A-6	\$ 9,018.33	9,171.71
Reserve for Pit Bull	A-13		700.00
Interfund - Grants	A-15	142,658.50	
Reserve for Hurricane Sandy	A-13		28,311.41
Marriage Licenses		25.00	
Appropriation Reserves	A-3-10	901,527.74	711,647.91
Reserve For Library Aid	A-13	1,448.00	1,448.00
FEMA Reserves		28,311.41	
Encumbrances	A-3-10	45,761.31	90,799.00
Tax Overpayments	A-4		26,362.16
Prepaid Taxes	A-4	202,064.05	125,562.96
Added County Taxes	A-8	20,394.98	17,357.85
Local District School Tax Payable	A-9	3,945,772.26	3,770,666.26
Accounts Payable Payroll	A-4	500.00	53,836.95
Revaluation Reserve	A-13	22,360.00	22,360.00
		<u>5,319,841.58</u>	<u>4,858,224.21</u>
Reserve for Receivables	Contra	258,404.09	539,735.32
Fund Balance	A-1	2,742,159.32	1,970,334.55
Total Current Fund		<u>8,320,404.99</u>	<u>7,368,294.08</u>
<u>Federal and State Grants</u>			
State Funds:			
Appropriated Reserves	A-13	612,798.88	393,618.58
Interfund Current	Contra		239,609.57
Unappropriated Reserves	A-14	17,031.00	22,231.85
		<u>629,829.88</u>	<u>655,460.00</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,950,234.87</u>	<u>8,023,754.08</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE

IN FUND BALANCE - CURRENT FUND

REGULATORY BASIS

Exhibit A-1

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,700,000.00	1,697,120.56
Miscellaneous Revenue Anticipated	A-2	857,197.80	1,452,721.19
Receipts from Delinquent Taxes	A-2	247,968.61	225,930.94
Receipts from Current Taxes	A-2	25,701,491.41	25,094,122.03
Non-Budget Revenue	A-2	970,112.85	711,398.83
Other Credits to Income:			
Interlocals and Reimbursements	A	186,790.77	
Accounts Payable Cancelled	A		181,693.91
Reserves Cancelled	A		67,600.78
Unexpended Balance of Appropriation Reserves	A-10	573,818.35	287,882.84
		<u>30,237,379.79</u>	<u>29,718,471.08</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	3,689,900.00	3,396,892.28
Other Expenses	A-3	3,571,297.85	4,000,576.84
Capital Improvements	A-3	225,000.00	605,000.00
Debt Service	A-3	500,000.00	400,000.00
Deferred Charges and Statutory Expenditures	A-3	964,079.00	1,011,695.00
County Taxes	A-8	4,464,392.19	4,418,861.29
Added County Taxes	A-8	20,394.98	17,357.85
Local District School Taxes	A-9	14,330,006.00	13,979,790.00
Interfund Advances	A		239,609.57
Prior Years Revenue	A-8	485.00	57,033.97
		<u>27,765,555.02</u>	<u>28,126,816.80</u>
Excess in Revenue		2,471,824.77	1,591,654.28
Fund Balance January 1	A	1,970,334.55	2,075,800.83
		<u>4,442,159.32</u>	<u>3,667,455.11</u>
Decreased by:			
Utilized as Anticipated Revenue	A-2	1,700,000.00	1,697,120.56
Fund Balance December 31	A	<u>\$ 2,742,159.32</u>	<u>1,970,334.55</u>

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

CURRENT FUNDSTATEMENT OF REVENUES - DECEMBER 31, 2020REGULATORY BASIS

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Fund Balance	A-1	\$ 1,700,000.00	1,700,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	A-7	19,500.00	19,020.00	(480.00)
Other	A-7	7,000.00	10,714.23	3,714.23
Fees and Permits	A-7	32,000.00	50,951.50	18,951.50
Interest and Costs on Taxes	A-4	50,000.00	67,155.73	17,155.73
Municipal Court Fines and Costs	A-7	50,000.00	72,721.04	22,721.04
Interest on Investments and Deposits	A-7	5,000.00	3,366.97	(1,633.03)
Energy Receipts Taxes (P.L. 1997 Chapter 162 & 167)	A-7	296,018.00	296,018.01	0.01
Uniform Code Construction Fees	A-7	80,000.00	97,928.47	17,928.47
NJ Transportation Trust Fund	A-14	215,000.00	215,000.00	-
Body Armor Grant	A-14	4,602.27	4,602.27	-
Clean Communities	A-14	12,309.94	12,309.94	-
Drunk Driving Enforcement Fund	A-14	5,319.64	5,319.64	-
Uniform Fire Safety Act	A-7	5,000.00	2,090.00	(2,910.00)
Total Miscellaneous Revenues	A-1	781,749.85	857,197.80	75,447.95
Receipts from Delinquent Taxes	A-1	200,000.00	247,968.61	47,968.61
		2,681,749.85	2,805,166.41	123,416.56
Amount to be Raised by Local Taxes for Support of				
Municipal Budget Including Reserve for Uncollected Taxes	A-2	6,989,704.20	7,607,875.44	618,171.24
Non-Budget Revenue	A-2	\$ 9,671,454.05	10,413,041.85	741,587.80
			970,112.85	
			\$ 11,383,154.70	

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

9.

CURRENT FUND

STATEMENT OF REVENUES - DECEMBER 31, 2020

**Exhibit A-2
Sheet 2 of 2**

REGULATORY BASIS

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections	A-1	\$ 25,701,491.41
Allocated to School and County Taxes	A-5	18,814,793.17
		<u>6,886,698.24</u>
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>721,177.20</u>
Amount for Support of Municipal Budget	A-2	<u><u>\$ 7,607,875.44</u></u>
 <u>Analysis of Non-Budget Revenues</u>		
Other:		
Prior Year Refunds		\$ 291,007.09
Cable Franchise Fee		57,785.00
Other		24,309.85
Payroll Excess		101,102.71
JIF & HIF Dividends		455,435.61
Verizon & AT& T		<u>40,472.59</u>
	A-4	<u><u>\$ 970,112.85</u></u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 1 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2020

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>General Government</u>					
Administrative and Executive					
Salaries and Wages	\$ 305,000.00	305,000.00	302,566.33	2,433.67	
Other Expenses	60,000.00	60,000.00	59,736.29	263.71	
Financial Administration					
Other Expenses	45,000.00	45,000.00	7,511.44	37,488.56	
Assessment of Taxes					
Salaries and Wages	28,000.00	28,000.00	27,620.06	379.94	
Other Expenses	18,000.00	18,000.00	18,000.00	-	
Collection of Taxes					
Salaries and Wages	80,500.00	81,000.00	80,999.88	0.12	
Other Expenses	12,000.00	11,500.00	11,143.07	356.93	
Legal Services and Costs					
Other Expenses	170,000.00	170,000.00	165,746.61	4,253.39	
Municipal Prosecutor					
Other Expenses	25,000.00	25,000.00	17,499.96	7,500.04	
Municipal Court					
Salaries and Wages	42,000.00	42,000.00	41,940.08	59.92	
PEOSHIA Bloodborne Pathogen Regulations	3,500.00	3,500.00	1,332.02	2,167.98	
Engineering Services and Costs					
Other Expenses	75,000.00	75,000.00	59,489.70	15,510.30	
Public Buildings and Grounds					
Other Expenses	115,000.00	115,000.00	76,527.13	38,472.87	
Municipal Land Use Law (N.J.S.A. 40A:55D-1)					
Other Expenses	14,000.00	14,000.00	6,036.70	7,963.30	

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

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2020

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Planning Board					
Salaries and Wages	10,000.00	10,100.00	10,085.50	14.50	
Other Expenses	15,000.00	15,000.00	15,000.00	-	
Shade Tree Commission					
Other Expenses	10,000.00	10,000.00	7,442.49	2,557.51	
Environmental Commission (N.J.S.A. 40:56A-1)					
Other Expenses	1,000.00	1,000.00	18.90	981.10	
Mercantile License Inspector					
Salaries and Wages	5,500.00	5,500.00	5,500.00	-	
Other Expenses	300.00	300.00		300.00	
Insurance					
General Liability	140,000.00	140,000.00	140,000.00	-	
Workmen's Compensation	150,764.00	150,764.00	150,764.00	-	
Employee Group Health	895,000.00	894,900.00	711,932.00	182,968.00	
Health Benefit Waiver Cost	25,000.00	25,000.00		25,000.00	
<u>Health and Welfare</u>					
Board of Health					
Salaries and Wages	4,000.00	4,000.00		4,000.00	
Other Expenses	1,000.00	1,000.00	1,000.00	-	
Ch. 329 P.L. 1975 Health Services - Contract	50,972.00	50,972.00	50,971.99	0.01	
Recreation					
Salaries and Wages	44,000.00	44,000.00	7,410.06	36,589.94	
Other Expenses	20,000.00	20,000.00	18,999.07	1,000.93	
Dog Regulation					
Other Expenses	12,000.00	12,000.00	11,490.51	509.49	
Public Event - Other Expenses	5,000.00	5,000.00	1,476.49	3,523.51	
Brielle Borough Historian - Other Expenses	2,500.00	2,500.00	266.56	2,233.44	

