

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
DECEMBER 31, 2022

ROBERT A. HULSART AND COMPANY
Certified Public Accountants

2807 Hurley Pond Road, Suite 100
P.O. Box 1409
Wall, New Jersey 07719

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
TABLE OF CONTENTS

		<u>Page</u>
Part I – Auditor’s Report on the Borough Financial Statements, Financial Statements and Notes to Financial Statements		
	Independent Auditor’s Report	1 to 4.
 <u>Exhibit</u>		
 <u>CURRENT FUND</u>		
A	Comparative Balance Sheet as at December 31, 2022 and December 31, 2021	5 & 6.
A-1	Comparative Statement of Operations and Change in Fund Balance	7.
A-2	Statement of Revenues – December 31, 2022	8 & 9.
A-3	Statement of Expenditures – December 31, 2022	10 to 15.
 <u>TRUST FUND</u>		
B	Balance Sheet as at December 31, 2022 and December 31, 2021	16.
 <u>CAPITAL FUND</u>		
C	Balance Sheet as at December 31, 2022 and December 31, 2021	17.
C-1	Statement of Fund Balance	17.
 <u>WATER-SEWER UTILITY FUND</u>		
D	Balance Sheet as at December 31, 2022 and December 31, 2021	18 & 19.
D-1	Statement of Water-Sewer Utility Capital Fund Balance	19.
D-2	Statement of Operations and Change in Operating Fund Balance	20.
D-3	Statement of Revenues – December 31, 2022	21.
D-4	Statement of Expenditures – December 31, 2022	22.

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	<u>PUBLIC ASSISTANCE FUND</u>	
E	Comparative Balance Sheet as at December 31, 2022 and December 31, 2021	23.
	<u>GENERAL FIXED ASSETS</u>	
F	Comparative Balance Sheet as at December 31, 2022 and December 31, 2021	24.
	Notes to Financial Statements	25 to 47.
	Part II – Supplementary Data	
	Supplementary Data	48 to 49.
	Officials in Office and Surety Bonds	50.
<u>Exhibit</u>		
	<u>CURRENT FUND</u>	
A-4	Schedule of Current Fund - Cash	51.
A-5	Schedule of Taxes Receivable and Analysis of Property Tax Levy	52.
A-6	Schedule of Due State of New Jersey for Veterans and Senior Citizens	53.
A-7	Schedule of Tax Title Liens	53.
A-8	Schedule of Revenue Accounts Receivable	54.
A-9	Schedule of County Taxes Payable	55.
A-10	Schedule of Local District School Tax	55.
A-11	Schedule of Appropriation Reserves	56.
A-12	Schedule of Various Reserves	57.
A-13	Schedule of Federal and State Grant Receivables	58.

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
<u>CURRENT FUND</u>		
A-14	Schedule of Appropriated Reserves for Federal and State Grants	59.
A-15	Schedule of Unappropriated Reserve for Federal and State Grants	60.
<u>TRUST FUND</u>		
B-1	Schedule of Trust – Cash	61.
B-2	Schedule of State Registration Fees	62.
B-3	Schedule of Reserve for Dog Fund Expenditures	62.
B-4	Schedule of Reserve for Board of Recreation Commissioners	63.
B-5	Schedule of Reserve for Builders Escrow	63.
B-6	Schedule of Reserve for Law Enforcement Fund	63.
B-7	Schedule of Reserve for Trust - Other	64.
B-8	Schedule of Reserve for Tax Title Lien Account	65.
<u>CAPITAL FUND</u>		
C-2	Schedule of Capital Cash - 2022	66.
C-3	Schedule of Capital Cash and Investments	67.
C-4	Schedule of Deferred to Future Taxation – Unfunded	68.
C-5	Schedule of Improvement Authorizations	69.
C-6	Schedule of Bond Anticipation Notes	70.
C-7	Schedule of Bonds and Notes Authorized – Unissued	71.

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
<u>WATER-SEWER UTILITY FUND</u>		
D-5	Schedule of Cash	72.
D-6	Schedule of Capital Cash	73.
D-7	Schedule of Consumer Accounts Receivable	74.
D-8	Schedule of Appropriation Reserves	74.
D-9	Schedule of Reserve for Amortization	75.
D-10	Schedule of Fixed Capital	75.
D-11	Schedule of Improvement Authorizations	76.
D-12	Schedule of Water-Sewer Serial Bonds	77.
D-13	Schedule of Bond Anticipation Notes	78.