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

CURRENT FUNDSTATEMENT OF EXPENDITURES - DECEMBER 31, 2020REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Public Safety</u>					
Fire Company	40,000.00	40,000.00	35,517.15	4,482.85	
Other Expenses					
Fire Protection Official					
Other Expenses	5,330.00	5,330.00		5,330.00	
Life Hazard Fees					
Police					
Salaries and Wages	2,080,000.00	2,080,000.00	1,961,409.96	118,590.04	
Other Expenses	185,000.00	185,000.00	156,431.89	28,568.11	-
Other Expenses - Police Car	75,000.00	75,000.00	51,304.66	23,695.34	
Other Expenses - Deferred Sick Leave	50,000.00	50,000.00	29,413.86	20,586.14	
First Aid Organization					
Other Expenses	30,000.00	30,000.00	29,073.96	926.04	
Zoning Official					
Salaries and Wages	25,000.00	25,000.00	21,429.28	3,570.72	
Emergency Management Services					
Other Expenses	5,000.00	5,000.00	11.90	4,988.10	
Streets and Roads					
Salaries and Wages	530,000.00	530,000.00	465,971.14	64,028.86	
Other Expenses	80,000.00	80,000.00	32,416.22	47,583.78	
Vehicle Maintenance					
Other Expenses	60,000.00	60,000.00	43,687.51	16,312.49	

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

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2020

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Garbage and Trash					
Salaries and Wages	325,000.00	325,000.00	289,221.68	35,778.32	
Other Expenses	188,000.00	188,000.00	181,467.61	6,532.39	
Recycling					
Salaries and Wages	200,000.00	200,000.00	195,402.73	4,597.27	
Storm Emergency					
Other Expenses	25,000.00	25,000.00	21,762.98	3,237.02	
<u>Utilities</u>					
Utilities	350,000.00	350,000.00	306,360.80	43,639.20	
<u>Appropriations Offset by Dedicated Revenues</u>					
Code Enforcement Official					
Salaries and Wages	10,900.00	10,900.00	10,900.00	-	
Other Expenses	1,500.00	1,500.00	713.88	786.12	
Contingent	5,000.00	5,000.00		5,000.00	
Total Operations Within Caps	<u>6,655,766.00</u>	<u>6,655,766.00</u>	<u>5,841,004.05</u>	<u>814,761.95</u>	<u>-</u>
<u>Deferred Charges and Statutory Expenditures</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	187,100.00	187,100.00	187,100.00	-	
Social Security System (O.A.S.I.)	235,000.00	235,000.00	231,498.54	3,501.46	
Police and Fireman's Retirement System of N.J.	541,979.00	541,979.00	541,979.00	-	
Total Deferred Charges and Statutory Expenditures	<u>964,079.00</u>	<u>964,079.00</u>	<u>960,577.54</u>	<u>3,501.46</u>	<u>-</u>
Total General Approp. for Municipal Purposes Within Caps	<u>7,619,845.00</u>	<u>7,619,845.00</u>	<u>6,801,581.59</u>	<u>818,263.41</u>	<u>-</u>

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

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2020

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Operations Excluded from Caps</u>					
Statutory Expenditures-Contribution to:					
Aid to Library N.J.S.A. 40:54-35	165,000.00	165,000.00	143,640.24	21,359.76	
LOSAP Payment	55,000.00	55,000.00	46,800.00	8,200.00	
Total Other Operations Excluded from Caps	220,000.00	220,000.00	190,440.24	29,559.76	-
<u>Interlocal Municipal Service Agreements:</u>					
County of Monmouth - Dispatching Services	72,000.00	72,000.00	69,921.00	2,079.00	
Borough of Manasquan - Municipal Court Services	138,000.00	138,000.00	136,201.50	1,798.50	
Construction Code - Interlocal	112,200.00	112,200.00	62,572.93	49,627.07	
Fire Protection-Borough of Sea Girt	41,000.00	41,000.00	40,800.00	200.00	
Total Interlocal Municipal Service Agreements	363,200.00	363,200.00	309,495.43	53,704.57	-
<u>Public and Private Programs Offset by Revenues</u>					
Clean Communities					
Other Expenses	12,309.94	12,309.94	12,309.94		
Recycling Tonnage Grant					
Other Expenses	5,319.64	5,319.64	5,319.64		
Body Armor Grant					
Other Expenses	4,602.27	4,602.27	4,602.27		
Total Public and Private Programs Offset by Revenues	22,231.85	22,231.85	22,231.85	-	-
Total Operations Excluded from Caps	605,431.85	605,431.85	522,167.52	83,264.33	-

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

CURRENT FUNDSTATEMENT OF EXPENDITURES - DECEMBER 31, 2020REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Capital Improvements - Excluded from Caps</u>					
Down Payment on Improvements	10,000.00	10,000.00	10,000.00		
Capital Improvement Fund	215,000.00	215,000.00	215,000.00		
N.J. DOT Trust Fund Grant	225,000.00	225,000.00	225,000.00	-	-
Total Capital Improvements Excluded from Caps					
<u>Municipal Debt Service - Excluded from Caps</u>					
Payment of Bond Anticipation Notes and Capital Notes	500,000.00	500,000.00	500,000.00		
Total Municipal Debt Service - Excluded from Caps	500,000.00	500,000.00	500,000.00	-	-
Total General Appropriations for Municipal Purposes Excluded from Caps	1,330,431.85	1,330,431.85	1,247,167.52	83,264.33	-
Subtotal General Appropriations	8,950,276.85	8,950,276.85	8,048,749.11	901,527.74	-
Reserve for Uncollected Taxes	721,177.20	721,177.20	721,177.20		
Total General Appropriations	\$ 9,671,454.05	\$ 9,671,454.05	\$ 8,769,926.31	\$ 901,527.74	\$ -
<u>Ref.</u>				A	A-1
Cash Disbursements			\$ 7,765,755.95		
Encumbrances	A-4		45,761.31		
State Transportation Grant	A		215,000.00		
Grants	A-12		22,231.85		
Reserve for Uncollected Taxes	A-14		721,177.20		
	A-2				
			\$ 8,769,926.31		

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

BALANCE SHEET - TRUST FUND**REGULATORY BASIS****Exhibit B****DECEMBER 31**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 5,276.34	4,535.66
<u>Other Trust Funds</u>			
Cash-Other Trust	B-1	839,545.18	778,299.13
<u>Length of Service Award Programs - Unaudited</u>			
Investments		921,106.94	756,197.63
Total Assets		<u>\$ 1,765,928.46</u>	<u>1,539,032.42</u>
<u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Reserve for Dog Fund Expenditures	B-3	\$ 5,276.34	4,535.66
<u>Other Trust Funds</u>			
Reserve for:			
Recreation	B-4	202,629.77	193,490.53
Law Enforcement	B-6	6,700.85	5,165.35
Tax Title Lien	B-8	189,387.57	189,386.52
Trust - Other	B-7	334,332.45	357,291.06
Builder's Escrow	B-5	106,494.54	32,965.67
		<u>839,545.18</u>	<u>778,299.13</u>
<u>Length of Service Award Programs - Unaudited</u>			
Reserve for Length of Service Award Programs		<u>921,106.94</u>	<u>756,197.63</u>
Total Liabilities and Reserves		<u>\$ 1,765,928.46</u>	<u>1,539,032.42</u>

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

BALANCE SHEET - CAPITAL FUND**Exhibit C****REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Deferred Charges to Future Taxation - Unfunded	C-3	\$ 4,005,406.05	3,422,406.05
DOT Grant Receivable		200,000.00	200,000.00
Total Assets		<u>\$ 4,205,406.05</u>	<u>3,622,406.05</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-5	\$ 2,308,148.61	1,906,932.94
Capital Improvement Fund	C-2	268,171.00	315,171.00
Improvement Authorization:			
Unfunded	C-4	1,252,556.93	1,001,170.62
Accounts Payable		146,549.56	169,151.54
Reserve for Beach Grant	C-2	29,000.00	29,000.00
Reserve for DOT Grant		200,000.00	200,000.00
Fund Balance	C-a	979.95	979.95
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,205,406.05</u>	<u>3,622,406.05</u>

There were Bonds and Notes Authorized and Unissued in the amount of \$1,869,100.53 (Exhibit C-6) as of December 31, 2020 and \$1,704,316.20 at December 31, 2019.

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

STATEMENT OF FUND BALANCE**Exhibit C-a**

	<u>Ref.</u>	
Balance December 31, 2020 and 2019	C	<u>\$ 979.95</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**BALANCE SHEET - WATER-SEWER UTILITY****Exhibit D**
Sheet 1 of 2**REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
<u>Operating Section</u>			
Cash	D-4	\$ 1,150,826.88	877,168.92
Change Fund		100.00	100.00
		<u>1,150,926.88</u>	<u>877,268.92</u>
Consumer Accounts Receivable	D-6	112,813.16	137,989.44
Total Operating Section		<u>\$ 1,263,740.04</u>	<u>1,015,258.36</u>
<u>Capital Section</u>			
Fixed Capital	D-9	\$ 6,884,362.95	6,816,933.02
Fixed Capital Authorized and Uncompleted		<u>11,210,500.00</u>	<u>11,210,500.00</u>
Total Capital Section		<u>\$ 18,094,862.95</u>	<u>18,027,433.02</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Operating Section</u>			
Liabilities:			
Appropriation Reserves	D-3-7	\$ 70,988.44	62,629.31
Utility Overpayments	D-4	7,170.33	6,240.31
Encumbrances	D-3		13,325.01
Total Liabilities		<u>78,158.77</u>	<u>82,194.63</u>
Reserve for Receivables		112,813.16	137,989.44
Fund Balance	D-1	<u>1,072,768.11</u>	<u>795,074.29</u>
Total Operating Section		<u>\$ 1,263,740.04</u>	<u>1,015,258.36</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**BALANCE SHEET - WATER-SEWER UTILITY****REGULATORY BASIS****DECEMBER 31****Exhibit D
Sheet 2 of 2**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance - (Continued)</u>			
<u>Capital Section</u>			
Serial Bonds	D-11	\$ 3,561,723.23	3,865,415.47
Capital Improvement Fund	D-5	20,000.00	15,000.00
Bond Anticipation Notes	D-12	3,874,435.00	1,445,850.33
Improvement Authorizations:			
Funded	D-10		28,334.29
Unfunded	D-10	2,711,964.35	5,117,214.73
Reserve for Amortization	D-8	7,926,541.23	7,555,419.06
Fund Balance	D-a	199.14	199.14
Total Capital Section		<u>\$ 18,094,862.95</u>	<u>18,027,433.02</u>