**PART III – Report on Internal Controls over Financial Reporting
And on Compliance and Other Matters**

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 79 to 80.

Part IV – General Comments and Recommendations

GENERAL COMMENTS	81 to 83.
FOLLOW-UP ON PRIOR YEAR FINDINGS	83.
FINDINGS AND RECOMMENDATIONS	84.
APPRECIATION	84.

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, 2022

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

1.

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 Audit of Financial Statements

Opinions

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, 2022 and 2021, 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, 2022 and the related notes to the financial statements, which collectively comprise the Borough's basis financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Borough as of December 31, 2022 and 2021, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Borough as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

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

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 40% and 49% of the assets and liabilities as of December 31, 2022 and 2021, respectively, of the Borough's Trust Fund.

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.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

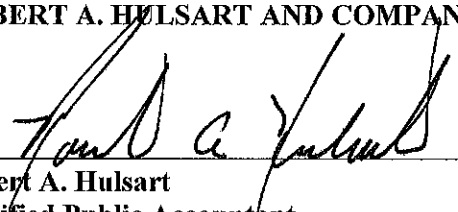
Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the affection of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



Robert A. Hulsart
Certified Public Accountant
Registered Municipal Accountant
R.M.A. Number 158
Wall Township, New Jersey

September 25, 2023

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>2022</u>	<u>2021</u>
<u>Assets</u>			
Cash	A-4	\$ 5,493,735.16	3,849,712.42
Change Funds		1,150.00	1,150.00
Petty Cash		250.00	250.00
Bond Anticipation Notes - Investment Water Sewer Capital	D	1,028,346.65	1,687,267.11
Bond Anticipation Notes - Investment General Capital	C	1,742,940.67	2,372,129.76
		<u>8,266,422.48</u>	<u>7,910,509.29</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	198,235.02	153,660.60
Tax Title Liens	A-7	13,229.46	12,087.48
Liens on Clearing Lots		500.00	500.00
Foreclosed Property		42,900.00	42,900.00
		<u>254,864.48</u>	<u>209,148.08</u>
Total Current Fund		<u>8,521,286.96</u>	<u>8,119,657.37</u>
<u>Federal and State Grants</u>			
State Funds:			
Grants Receivable	A-13	432,072.17	487,171.38
Interfund - Current	Contra	505,872.50	205,827.51
		<u>937,944.67</u>	<u>692,998.89</u>
Total Assets		<u>\$ 9,459,231.63</u>	<u>8,812,656.26</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****Exhibit A
Sheet 2 of 2****REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities:			
Due State Veterans and Senior Citizens	A-6	\$ 12,521.68	11,480.58
Interfund - Grants	Contra	505,872.50	205,827.51
Marriage Licenses			150.00
Appropriation Reserves	A-3-11	797,752.48	847,013.99
Reserve For Library Aid	A-12	1,448.00	1,448.00
Reserve for Municipal Relief		15,441.45	
Tax Overpayments		15,477.40	
Encumbrances	A-3	58,341.02	64,251.28
Prepaid Taxes	A-4	135,467.44	187,730.36
Added County Taxes	A-9	21,581.33	20,148.93
Local District School Tax Payable	A-10	3,745,815.26	3,674,874.26
Accounts Payable Payroll			2,590.13
Revaluation Reserve	A-12	22,360.00	22,360.00
		<u>5,332,078.56</u>	<u>5,037,875.04</u>
Reserve for Receivables	Contra	254,864.48	209,148.08
Fund Balance	A-1	<u>2,934,343.92</u>	<u>2,872,634.25</u>
Total Current Fund		<u>8,521,286.96</u>	<u>8,119,657.37</u>
<u>Federal and State Grants</u>			
State Funds:			
Appropriated Reserves	A-14	419,509.38	442,613.38
Unappropriated Reserves	A-15	518,435.29	250,385.51
		<u>937,944.67</u>	<u>692,998.89</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 9,459,231.63</u>	<u>8,812,656.26</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**Exhibit A-1****COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE****IN FUND BALANCE - CURRENT FUND****REGULATORY BASIS**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,800,000.00	2,000,000.00
Miscellaneous Revenue Anticipated	A-2	739,613.14	674,459.16
Receipts from Delinquent Taxes	A-2	153,660.60	181,944.24
Receipts from Current Taxes	A-2	26,978,838.28	25,707,757.47
Non-Budget Revenue	A-2	299,444.03	457,035.63
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	578,575.62	960,568.78
		<u>30,550,131.67</u>	<u>29,981,765.28</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	3,859,250.00	3,991,700.00
Other Expenses	A-3	3,736,660.62	3,625,994.44
Capital Improvements	A-3	10,000.00	10,000.00
Debt Service	A-3	1,000,000.00	500,000.00
Deferred Charges and Statutory Expenditures	A-3	1,078,883.00	1,033,127.00
County Taxes	A-9	4,651,959.05	4,428,363.21
Added County Taxes	A-9	21,581.33	20,148.93
Local District School Taxes	A-10	14,330,088.00	14,188,206.00
Interfund Advances	A		28,311.41
Prior Years Revenue			25,439.36
		<u>28,688,422.00</u>	<u>27,851,290.35</u>
Excess in Revenue		1,861,709.67	2,130,474.93
Fund Balance January 1	A	<u>2,872,634.25</u>	<u>2,742,159.32</u>
		4,734,343.92	4,872,634.25
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,800,000.00</u>	<u>2,000,000.00</u>
Fund Balance December 31	A	<u>\$ 2,934,343.92</u>	<u>2,872,634.25</u>

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

CURRENT FUND

STATEMENT OF REVENUES - DECEMBER 31, 2022

REGULATORY BASIS

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Fund Balance	A-1	\$ 1,800,000.00	1,800,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	A-7	19,000.00	22,720.00	3,720.00
Other	A-7	7,000.00	12,980.00	5,980.00
Fees and Permits	A-7	25,000.00	87,127.50	62,127.50
Interest and Costs on Taxes	A-4	25,000.00	47,159.43	22,159.43
Municipal Court Fines and Costs	A-7	60,000.00	81,521.61	21,521.61
Interest on Investments and Deposits	A-7	2,000.00	6,826.58	4,826.58
Energy Receipts Taxes (P.L. 1997 Chapter 162 & 167)	A-7	296,018.00	296,018.00	-
Uniform Code Construction Fees	A-7	90,000.00	172,779.40	82,779.40
Recycling Tonnage	A-14	5,133.21	5,133.21	-
Body Armor Grant	A-14	2,635.76	2,635.76	-
Drunk Driving Enforcement Fund	A-14	4,711.65	4,711.65	-
Uniform Fire Safety Act	A-7	2,000.00		(2,000.00)
Total Miscellaneous Revenues	A-1	538,498.62	739,613.14	201,114.52
Receipts from Delinquent Taxes	A-1	100,000.00	153,660.60	53,660.60
		2,438,498.62	2,693,273.74	254,775.12
Amount to be Raised by Local Taxes for Support of				
Municipal Budget Including Reserve for Uncollected Taxes	A-2	8,057,692.80	8,786,607.70	728,914.90
Non-Budget Revenue	A-2	\$ 10,496,191.42	11,479,881.44	983,690.02
			299,444.03	
			<u>\$ 11,779,325.47</u>	

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**CURRENT FUND****STATEMENT OF REVENUES - DECEMBER 31, 2022****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	\$ 26,978,838.28
Allocated to School and County Taxes	A-5	19,003,628.38
		<u>7,975,209.90</u>
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>811,397.80</u>
Amount for Support of Municipal Budget	A-2	<u>\$ 8,786,607.70</u>
 <u>Analysis of Non-Budget Revenues</u>		
Other:		
Prior Year Refunds		\$ 91,415.70
Copies, Reports		2,435.53
Administration Reimbursement - State of NJ		816.80
Cable Franchise Fee		52,216.00
Other		16,276.43
Recycled Scrap Metal		11,813.06
JIF & HIF Dividends		81,459.97
Verizon & AT& T		<u>43,010.54</u>
	A-4	<u>\$ 299,444.03</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, 2022