There were Bonds and Notes of \$2,854,590.31 Authorized but not Issued at December 31, 2020 and \$5,283,174.98 at December 31, 2019. (Exhibit D-13)

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

STATEMENT OF WATER-SEWER UTILITY CAPITAL FUND BALANCE**Exhibit D-a**

	<u>Ref.</u>	
Balance December 31, 2020 and 2019	D	<u>\$ 199.14</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**Exhibit D-1****WATER-SEWER UTILITY FUND****STATEMENT OF OPERATIONS AND CHANGE IN****OPERATING FUND BALANCE****REGULATORY BASIS**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Revenue and Other Income</u>			
Water and Sewer Rents	D-2	\$ 2,517,625.91	2,477,045.00
Miscellaneous Revenue	D-4		6,802.69
Payables Cancelled	D-8		39,225.37
Appropriations Cancelled	D-3	11,401.23	21,988.41
Appropriation Reserves Balances Lapsed	D-7	55,567.68	99,600.77
		<u>2,584,594.82</u>	<u>2,644,662.24</u>
<u>Expenditures</u>			
Operating:			
Salaries and Wages	D-3	225,000.00	225,000.00
Other Expenses	D-3	165,000.00	165,000.00
Payments to South Monmouth Regional Sewerage Authority	D-3	515,760.00	508,000.00
N.J. Water Supply Authority	D-3	175,000.00	175,000.00
Manasquan River Treatment and Transmission System	D-3	667,686.00	682,500.00
Infiltration Study	D-3	600.00	600.00
Group Insurance Plan for Employees	D-3	5,000.00	5,000.00
Interlocal With Sea Girt	D-3	90,000.00	85,000.00
Capital Improvement Fund	D-3	5,000.00	5,000.00
Capital Outlay	D-3	75,000.00	75,000.00
Debt Service	D-3	360,855.00	358,342.24
Deferred Charges and Statutory Expenditures	D-3	22,000.00	20,000.00
		<u>2,306,901.00</u>	<u>2,304,442.24</u>
Excess in Revenue		277,693.82	340,220.00
Fund Balance January 1	D	<u>795,074.29</u>	<u>454,854.29</u>
		1,072,768.11	795,074.29
Fund Balance December 31	D	<u>\$ 1,072,768.11</u>	<u>795,074.29</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**WATER-SEWER UTILITY FUND****Exhibit D-2****STATEMENT OF REVENUES - DECEMBER 31, 2020****REGULATORY BASIS**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Rents - Water & Sewer	D-1	<u>\$ 2,306,901.00</u>	<u>2,517,625.91</u>	<u>210,724.91</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D-3

STATEMENT OF EXPENDITURES - DECEMBER 31, 2020

REGULATORY BASIS

	<u>Budget</u>	<u>Total for 2020 as Modified by All Transfers</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:					
Salaries and Wages	\$ 225,000.00	221,000.00	193,886.87	27,113.13	
Other Expenses	165,000.00	165,000.00	154,892.96	10,107.04	
N.J. Water Supply Authority	175,000.00	175,000.00	170,441.00	4,559.00	
South Monmouth Regional Sewerage Authority	515,760.00	515,760.00	515,760.00	-	
Monmouth County Improvement Authority	667,686.00	671,686.00	671,248.00	438.00	
Infiltration Study	600.00	600.00		600.00	
Borough of Sea Girt	90,000.00	90,000.00	84,885.00	5,115.00	
Group Insurance Plan for Employees	5,000.00	5,000.00		5,000.00	
Capital Improvements					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00	-	
Capital Outlay	75,000.00	75,000.00	67,429.93	7,570.07	
Debt Service:					
Payment of Bond Principal	70,000.00	70,000.00	62,300.00	-	7,700.00
Interest on Bonds	4,855.00	4,855.00	1,557.50		3,298.00
Interest on Loans	35,950.00	35,950.00	35,546.27	-	403.73
Principal on Loans	250,050.00	250,050.00	250,050.00		
Deferred Charges & Statutory Expenditures:					
Social Security System	22,000.00	22,000.00	11,513.80	10,486.20	
Total Water-Sewer Utility Appropriation	<u>\$ 2,306,901.00</u>	<u>2,306,901.00</u>	<u>2,224,511.33</u>	<u>70,988.44</u>	<u>3,701.73</u>

Ref.

D-2

D

D-1

Analysis of Paid or Charged

\$ 2,224,511.33

Ref.

D-4

Disbursed

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**BALANCE SHEET - PUBLIC ASSISTANCE FUND****Exhibit E****REGULATORY BASIS****DECEMBER 31**

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash	<u>\$ 5,638.37</u>	<u>5,638.37</u>
<u>Reserves</u>		
Reserve for Public Assistance I	<u>\$ 5,638.37</u>	<u>5,638.37</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**BALANCE SHEET - GENERAL FIXED ASSETS****Exhibit F****REGULATORY BASIS****DECEMBER 31**

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Buildings and Building Improvements	\$ 4,802,623.37	4,712,691.00
Machinery and Equipment	<u>5,253,049.71</u>	<u>5,227,613.65</u>
Total General Fixed Assets	<u>\$10,055,673.08</u>	<u>9,940,304.65</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$10,055,673.08</u>	<u>9,940,304.65</u>

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

BOROUGH OF BRIELLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of the Borough of Brielle, County of Monmouth, New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5.

The Government Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2020.

B. Description of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles. GASB Codification establishes seven major fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles ("GAAP").

The accounting policies of the Borough of Brielle conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Brielle accounts for its financial transactions through the following separate funds, which differs from the fund structure required by GAAP:

Current Fund – resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Animal Control Trust Fund – animal license revenues and expenditures.

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

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

1. Summary of Significant Accounting Policies (Continued)

B. Description of Funds (Continued)

Water-Sewer Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

Public Assistance Fund – receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

General Fixed Assets Fund – account for fixed assets.

Grant Funds – account for Federal and State grants.

C. Basis of Accounting

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

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

Property Taxes and Other Revenues – property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues – Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures – unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances – contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

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

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

Deferred Charges – the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as “paid or charged” exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

Compensated Absences – expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water-Sewer Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2020 is set forth in Note 23.

Property Acquired for Taxes – is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

Sale of Municipal Assets – Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year-end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

Foreclosed Property – Foreclosed property is recorded in the Current Fund as the assessed valuation when such property was acquired and is fully reserved.

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies – The costs 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 balance sheets.

Net Pension and OPEB Liability – New Jersey’s municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability and OPEB liability as liabilities on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 and GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68 and GASB 75.

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation has been provided for in the financial statements.

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

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

Utility Fixed Assets - Accounting for utility fund "fixed capital" remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Water Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

D. Financial Statements

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Borough presents its financial statements in accordance with an other comprehensive basis of accounting as promulgated by the Division, which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

2. Long-Term Debt

Summary of Municipal Debt

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 2,308,148.61	1,906,932.94	2,028,839.85
Water-Sewer Utility:			
Bonds and Notes	<u>7,436,158.23</u>	<u>5,311,265.80</u>	<u>4,655,590.52</u>
Total Issued	<u>9,744,306.84</u>	<u>7,218,198.74</u>	<u>6,684,430.37</u>
 <u>Authorized but not Issued</u>			
General:			
Bonds and Notes	1,869,100.53	1,704,316.20	1,336,816.20
Water-Sewer Utility:			
Bonds and Notes	<u>2,854,590.31</u>	<u>5,283,174.98</u>	<u>1,025,742.50</u>
Total Authorized but not Issued	<u>4,723,690.84</u>	<u>6,987,491.18</u>	<u>2,362,558.70</u>
 Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 14,467,997.68</u>	<u>14,205,689.92</u>	<u>9,046,989.07</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.265%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 400,000.00	400,000.00	
Water-Sewer Utility Debt	10,290,748.54	10,290,748.54	
General Debt	<u>4,177,249.14</u>		<u>4,177,249.14</u>
	<u>\$ 14,867,997.68</u>	<u>10,690,748.54</u>	<u>4,177,249.14</u>

Net Debt \$4,177,249.14 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended,
\$1,578,991,589.00 = 0.265%.

2. Long-Term Debt (Continued)

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

3 ½ of Equalized Valuation Basis (Municipal)	\$ 55,264,705.62
Net Debt	<u>4,177,249.14</u>
Remaining Borrowing Power	<u>\$ 51,087,456.48</u>

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding for 5 Years and Investments of 5 Years Thereafter (5% Interest)

Bonds Payable

Bonds are authorized in accordance with state law by ordinance of the governing body. All bonds are retired in serial installments within the statutory period of usefulness.