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	\$ 335,000.00	335,000.00	319,864.52	15,135.48	
Other Expenses	65,000.00	70,000.00	70,000.00	-	
Financial Administration					
Other Expenses	50,000.00	50,000.00	12,471.68	37,528.32	
Assessment of Taxes					
Salaries and Wages	30,000.00	30,000.00	29,058.12	941.88	
Other Expenses	22,000.00	22,000.00	7,758.90	14,241.10	
Collection of Taxes					
Salaries and Wages	82,000.00	82,000.00	81,602.88	397.12	
Other Expenses	12,000.00	12,000.00	8,736.68	3,263.32	
Legal Services and Costs					
Other Expenses	195,000.00	195,000.00	194,139.72	860.28	
Municipal Prosecutor					
Other Expenses	25,000.00	25,000.00	18,999.96	6,000.04	
Municipal Court					
Salaries and Wages	45,000.00	45,000.00	44,280.08	719.92	
PEOSHA Bloodborne Pathogen Regulations	3,500.00	3,500.00		3,500.00	
Engineering Services and Costs					
Other Expenses	90,000.00	90,000.00	62,973.31	27,026.69	
Public Buildings and Grounds					
Other Expenses	115,000.00	115,000.00	102,929.52	12,070.48	
Municipal Land Use Law (N.J.S.A. 40A:55D-1)				-	
Other Expenses	14,000.00	14,000.00	14,000.00	-	

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 2 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2022

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	10,000.00	10,000.00	-	
Other Expenses	15,000.00	15,000.00	15,000.00	-	
Shade Tree Commission					
Other Expenses	10,000.00	10,000.00	10,000.00	-	
Environmental Commission (N.J.S.A. 40:56A-1)					
Other Expenses	1,000.00	1,000.00		1,000.00	
Mercantile License Inspector					
Salaries and Wages	2,000.00	2,000.00	2,000.00	-	
Other Expenses	300.00	300.00	2.84	297.16	
Insurance					
General Liability	154,033.00	154,033.00	152,548.50	1,484.50	
Workmen's Compensation	150,967.00	150,967.00	150,395.50	571.50	
Employee Group Health	910,000.00	910,000.00	861,341.66	48,658.34	
Health Benefit Waiver Cost	25,000.00	25,000.00		25,000.00	
<u>Health and Welfare</u>					
Board of Health					
Salaries and Wages	6,250.00	6,250.00	4,747.28	1,502.72	
Other Expenses	100.00	100.00	100.00	-	
Ch. 329 P.L. 1975 Health Services - Contract	58,000.00	58,000.00	53,203.56	4,796.44	
Recreation					
Salaries and Wages	44,000.00	44,000.00	39,507.26	4,492.74	
Other Expenses	18,500.00	18,500.00	18,500.00	-	
Dog Regulation					
Other Expenses	12,000.00	12,000.00	11,868.69	131.31	
Public Event - Other Expenses	7,500.00	7,500.00	3,881.42	3,618.58	
Brielle Borough Historian - Other Expenses	2,500.00	2,500.00	1,955.79	544.21	

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTHExhibit A-3
Sheet 3 of 6**CURRENT FUND****STATEMENT OF EXPENDITURES - DECEMBER 31, 2022****REGULATORY 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	45,000.00	45,000.00	45,000.00	-	
Other Expenses					
Fire Protection Official					
Life Hazard Fees	5,330.00	5,330.00		5,330.00	
Police					
Salaries and Wages	2,375,000.00	2,375,000.00	2,260,869.29	114,130.71	
Other Expenses	185,000.00	185,000.00	168,479.14	16,520.86	-
Other Expenses - Police Car	82,000.00	97,000.00	86,849.75	10,150.25	
Other Expenses - Deferred Sick Leave	50,000.00	50,000.00		50,000.00	
First Aid Organization					
Other Expenses	30,000.00	30,000.00	30,000.00	-	
Zoning Official					
Salaries and Wages	25,000.00	25,000.00	20,001.05	4,998.95	
Emergency Management Services					
Other Expenses	5,000.00	5,000.00		5,000.00	
Streets and Roads					
Salaries and Wages	530,000.00	510,000.00	379,261.68	130,738.32	
Other Expenses	80,000.00	80,000.00	50,420.61	29,579.39	
Vehicle Maintenance					
Other Expenses	65,000.00	65,000.00	46,329.97	18,670.03	

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 4 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2022

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	236,329.37	88,670.63	
Other Expenses	188,000.00	188,000.00	187,704.00	296.00	
Recycling					
Salaries and Wages	20,000.00	20,000.00	18,192.87	1,807.13	
Storm Emergency					
Other Expenses	25,000.00	25,000.00		25,000.00	
<u>Utilities</u>					
Utilities	400,000.00	400,000.00	397,068.78	2,931.22	
Total Operations Within Caps	<u>6,945,980.00</u>	<u>6,945,980.00</u>	<u>6,228,374.38</u>	<u>717,605.62</u>	<u>-</u>
<u>Deferred Charges and Statutory Expenditures</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	188,381.00	188,381.00	188,381.00	-	
Social Security System (O.A.S.I.)	265,000.00	265,000.00	258,315.39	6,684.61	
Police and Fireman's Retirement System of N.J.	625,502.00	625,502.00	625,502.00	-	
Total Deferred Charges and Statutory Expenditures	<u>1,078,883.00</u>	<u>1,078,883.00</u>	<u>1,072,198.39</u>	<u>6,684.61</u>	<u>-</u>
Total General Approp. for Municipal Purposes Within Caps	<u>8,024,863.00</u>	<u>8,024,863.00</u>	<u>7,300,572.77</u>	<u>724,290.23</u>	<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 5 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2022

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	180,000.00	180,000.00	175,000.00	5,000.00	
LOSAP Payment	65,000.00	65,000.00	46,800.00	18,200.00	
Total Other Operations Excluded from Caps	245,000.00	245,000.00	221,800.00	23,200.00	-
<u>Interlocal Municipal Service Agreements:</u>					
County of Monmouth - Dispatching Services	75,000.00	75,000.00	71,680.00	3,320.00	
Borough of Manasquan - Municipal Court Services	145,000.00	145,000.00	138,924.52	6,075.48	
Construction Code - Interlocal	115,000.00	115,000.00	80,593.23	34,406.77	
Code Enforcement-Interlocal	15,000.00	15,000.00	8,540.00	6,460.00	
Fire Protection-Borough of Sea Girt	42,450.00	42,450.00	42,450.00	-	
Total Interlocal Municipal Service Agreements	392,450.00	392,450.00	342,187.75	50,262.25	-
<u>Public and Private Programs Offset by Revenues</u>					
Recycling Tonnage Grant					
Other Expenses	5,133.21	5,133.21	5,133.21		
Drunk Driving Reinforcement					
Other Expenses	4,711.65	4,711.65	4,711.65		
Body Armor Grant					
Other Expenses	2,635.76	2,635.76	2,635.76		
Total Public and Private Programs Offset by Revenues	12,480.62	12,480.62	12,480.62	-	-
Total Operations Excluded from Caps	649,930.62	649,930.62	576,468.37	73,462.25	-

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 6 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2022

REGULATORY BASIS

Capital Improvements - Excluded from Caps

	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Total Capital Improvements Excluded from Caps	10,000.00	10,000.00	10,000.00	-	-

Municipal Debt Service - Excluded from Caps

Payment of Bond Anticipation Notes and Capital Notes	1,000,000.00	1,000,000.00	1,000,000.00		
Total Municipal Debt Service - Excluded from Caps	1,000,000.00	1,000,000.00	1,000,000.00	-	-

Total General Appropriations for Municipal Purposes

Excluded from Caps	1,659,930.62	1,659,930.62	1,586,468.37	73,462.25	-
Subtotal General Appropriations	9,684,793.62	9,684,793.62	8,887,041.14	797,752.48	-
Reserve for Uncollected Taxes	811,397.80	811,397.80	811,397.80		
Total General Appropriations	\$ 10,496,191.42	10,496,191.42	9,698,438.94	797,752.48	-

Ref.