Water-Sewer

Serial bonds dated 5/21/14 payable in annual installments through 8/1/33 interest is paid Semi-annually at 3% to 5%. The balance remaining at December 31, 2020 was \$660,000.00.

Serial bonds dated 5/21/14 payable in semi-annual installments through 8/1/33 with no interest. The balance remaining at December 31, 2020 was \$1,749,546.73.

Serial bonds dated 5/2/2016 payable in annual installments through 8/1/35 interest is paid Semi-Annually at 3% to 5%. The balance remaining at December 31, 2020 was \$300,000.00.

Serial bonds dated 5/2/2012 payable semi-Annual installments through 8/1/35 with no interest. The balance remaining at December 31, 2020 was \$852,176.50.

2. Long-Term Debt (Continued)

Water-Sewer Utility

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Water-Sewer Utility</u>
2021	\$ 246,392.24	35,780.00	282,172.24
2022	246,392.24	33,030.00	279,422.24
2023	251,392.24	30,280.00	281,672.24
2024	256,392.24	27,482.00	283,874.24
2025	261,392.24	24,230.00	285,622.24
2026-2030	1,316,961.20	86,700.00	1,403,661.20
2031-2035	<u>977,800.83</u>	<u>29,615.00</u>	<u>1,007,415.83</u>
	<u>\$ 3,556,723.23</u>	<u>267,117.00</u>	<u>3,823,840.23</u>

Short Term Debt

On December 31, 2020 the Borough's outstanding Bond Anticipation Notes were as follows:

General Capital

<u>Ordinance Number</u>	<u>Description</u>	
1033	Various Improvements	\$ 92,500.00
1042	Various Improvements	175,006.00
151	Various Improvements	1,091,773.70
1085	Various Improvements	477,869.13
1092	Various Improvements	<u>470,999.78</u>
		<u>\$ 2,308,148.61</u>

Water-Sewer Capital

8-13	Water Tower	<u>\$ 3,874,435.00</u>
------	-------------	------------------------

All of the above notes were held by the Current fund at no interest.

Summary of Debt Activity

	<u>Balance Jan. 1, 2020</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance Dec. 31, 2020</u>
General Debt				
Bond Anticipation Notes	\$ 1,906,932.94	918,215.67	517,000.00	2,308,148.61
Water-Sewer Utility				
Serial Bonds	3,865,415.47		303,692.24	3,561,723.23
Bond Anticipation Notes	<u>1,445,850.33</u>	<u>2,428,584.67</u>		<u>3,874,435.00</u>
	<u>\$ 7,218,198.74</u>	<u>3,346,800.34</u>	<u>820,692.24</u>	<u>9,744,306.84</u>

3. Capital Leases

The Borough has the following Capital Leases being paid through its budget:

Police car for \$40,349.76 commencing 3/18/19 for 24 months @ 7.50% interest with a balance of \$3,362.48 at 12/31/20.

4. Analysis of Capital Leases

Summary of Capital Leases

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
Police Car	2021	<u>\$ 3,362.48</u>	<u>3,331.24</u>	<u>31.24</u>

5. Fund Balances Appropriated

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

Current Fund	\$ 2,000,000.00
Water-Sewer Utility	51,786.29

6. 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 Borough had no deferred charges.

7. Pensions

Employees who are eligible for a pension plan are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of State of New Jersey. The three State-administered plans are: (1) the Public Employee's Retirement System; (2) the Consolidated Police and Firemen's Pension Fund, and (3) the Police and Firemen's Retirement System. The Division annually charge municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employee's. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$781,695.00 for 2019 and \$729,079.00 for 2020.

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

8. Cash and Cash Equivalents

A. Deposits

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

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

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

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

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

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part of within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.

8. Cash and Cash Equivalents (Continued)

B. Investments (Continued)

- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Borough had no investments in qualified securities at December 31, 2020.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities, which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report shall include, at a minimum, the specific detailed information as set forth in the statute.

8. Cash and Cash Equivalents (Continued)

D. Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Insured:		
FDIC	\$ 250,000.00	250,000.00
GUDPA	<u>3,277,197.24</u>	<u>4,620,428.18</u>
	<u>\$ 3,527,197.24</u>	<u>4,870,428.18</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Borough.

9. Taxes Collected in Advance

Taxes collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>Balance December 31</u>	
	<u>2020</u>	<u>2019</u>
Prepaid Taxes	<u>\$ 202,064.05</u>	<u>125,562.96</u>

10. Assessment and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (Board) by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Local School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough Tax Collector (Collector) on or before May 13th.

10. Assessment and Collection of Property Taxes (Continued)

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for installments on August 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

11. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

12. School Taxes

Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

	<u>Local District School Tax</u>	
	<u>Balance December 31</u>	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$ 7,364,998.38	7,189,892.38
Deferred	<u>3,419,226.12</u>	<u>3,419,226.12</u>
Tax Payable	<u>\$ 3,945,772.26</u>	<u>3,770,666.26</u>

13. Fair Values of Financial Instruments

The following methods and assumptions were used by the Borough of Brielle in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

Short-term Investments: The fair values for short-term investments are at the amount of cash loan to the capital fund.

14. Litigation

It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

Negligence and other types of liability suits, of which the Borough is aware, appear to be with the stated policy limits and would be deferred by the respective carriers.

15. Pension Obligations

A. Public Employee's Retirement System (PERS)

Plan Description – The State of New Jersey, Public Employee's 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 www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of $1/55^{\text{th}}$ 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 $1/60^{\text{th}}$ 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 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.

15. Pension Obligations (Continued)

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's 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 fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employer's 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. Borough contributions to PERS amounted to \$187,100.00 for 2020.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001. the amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer 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 or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Components of Net Pension Liability – At December 31, 2020, the Borough reported a liability of \$2,982,123.00 for its proportionate share of the PERS net pension liability. 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 June 30, 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 .01814%, which was a decrease of .00019% from its proportion measured as of June 30, 2019.

	<u>Dec. 31, 2020</u> July 1, 2020	<u>Dec. 31, 2019</u> July 1, 2019
Actuarial Valuation Date		
Net Pension Liability	\$ 2,982,123	3,325,722
District's Portion of the Plan's Total Net Pension Liability	0.01814%	0.01833%

For the year ended December 31, 2020, the Borough had an allocated pension expense of \$200,050.

15. Pension Obligations (Continued)

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:

	<u>PERS</u>
Measurement Date	June 30, 2020
Actuarial Valuation Date	July 1, 2019
Inflation Rate:	
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
Inflation Rate of Return	7.00%

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

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:

15. Pension Obligations (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% 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 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 was calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<u>Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>Increase (8.0%)</u>
Borough's Proportionate Share Of Net Pension Liability	\$ 3,753,995	2,982,123	2,327,168

15. Pension Obligations (Continued)

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

Plan Description – The State of New Jersey, Police and Fireman'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 Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:16A*. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 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 cash benefits would begin at age 55 equal to 2% of final compensation for each year of service.

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 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.

15. Pension Obligations (Continued)

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 that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer 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 or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Components of Net Pension Liability – At December 31, 2020, the Borough reported a liability of \$6,228,025 for its proportionate share of the PFRS net pension liability. 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 June 30, 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 December 31, 2020, was .04172%, which was a decrease of .00246% from its proportion measured as of December 31, 2019.

Collective Balances at December 31, 2020 and December 31, 2019

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Actuarial Valuation Date	July 1, 2020	July 1, 2019
Net Pension Liability	\$ 6,228,025	6,260,340
District's Portion of the Plan's Total Net Pension Liability	0.04172%	0.04418%

For the year ended December 31, 2020, the Borough had an allocated pension expense of \$538,472.

15. Pension Obligations (Continued)

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:

	PFRS
Measurement Date	June 30, 2020
Actuarial Valuation Date	July 1, 2019
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25 - 15.25%
	Based on Years of Service
Inflation Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3.2% 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, 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

15. Pension Obligations (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% 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 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 was calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<u>Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>Increase (8.0%)</u>
Borough's Proportionate Share Of Net Pension Liability	\$ 8,281,991	6,228,025	4,522,049

15. Pension Obligations (Continued)

C. Defined Contributions Retirement Program

The defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. Seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

As of December 31, 2020, the Borough did not have any employees participating in the Defined Contribution Retirement Program.

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

Note 16. Other Post Employment Benefits (OPEB)

Special Funding Situation

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

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

The Borough, as of December 31, 2019, has 24 members under the Special Funding Situation. The State proportionate share of the net OPEB liability attributed to the Borough is \$4,448,425, per the latest available information provided by the State.

17. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disaster. 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.

18. Deferred Compensation

The Borough's Deferred Compensation Program is offered to all Borough employees. The program was created in accordance with Section 457 of the Internal Revenue Code. The program is offered by the Borough through a program administrator, Valic. The police department plan is with AXA Adorians.

The compensation deferred under the program and all income attributable to these amounts are reported to the Borough by individual employee on a quarterly basis.

Federal law effective August 20, 1996 provides that deferrals under Section 457 are to be held in trust for the exclusive benefits of participants and their beneficiaries. This new trust did not have to be established before January 1, 1999. State legislation was introduced in December 31, 1996 to amend state statutes to reflect these changes. As of December 31, 2020, the Valic program has a balance of \$458,992.84 and the AXA program has a balance of \$203,507.62.

19. Interlocal Service Agreement – Monmouth County

Effective January 1, 2001 the Borough has a contract with the County of Monmouth for dispatch services for police, fire and emergency medical services. The cost for 2020 will be \$72,000.00 and thereafter the cost will be determined by November 15th for the following year.

20. Interlocal Service Agreement – Construction Department

There is an interlocal agreement with other shore communities for a joint construction office located in the Borough of Spring Lake of which Brielle's share is \$110,000 for 2019 and \$112,200 for 2020.

21. Interlocal Services Agreement – Fire Protection

Effective January 1, 2020 there is an interlocal agreement with the Borough of Sea Girt for fire protection services with \$42,000.00 budgeted in 2021.

22. Shared Services Agreement

For the year 2020 the Borough has a shared services agreement with the Borough of Manasquan for municipal court services at a cost of \$136,201.50, \$138,000.00 has been budgeted for 2021.

23. Compensated Absences

Police shall accumulate sick leave as per contract capped at 150 days of those hired prior to May 22, 1984, and 100 thereafter. If hired after January 1, 1988, two days must be accrued to earn one, again capped at 100 days. At December 31, 2020, the accrued sick leave was valued at \$113,443.32, with \$113,443.32 funded. \$50,000.00 has been funded in the 2021 budget.

24. Fixed Assets

The following schedule is a summarization of the changes in general fixed assets by source for the year ended December 31, 2020.

	<u>Equipment</u>	<u>Land & Buildings</u>	<u>Total</u>
Beginning Balance January 1, 2020	\$ 5,227,613.65	4,712,691.00	9,940,304.65
Additions – 2020	<u>25,436.06</u>	<u>89,932.37</u>	<u>115,368.43</u>
Balance December 31, 2020	<u>\$ 5,253,049.71</u>	<u>4,802,623.37</u>	<u>10,055,673.08</u>

25. Interfund Receivables and Payables

	<u>Receivable</u>	<u>Payable</u>
Current Fund	\$	142,658.50
Grant Fund	<u>142,658.50</u>	<u> </u>
	<u>\$ 142,658.50</u>	<u>142,658.50</u>

Fees collected of expenses paid from one fund due another.

Interfund Explanations

The interfund between Grants and Current is for budgeted funds not yet received in the Grant Fund.

It is anticipated that all interfunds will be liquidated in 2021.

26. Length of Service Award Program

On August 13, 2001 the voters of the Borough approved the creation of a Length of Service Award Program ("LOSAP"). Subsequently, the Division approved the Borough's LOSAP plan, provided by Valic Variable Life Insurance Co. The purpose of this program is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Valic will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The program shall provide for a fixed annual contribution of \$750 for the fire company and the first aid squad to each eligible volunteer who accumulates a minimum of 100 service points based on criteria established by Borough Ordinance No. 918. The Borough's contribution shall be included in the current year's budget.

26. Length of Service Award Program (Continued)

All amounts awarded under a length of service award program shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

Borough contributions for the year ended December 31, 2020 were \$46,800.00. The Borough's estimated contribution for the year ended December 31, 2021 is \$60,000.00. We will review the plan for the year ended December 31, 2020 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement of Standards for Accounting and Review Services in conjunction with the 2020 audit of the Borough's financial statements.

At December 31, 2020 the value of the plan is \$921,106.94.

27. COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China and has since spread to other countries, including the United States, and to each state within the United States, including New Jersey, has been declared a Public Health Emergency of International Concern by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State has likewise declared a state of emergency. While the potential impact on the State cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the finances of the State and the Borough (collectively, the "Affected Entities").

The degree of any such impact to the Affected Entities' respective operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Affected Entities and their respective economies.

28: Subsequent Events

Subsequent events have been evaluated through September 9, 2021, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

BOROUGH OF BRIELLE

COUNTY OF MONMOUTH

PART II

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2020

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>% of Collection</u>
2020	\$ 25,907,652.51	25,701,491.41	99.20%
2019	25,343,261.16	25,091,122.03	99.01%
2018	25,168,882.43	24,901,698.21	98.94%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year Ended Dec. 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$ 10,853.41	204,150.68	215,004.09	0.83%
2019	8,242.59	248,483.16	256,725.75	0.99%
2018	7,000.58	225,680.94	232,681.52	0.92%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31 on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 42,900.00
2019	42,900.00
2018	42,900.00

COMPARISON OF WATER-SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2020	\$ 2,492,449.63	* 2,517,625.91
2019	2,456,077.92	* 2,477,045.00
2018	2,419,492.43	* 2,419,492.43

*Included collections against prior years.

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>			
	2020	\$2,742,159.32	2,000,000.00
	2019	1,970,334.55	1,700,000.00
	2018	2,075,800.83	1,697,120.56
<u>Water-Sewer Utility</u>			
	2020	1,072,768.11	51,786.29
	2019	795,074.29	-
	2018	454,854.29	-

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Tax Rate	\$ 1.637	1.613	1.634
<u>Apportionment of Tax Rate</u>			
Municipal	\$ 0.444	0.437	0.447
County	0.284	0.283	0.290
Local School	0.909	0.893	0.897
<u>Assessed Valuation</u>			
2020	\$ 1,575,977,400.00		
2019	1,564,735,900.00		
2018	1,530,792,800.00		

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

Cash Receipts From Fee, Rents or Other Charges for Year		\$ 2,513,979.24
Deductions:		
Operating and Maintenance Cost	1,946,046.00	
Debt Service Per Water-Sewer Account	360,855.00	
		<u>2,306,901.00</u>
Excess in Revenue		<u>\$ 207,078.24</u>

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Thomas Nicol	Mayor	
Timothy Shaak	Councilman	
Michael A. Gianforte	Councilman	
Cort Gorham	Councilman	
John V. Visceglia	Councilman	
Paul K. Nolan	Councilman	
Frank A. Garruzzo	Councilman	
Thomas Nolan	Borough Clerk, Administrator	
Carol Baran	Deputy Borough Clerk	
John D. Antonides	Chief Financial Officer	
Tina McDermott	Tax Collector and Tax Search Officer	\$ 1,000,000.00
Denise Murphy	Water Sewer Collector	
Paul J. Capotorto	* Judge	
Marie Higgins	* Court Administrator	
Nicholas Montenegro	Attorney	
Steven A. Zabarsky	Prosecutor	

The above bond was provided by the Monmouth County Municipal Joint Insurance Fund.

There was a Public Employees' Liability insurance policy in effect for the period under audit, in the amount of \$250,000.00. Coverage was supplied by the Monmouth County Joint Insurance Fund.

All of the bonds were examined and properly executed.

* Bonded by Borough of Manasquan under Joint Court.

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-4

SCHEDULE OF CURRENT FUND - CASH

	<u>Ref.</u>	<u>Regular</u>	<u>Federal and State Grants</u>
Balance December 31, 2019		\$ 3,474,375.49	-
Increased by Receipts:			
Taxes Receivable	A-5	\$25,788,504.59	
Veterans & Senior Citizens	A-6	35,239.09	
Prepaid Taxes	A	202,064.05	
Grants Receivable	A-12		388,608.26
Grants Unappropriated	A-14		17,031.00
Interlocals and Reimbursements			
Revenue Accounts Receivable	A-7	287,062.23	
Interest & Cost on Taxes	A-2	552,810.22	
Miscellaneous Revenue Not Anticipated	A-2	65,155.73	
		970,112.85	
		<u>27,900,948.76</u>	<u>405,639.26</u>
		31,375,324.25	405,639.26
Decreased by Disbursements:			
2020 Appropriation	A-3	7,765,755.95	
Appropriation Reserves	A-10	228,128.56	
Other	A	36,872.07	
Grants	A-13		18,051.55
Bond Anticipation Notes	D	2,829,900.34	
Interfund Current	A		
County Taxes	A-8	4,481,750.04	387,587.71
Local School Taxes	A-9	14,154,900.00	
		<u>29,497,306.96</u>	<u>405,639.26</u>
Balance December 31, 2020	A	\$ 1,878,017.29	-

CURRENT FUNDSCHEDULE OF TAXES RECEIVABLE ANDANALYSIS OF PROPERTY TAX LEVY

	Balance Dec. 31, 2019	2020 Levy	Collections		Veterans and Senior Citizens	Transfer To Liens	Cancelled	Balance Dec. 31, 2020
			2019	2020				
Prior Year 2020	\$ 248,483.16	25,907,652.51	125,562.96	247,968.61 25,540,535.98	35,392.47	1,276.86	1,248.11	514.55 203,636.13
	\$ 248,483.16	25,907,652.51	125,562.96	25,788,504.59	35,392.47	1,276.86	1,248.11	204,150.68

Ref. A

A-6A

A-6

A-2

A

A

Analysis of Tax Levv and Yield

2020 Levy	\$ 25,790,137.07
Added and Omitted Assessments	117,515.44
	<u>\$ 25,907,652.51</u>

Tax Yield

School Tax		\$ 14,330,006.00
County Taxes		
General County	\$ 3,752,884.90	
County Library	273,151.19	
County Open Space	438,356.10	
Added County Taxes	20,394.98	
	<u>4,484,787.17</u>	
Local Tax for Municipal Purposes	6,989,704.20	
Additional Tax Levied	103,155.14	
	<u>7,092,859.34</u>	
	<u>\$ 25,907,652.51</u>	

A-9

A-10

A-2

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**CURRENT FUND****Exhibit A-6****SCHEDULE OF DUE STATE OF NEW JERSEY****FOR VETERANS AND SENIOR CITIZENS**

	<u>Ref.</u>		
Balance December 31, 2019 (Due To)	A		\$ 9,171.71
Deductions Per Tax Billing:			
Senior Citizens		\$ 2,750.00	
Veterans		32,500.00	
Veterans Allowed by Collector		<u>250.00</u>	
			<u>35,500.00</u>
			44,671.71
Decreased by:			
Veterans Disallowed		\$ 250.00	
Senior Citizens Disallowed		164.29	
Cash Received	A-4	<u>35,239.09</u>	
			<u>35,653.38</u>
Balance December 31, 2020 (Due To)	A		<u><u>\$ 9,018.33</u></u>

SCHEDULE OF TAX TITLE LIENS**Exhibit A-6a**

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ 8,242.59
Increased by:			
Transfer from 2020 Taxes	A-5		<u>1,276.86</u>
			9,519.45
Increase by:			
Adjustment			<u>1,333.96</u>
Balance December 31, 2020	A		<u><u>\$ 10,853.41</u></u>

CURRENT FUNDSCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Accrued</u> <u>in 2020</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>Clerk</u>					
<u>Licenses:</u>					
Alcoholic Beverages	A-2	\$	19,020.00	19,020.00	
Other	A-2		10,714.23	10,714.23	
		-	29,734.23	29,734.23	-
<u>Fees and Permits:</u>					
Other	A-2		50,951.50	50,951.50	
		-	50,951.50	50,951.50	-
<u>Other Revenues:</u>					
Uniform Construction Code Fees	A-2		97,928.47	97,928.47	
Energy Receipts Tax			296,018.01	296,018.01	
Uniform Fire Safety Act	A-2		2,090.00	2,090.00	
Municipal Court:					
Fines and Costs	A-2		72,721.04	72,721.04	-
Interest on Investments	A-2		3,366.97	3,366.97	
		-	472,124.49	472,124.49	-
		\$	552,810.22	552,810.22	-
Ref.	A			A-4	A

CURRENT FUND**SCHEDULE OF COUNTY TAXES PAYABLE**

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ 17,357.85
Increased by:			
2020 Levy:			
County Tax		3,752,884.90	
Library Tax		273,151.19	
Open Spaces Taxes		438,356.10	
Added County Taxes		<u>20,394.98</u>	
	A-1		<u>4,484,787.17</u>
			4,502,145.02
Decreased by:			
Disbursed	A-4		<u>4,481,750.04</u>
Balance December 31, 2020	A		<u>\$ 20,394.98</u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**Exhibit A-9**

	<u>Ref.</u>		
Balance December 31, 2019:			
Payable	A	\$ 3,770,666.26	
Deferred		<u>3,419,226.12</u>	
			7,189,892.38
Increased:			
Levy School Year July 1, 2019 to June 30, 2020	A-1		<u>14,330,006.00</u>
			21,519,898.38
Decreased by:			
Paid	A-4		<u>14,154,900.00</u>
Balance December 31, 2020:			
Payable	A	3,945,772.26	
Deferred		<u>3,419,226.12</u>	
			<u>\$ 7,364,998.38</u>

CURRENT FUND**Exhibit A-10****SCHEDULE OF APPROPRIATION RESERVES**

	<u>Ref.</u>	
Balance December 31, 2019	A	\$ 711,647.91
Increased by:		
Encumbrances	A	<u>90,799.00</u>
		802,446.91
Decreased by:		
Disbursed	A-4	\$ 228,128.56
Cancelled to Operations	A-1	<u>574,318.35</u>
		<u>\$ 802,446.91</u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-11

SCHEDULE OF VARIOUS RESERVES

	<u>Ref.</u>	<u>Revaluation</u>	<u>FEMA</u>	<u>Pit Bull</u>	<u>Library Aid</u>	<u>Total</u>
Balance December 31, 2019	A	\$ 22,360.00	28,311.41	700.00	1,448.00	52,819.41
Decreased by:						
Lapsed to Surplus	A-4			700.00		700.00
Balance December 31, 2020	A	\$ 22,360.00	28,311.41	-	1,448.00	52,119.41

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**CURRENT FUND**

Exhibit A-12

SCHEDULE OF FEDERAL AND STATE GRANT RECEIVABLES

	Balance Dec. 31, 2019	2020 Revenue Realized	Received	Balance Dec. 31, 2020
State Transportation Grant	\$ 513,750.00	215,000.00	287,316.25	441,433.75
Recycling Tonnage		5,319.64	5,319.64	
Community Development Block Grant	136,210.00		90,472.37	45,737.63
Drunk Driving Enforcement	5,500.00		5,500.00	
	<u>\$ 655,460.00</u>	<u>220,319.64</u>	<u>388,608.26</u>	<u>487,171.38</u>
Ref.	A-3		A-4	A

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-13

SCHEDULE OF APPROPRIATED RESERVES

FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2019	Transferred from 2020 Budget	Expended	Balance Dec. 31, 2020
Driving While Intoxicated	\$ 26,494.27	4,602.27	12,016.55	19,079.99
Clean Communities	48,565.36	12,309.94	4,000.00	56,875.30
Recycling Tonnage	24,233.35	5,319.64	35.00	29,517.99
State Transportation Grant	134,250.73	215,000.00		349,250.73
Global Fire Prevention	177.01			177.01
Community Development Block Grant	136,210.00			136,210.00
Share Grant	20,000.00			20,000.00
Body Armor	3,687.86		2,000.00	1,687.86
	<u>\$ 393,618.58</u>	<u>237,231.85</u>	<u>18,051.55</u>	<u>612,798.88</u>

Ref. A A-3 A-4 A

CURRENT FUND

Exhibit A-14

SCHEDULE OF UNAPPROPRIATED RESERVES FOR**FEDERAL AND STATE GRANTS**

	Balance	Transferred		Balance
	Dec. 31, 2019	to	Received	Dec. 31, 2020
		2020 Budget		
Driving While Intoxicated	\$ -		4,089.04	4,089.04
Body Armor	4,602.27	4,602.27	1,842.95	1,842.95
Clean Communities	12,309.94	12,309.94	11,099.01	11,099.01
Recycling Tonnage	5,319.64	5,319.64		-
	<u>\$ 22,231.85</u>	<u>22,231.85</u>	<u>17,031.00</u>	<u>17,031.00</u>
Ref.	A	A-3,14	A-4	A

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

TRUST FUND

Exhibit B-1

SCHEDULE OF TRUST - CASH

	<u>Ref.</u>	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2019	B	\$ 4,535.66	778,299.13
Increased by Receipts:			
Dog License Fees	B-3	1,996.05	
State Registration Fees	B-2	286.80	
Recreation Fees	B-4		37,934.61
Law Enforcement Fund	B-6		3,859.93
Builder's Escrow	B-5		73,528.87
Tax Title Lien Account	B-8		1.05
Trust - Other	B-7		23,523.49
		<u>2,282.85</u>	<u>138,847.95</u>
		6,818.51	917,147.08
Decreased by:			
State Registration Fees	B-2	286.80	
Dog License Fees	B-3	1,255.37	
Recreation Fees	B-4		28,795.37
Law Enforcement Fund	B-6		2,324.43
Trust - Other	B-7		46,482.10
		<u>1,542.17</u>	<u>77,601.90</u>
Balance December 31, 2020	B	\$ 5,276.34	839,545.18

TRUST FUND**Exhibit B-2****SCHEDULE OF STATE REGISTRATION FEES**

	<u>Ref.</u>	
Increased by:		
Receipts	B-1	<u>\$ 286.80</u>
Decreased by:		
Disbursements	B-1	<u>\$ 286.80</u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**Exhibit B-3**

	<u>Ref.</u>	
Balance December 31, 2019	B	\$ 4,535.66
Increased by:		
Fees Collected	B-1	<u>1,996.05</u>
		6,531.71
Decreased by:		
Dog Expenditures Per R.S. 4:19-15.1	B-1	<u>1,255.37</u>
Balance December 31, 2020	B	<u>\$ 5,276.34</u>

TRUST FUND

Exhibit B-4

SCHEDULE OF RESERVE FOR BOARD OF RECREATION COMMISSIONERS

	<u>Ref.</u>	
Balance December 31, 2019	B	\$ 193,490.53
Increased by:		
Receipts	B-1	<u>37,934.61</u>
		231,425.14
Decreased by:		
Disbursements	B-1	<u>28,795.37</u>
Balance December 31, 2020	B	<u><u>\$ 202,629.77</u></u>

SCHEDULE OF RESERVE FOR BUILDER'S ESCROW

Exhibit B-5

	<u>Ref.</u>	
Balance December 31, 2019	B	\$ 32,965.67
Increased by:		
Receipts	B-1	<u>73,528.87</u>
Balance December 31, 2020	B	<u><u>\$ 106,494.54</u></u>

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT FUND

Exhibit B-6

	<u>Ref.</u>	
Balance December 31, 2019	B	\$ 5,165.35
Increased by:		
Receipts	B-1	<u>3,859.93</u>
		9,025.28
Decreased by:		
Disbursements	B-1	<u>2,324.43</u>
Balance December 31, 2020	B	<u><u>\$ 6,700.85</u></u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

TRUST FUND

Exhibit B-7

SCHEDULE OF RESERVE FOR TRUST - OTHER

	Balance Dec. 31, 2019	Receipts	Disbursements	Balance Dec. 31, 2020
Unemployment Insurance	\$ 9,478.53	9,065.02		18,543.55
Road Opening Deposits	90,504.88		2,400.00	88,104.88
P.O.A.A	1,448.00			1,448.00
Sick Leave	141,327.92		37,990.62	103,337.30
Tax Premium	(8,112.47)	8,112.47		-
Inspection Fees	7,259.00		525.00	6,734.00
Centennial Celebration	17,892.98		349.65	17,543.33
Recycling	21,178.55			21,178.55
Police Equipment	25,301.41	5,000.00	5,216.83	25,084.58
Public Defender	2,769.00	1,346.00		4,115.00
Shade Tree Donation	27,532.32			27,532.32
Storm Reserve	20,710.94			20,710.94
	<u>\$ 357,291.06</u>	<u>23,523.49</u>	<u>46,482.10</u>	<u>334,332.45</u>
Ref.	B	B-1	B-1	B

TRUST FUND

Exhibit B-8

SCHEDULE OF RESERVE FOR TAX TITLE LIEN ACCOUNT

Balance December 31, 2019	<u>Ref.</u> B	\$ 189,386.52
Increased by:		
Receipts	B-1	<u>1.05</u>
Balance December 31, 2020	B	<u><u>\$ 189,387.57</u></u>

CAPITAL FUND

Exhibit C-1

SCHEDULE OF CAPITAL CASH - 2020

	<u>Ref.</u>		
Increased by:			
Capital Improvement Fund	C-2	\$ 10,000.00	
Bond Anticipation Notes	C-5	<u>740,272.07</u>	
			<u>750,272.07</u>
Decreased by:			
Expended Improvement Authorizations	C-4		<u>\$ 750,272.07</u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit C-2

CAPITAL FUND

SCHEDULE OF CAPITAL CASH AND INVESTMENTS

<u>Description</u>	Balance Dec. 31, 2019	Receipts	Disbursed	Transfers		Balance Dec. 31, 2020
				From	To	
Fund Balance	\$ 979.95					979.95
Capital Improvement Fund	315,171.00	10,000.00		57,000.00		268,171.00
Reserve for Beach Grant	29,000.00					29,000.00
<u>Improvement Authorizations</u>						
Encumbrances						
1008 Various Improvements	15,000.00				146,549.56	146,549.56
1004 Various Improvements	37,725.38		2,880.56	15,604.78		15,000.00
996 Various Improvements						19,240.04
987 Various Improvements	15,000.00					-
12-1022 Various Improvements	3,445.25					15,000.00
14-1033 Various Improvements	(49,351.87)			28,000.22		3,445.25
15-1042 Various Improvements	77,352.09					(77,352.09)
16-151 Various Improvements	(336,376.35)	247,439.85	240,319.35			77,352.09
17-1059 Various Improvements	(298,365.58)	77,917.34		125.90		(329,381.75)
18-1070 Various Improvements	(44,269.16)		500.24	77,917.34		(298,365.58)
18-1975 Various Improvements	(114,048.95)		22,238.00	5,200.32		(49,969.72)
19-1085 Various Improvements	348,738.24	199,776.04	180,075.04	19,701.00		(136,286.95)
20-1092 Various Improvements		215,138.84	304,258.88		24,500.00	348,738.24
20-1094 Various Improvements					32,500.00	(64,620.04)
						32,500.00
	\$ -	750,272.07	750,272.07	203,549.56	203,549.56	-

Ref.	C	C-1	C-1,C-4	C
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BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CAPITAL FUND

Exhibit C-3

SCHEDULE OF DEFERRED TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Paid in Budget	Balance Dec. 31, 2020
996	Various Improvements	\$ 7,406.05		7,406.05	-
1004	Various Improvements	117,500.00		117,500.00	-
1008	Various Improvements	80,000.00		80,000.00	-
12-1022	Various Improvements	80,000.00		80,000.00	-
14-1033	Various Improvements	242,000.00		149,500.00	92,500.00
15-1042	Various Improvements	237,600.00		62,594.00	175,006.00
16-151	Various Improvements	1,441,150.00		22,999.95	1,418,150.05
20-1059	Various Improvements	380,000.00			380,000.00
18-1070	Various Improvements	90,250.00			90,250.00
18-1075	Various Improvements	380,000.00			380,000.00
19-1085	Various Improvements	386,500.00			386,500.00
20-1092	Various Improvements		465,500.00		465,500.00
20-1094	Various Improvements		617,500.00		617,500.00
		<u>\$ 3,442,406.05</u>	<u>1,083,000.00</u>	<u>520,000.00</u>	<u>4,005,406.05</u>
Ref.	C	C-4	A-3	C	

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit C-4

CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Date	Amount	Balance Dec.31, 2019		2020 Authorizations	Expended	Balance Dec. 31, 2020	
				Unfunded	Unfunded			Unfunded	Unfunded
997	Various Improvements	6/1/2009	\$ 410,000.00	\$ 15,000.00				15,000.00	
1004	Various Improvements	5/12/2008	768,400.00	37,725.38			18,485.34	19,240.04	
1008	Various Improvements	4/26/2010	650,000.00	15,000.00				15,000.00	
12-1022	Various Improvements	4/25/2011	400,000.00	3,445.25				3,445.25	
14-033	Various Improvements	8/16/2012	400,000.00	28,000.22			28,000.22	-	
16-151	Various Improvements	5/20/2014	360,000.00	240,439.85			240,439.85	-	
17-1059	Various Improvements	4/25/2016	1,677,000.00	81,634.42			69,714.80	11,919.62	
18-070	Various Improvements	5/3/2017	400,000.00	170,018.35			5,700.56	164,317.79	
18-075	Various Improvements	6/25/2018	95,000.00	72,762.00			22,238.00	50,524.00	
19-085	Various Improvements	5/1/2018	400,000.00	337,145.15			199,776.04	137,369.11	
20-1092	Various Improvements	5/31/2020	490,000.00			490,000.00	304,258.88	185,741.12	
20-1094	Various Improvements	12/31/2020	650,000.00			650,000.00		650,000.00	
				1,001,170.62		1,140,000.00	888,613.69	1,252,556.93	
		Ref.		C				C	
	Capital Improvement Fund	Ref.				\$ 57,000.00			
	Deferred Charges Unfunded	C-2				1,083,000.00			
		C-3							
						\$ 1,140,000.00			
	Disbursed								\$ 742,064.13
	Encumbered								146,549.56
									\$ 888,613.69

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit C-5

CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2019	Notes		Balance Dec. 31, 2020
		Original Issue	Maturity			Issued	Paid	
1004	Various Improvements	12/31/11	12/31/19	*	\$ 117,500.00		117,500.00	-
1033	Various Improvements	12/31/15	12/31/20	*	242,000.00		149,500.00	92,500.00
996	Various Improvements	12/31/10	12/31/19	*	27,406.00		27,406.00	-
1022	Various Improvements	12/31/15	12/31/19	*	80,000.00		80,000.00	-
1008	Various Improvements	12/31/12	12/31/19	*	80,000.00		80,000.00	-
1042	Various Improvements	12/31/16	12/31/20	*	237,600.00		62,594.00	175,006.00
151	Various Improvements	12/21/17	12/31/20	*	844,333.85	247,439.85		1,091,773.70
1085	Various Improvements	12/31/19	12/31/20	*	278,093.09	199,776.04		477,869.13
1092	Various Improvements	12/31/20	12/31/20	*		470,999.78		470,999.78
					<u>\$1,906,932.94</u>	<u>918,215.67</u>	<u>517,000.00</u>	<u>2,308,148.61</u>
		Ref.			C	C-1	C-3	C
Funded by Budget								
Capital Improvment Fund							\$ 500,000.00	
							<u>17,000.00</u>	
							<u>\$ 517,000.00</u>	

Funded by Budget
Capital Improvement Fund

*Held by Current at No Interest

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CAPITAL FUND

Exhibit C-6

SCHEDULE OF BONDS AND NOTES AUTHORIZED - UNISSUED

Ordinance Number	Description	Balance Dec. 31, 2019	Authorized in 2020	Bond Anticipation Notes	Balance Dec. 31, 2020
16-151	Various Improvements	\$ 576,816.20		253,439.63	323,376.57
20-1059	Various Improvements	380,000.00			380,000.00
18-1070	Various Improvements	380,000.00			380,000.00
18-1975	Various Improvements	90,250.00			90,250.00
19-1085	Various Improvements	277,250.00		199,776.04	77,473.96
20-1092	Various Improvements		465,500.00	465,000.00	500.00
20-1094	Various Improvements		617,500.00		617,500.00
		<u>\$ 1,704,316.20</u>	<u>1,083,000.00</u>	<u>918,215.67</u>	<u>1,869,100.53</u>

Ref.

C

C-4

C-5

C

BOROUGH OF BRIELLE - COUNTY OF MONMOUTHWATER-SEWER UTILITY FUND

Exhibit D-4

SCHEDULE OF CASH

Balance December 31, 2019	<u>Ref.</u> D		\$ 877,168.92
Increased by:			
Consumer Accounts Receivable	D-6	2,517,625.91	
Utility Overpayments	D	<u>1,130.02</u>	
			<u>2,518,755.93</u>
			3,395,924.85
Decreased by:			
Budget Appropriations	D-3	2,224,511.33	
Appropriation Reserve	D	<u>20,586.64</u>	
			<u>2,245,097.97</u>
Balance December 31, 2020	D		<u><u>\$ 1,150,826.88</u></u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit D-5

WATER-SEWER UTILITY FUND

SCHEDULE OF CAPITAL CASH

	Balance Dec. 31, 2019	Receipts	Disbursements	Transfers		Balance Dec. 31, 2020
				From	To	
Fund Balance	\$ 199.14					199.14
Notes-Current Fund	483,782.81	2,428,584.67			962,067.52	3,874,435.00
Interfund Water Sewer Operating	962,067.52			962,067.52		
Capital Improvement Fund	15,000.00	5,000.00				20,000.00
<u>Improvement Authorizations</u>						
783 Union Lane Water Plants	(57,249.00)					(57,249.00)
846 Improvement to Wells	(21,250.00)					(21,250.00)
880 Storage Tanks	(77,550.00)					(77,550.00)
901 Higgins Avenue	(141,991.50)					(141,991.50)
8-13 Water Tower	28,334.29					28,334.29
15-1040 Water Mains	(410,400.31)					(410,400.31)
19-1086 Various Improvements	(780,942.95)		2,433,584.67			(3,214,527.62)
	\$ -	2,433,584.67	2,433,584.67	962,067.52	962,067.52	-

Ref.

D

D

WATER-SEWER UTILITY FUND**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 137,989.44
Increased by:		
Water-Sewer Levy		<u>2,492,449.63</u>
		2,630,439.07
Decreased by:		
Receipts	D-4	<u>2,517,625.91</u>
Balance December 31, 2020	D	<u><u>\$ 112,813.16</u></u>

SCHEDULE OF APPROPRIATION RESERVES**Exhibit D-7**

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 62,629.31
Increased by:		
Encumbrances	D	<u>13,325.01</u>
		75,954.32
Decreased by:		
Disbursed	D-4	\$ 20,586.64
Lapsed to Operations	D-1	<u>55,367.68</u>
		<u><u>\$ 75,954.32</u></u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**WATER-SEWER UTILITY FUND****Exhibit D-8****SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>		
Balance December 31, 2019	D		\$ 7,555,419.06
Increased by:			
Serial Bonds Paid by 2020 Budget	D-12	\$ 303,692.24	
Capital Outlay	D-3	<u>67,429.93</u>	
			<u>371,122.17</u>
Balance December 31, 2020	D		<u>\$ 7,926,541.23</u>

SCHEDULE OF FIXED CAPITAL**Exhibit D-9**

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>2020</u> <u>Capital</u> <u>Outlay</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
1984 and Prior	\$ 137,477.39		137,477.39
Distribution Mains	1,818,525.31		1,818,525.31
New Wells	219,302.94		219,302.94
Pump House & Equipment	452,097.23		452,097.23
Purification Equipment	3,392.56		3,392.56
Meters and Meter Boxes	497,151.45		497,151.45
Office Equipment	1,635.00		1,635.00
General Equipment	222,414.77		222,414.77
Hydrants and Tanks	162,653.45	67,429.93	230,083.38
Sewer Systems	<u>3,302,282.92</u>		<u>3,302,282.92</u>
	<u>\$ 6,816,933.02</u>	<u>67,429.93</u>	<u>6,884,362.95</u>
Ref.	D	D-3	D

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D-11

SCHEDULE OF WATER-SEWER SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bond Outstanding		Interest Rate	Balance Dec. 31, 2019	Paid	Balance Dec. 31, 2020
			Date	Amount				
General Improvements	4/11/1980	\$ 2,347,300.00			5%	\$ 62,300.00	62,300.00	-
Water Tower-Trust Loan Bond-Series 2014A	5/21/2014	860,000.00	8/1/2023-24	40,000.00	5%	695,000.00	35,000.00	660,000.00
			8/1/2025-28	45,000.00	5%			
			8/1/2029-31	50,000.00	3%			
			8/1/2032-33	55,000.00	3%			
			8/1/2032-33	60,000.00	3.125 to 3.25%			
Water Tower-Environmental Infrastructure Trust Loan Bond Series 2014A	5/21/2014	2,646,750.00	8/1/2021-32	134,580.49	N/A	1,884,127.22	134,580.49	1,749,546.73
			8/1/2033	134,580.85				
Water Mains-Environmental Infrastructure Trust Loan Bond Series 2016A-1	5/2/2016	1,117,298.00	8/1/2021-34	56,811.75	N/A	908,988.25	56,811.75	852,176.50
			8/1/2035	56,812.00				
Water Mains-Trust Loan Bond-Series 2016A-1	5/2/2016	355,000.00	8/1/2021-23	15,000.00	3% to 5%	315,000.00	15,000.00	300,000.00
			8/1/2024-32	20,000.00				
			8/1/2033-35	25,000.00				
					Ref.	D	D-9	D
						<u>\$ 3,865,415.47</u>	<u>303,692.24</u>	<u>3,561,723.23</u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit D-12

WATER-SEWER UTILITY FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Original Issue	Date Of		Balance Dec. 31, 2019	Notes Issued	Balance Dec. 31, 2020
			Issue	Maturity			
8-13	Water Tower	12/31/2018	12/31/2020	12/31/2021	\$ 483,782.81		483,782.81
19-1086	Various Water Improvements	12/31/2019	12/31/2020	12/31/2021	962,067.52		962,067.52
19-1086	Various Water Improvements	12/31/2020	12/31/2020	12/31/2021		2,428,584.67	2,428,584.67
					<u>\$ 1,445,850.33</u>	<u>2,428,584.67</u>	<u>3,874,435.00</u>

Ref.

D

D-14

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BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**WATER-SEWER UTILITY FUND****Exhibit D-13****SCHEDULE OF BONDS AND NOTES AUTHORIZED - UNISSUED**

Ordinance Number	Description	Balance Dec. 31, 2019	Bond Anticipation Notes Issued	Balance Dec. 31, 2020
783	Water Plant	\$ 57,249.00		57,249.00
846	Wells	21,250.00		21,250.00
880	Storage Tanks	77,550.00		77,550.00
901	Higgins Avenue	141,991.50		141,991.50
15-1040	Water Mains	727,702.00		727,702.00
19-1086	Water Tower	4,257,432.48	2,428,584.67	1,828,847.81
		<u>\$ 5,283,174.98</u>	<u>2,428,584.67</u>	<u>2,854,590.31</u>

Ref.

D

D-13

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BOROUGH OF BRIELLE

COUNTY OF MONMOUTH

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2020

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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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 Brielle
County of Monmouth
Brielle, New Jersey 08730

We have audited, in accordance with the 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, the regulatory basis financial statements of the various funds and account group 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 September 9, 2021, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion of the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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 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.

Internal Control Over Financial Reporting (Continued)

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all efficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's consolidated financial statements are free of material misstatement, we performed tests of it 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.

This report is intended solely for the information and use of the Borough's management, the Borough Council, others within the organization, the Division, and federal and state awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Robert A. Hulsart and Company
Independent Auditors

September 9, 2021

BOROUGH OF BRIELLE

COUNTY OF MONMOUTH

PART IV

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

GENERAL COMMENTS

Scope of Audit

The audit covered the financial transactions of the Treasurer, Chief Financial Officer, Tax and Utility Collector, the activities of the Mayor and Council, and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payments had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statement of Revenue and Schedule of Revenue Accounts Receivable are presented as recorded in the Borough records.

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any material or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate amount set forth in, or the amount calculated by the governor pursuant to, Section 3 of P.L. 1971, c. 198 (c.40A:11-2), except by contract or agreement". Effective July 1, 2020, the public contracts law was amended to change the bid threshold to \$26,000.00 and \$44,000.00 if there is a certified purchasing agent. Effective July 1, 2020, if there is no Qualified Purchasing Agent the bid threshold was adjusted to \$17,500.00 and \$2,625.00 for quotes.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the above statutory limitation within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Borough Counsel's opinion should be sought before a commitment is made.

Where expenditures of \$2,625.00 or more are made on applicable items, the governing body has the responsibility of securing quotations as defined under the statute, or higher if the municipality has a qualified purchasing agent (\$6,600.00 with a qualified purchasing agent).

The minutes indicate that bids were requested by public advertising where applicable on the items examined.

Contracts for professional services, which were on file, were examined and appointments were advertised according to statute.

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4 – (Continued)

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.

Collection of Interest on Delinquent Taxes and Assessments

The statute 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 6, 2020, adopted the following resolution authorizing interest to be charged on delinquent taxes:

“**NOW THEREFORE BE IT RESOLVED**, that a grace period not exceeding ten (10) days be permitted after each quarterly due date, February 1, May 1, August 1, November 1, and the rate of eight percent (8%) per annum be charged on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on the amount in excess of \$1,500.00 with delinquent interest rate retroactive to the aforesaid due dates for the year 2020”.

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

Delinquent Taxes and Tax Title Liens

The last tax sale held on October 18, 2019 was complete.

Inspection of tax sale certificates on file revealed that all certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2020	1
2019	1
2018	1

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Delinquent Taxes	5

For those confirmation notices which were not returned by taxpayers, we examined subsequent cash collections as an alternative procedure when possible.

Unemployment Insurance

The Borough elected to adopt the reimbursement plan for unemployment insurance as provided by statute. These funds were deposited in a trust savings account to be held specifically until needed for any claims presented. The Borough has contributed an additional 1% of all eligible salaries paid to this trust account. This account had a balance of \$18,543.55 on December 31, 2020. Unemployment withholdings are turned over to the State. Excess claims paid are billed by the State to the Borough and paid from the trust account.

Investments

The Chief Financial Officer invests municipal funds as available on a continuing basis.

Such investments in 2020 resulted in interest revenue of \$3,366.97 in the operating accounts.

Bank Reconciliations and Wire Transfers

Wire transfers are made by the Borough Clerk, who keeps a written record of same. These transfers are then given to the Treasurer to record in the records.

Follow-Up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings.

None reported.

Current Year Recommendations

None

Appreciation

We desire to express our appreciation for the assistance and courtesies rendered by the officials and employees during the course of the audit.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.