A A-1

Cash Disbursements	A-4	\$ 8,816,219.50
Encumbrances	A	58,341.02
Grants	A-14	12,480.62
Reserve for Uncollected Taxes	A-2	811,397.80
		<u>\$ 9,698,438.94</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**BALANCE SHEET - TRUST FUND****REGULATORY BASIS****Exhibit B****DECEMBER 31**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 7,883.99	6,860.56
<u>Other Trust Funds</u>			
Cash-Other Trust	B-1	1,211,216.03	1,002,609.79
<u>Length of Service Award Programs - Unaudited</u>			
Investments		818,281.93	988,367.73
Total Assets		<u>\$ 2,037,381.95</u>	<u>1,997,838.08</u>
<u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Reserve for Dog Fund Expenditures	B-3	\$ 7,883.99	6,860.56
<u>Other Trust Funds</u>			
Reserve for:			
Recreation	B-4	160,932.63	129,058.85
Law Enforcement	B-6	1,135.30	1,038.23
Tax Title Lien	B-8	106,600.00	438.28
Trust - Other	B-7	256,619.49	336,903.23
Builder's Escrow	B-5	685,928.61	535,171.20
		<u>1,211,216.03</u>	<u>1,002,609.79</u>
<u>Length of Service Award Programs - Unaudited</u>			
Reserve for Length of Service Award Programs		<u>818,281.93</u>	<u>988,367.73</u>
Total Liabilities and Reserves		<u>\$ 2,037,381.95</u>	<u>1,997,838.08</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**BALANCE SHEET - CAPITAL FUND****Exhibit C****REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
Deferred Charges to Future Taxation - Unfunded	C-4	\$ 4,058,306.84	4,156,156.05
DOT Grant Receivable		494,150.79	200,000.00
Total Assets		<u>\$ 4,552,457.63</u>	<u>4,356,156.05</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-6	\$ 1,742,940.67	2,372,129.76
Capital Improvement Fund	C-3	221,921.00	243,921.00
Improvement Authorization:			
Unfunded	C-5	1,552,861.83	1,251,082.17
Encumbrances	C-5	510,603.39	259,043.17
Reserve for Beach Grant	C-3	29,000.00	29,000.00
Reserve for DOT Grant		494,150.79	200,000.00
Fund Balance	C-1	<u>979.95</u>	<u>979.95</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,552,457.63</u>	<u>4,356,156.05</u>

There were Bonds and Notes Authorized and Unissued at December 31, 2022 of \$2,448,112.47 and \$1,861,673.38 at December 31, 2021 (Exhibit C-7)

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

STATEMENT OF FUND BALANCE**Exhibit C-1**

	<u>Ref.</u>	
Balance December 31, 2022 and 2021	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****REGULATORY BASIS****DECEMBER 31****Exhibit D
Sheet 1 of 2**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
<u>Operating Section</u>			
Cash	D-5	\$ 1,308,536.40	1,284,385.13
Change Fund		100.00	100.00
		<u>1,308,636.40</u>	<u>1,284,485.13</u>
Consumer Accounts Receivable	D-7	<u>139,076.67</u>	<u>55,841.15</u>
Total Operating Section		<u>\$ 1,447,713.07</u>	<u>1,340,326.28</u>
<u>Capital Section</u>			
Fixed Capital	D-10	\$ 6,884,362.95	6,884,362.95
Fixed Capital Authorized and Uncompleted		<u>11,368,934.32</u>	<u>7,061,456.66</u>
Total Capital Section		<u>\$ 18,253,297.27</u>	<u>13,945,819.61</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Operating Section</u>			
Liabilities:			
Appropriation Reserves	D-4-8	\$ 28,392.86	59,281.49
Encumbrances Payable	D-4	9,047.18	9,061.77
Utility Overpayments	D-5	<u>6,124.87</u>	<u>6,124.87</u>
Total Liabilities		37,440.04	74,468.13
Reserve for Receivables		139,076.67	55,841.15
Fund Balance	D-2	<u>1,271,196.36</u>	<u>1,210,017.00</u>
Total Operating Section		<u>\$ 1,447,713.07</u>	<u>1,340,326.28</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>2022</u>	<u>2021</u>
<u>Liabilities, Reserves and Fund Balance - (Continued)</u>			
<u>Capital Section</u>			
Serial Bonds	D-12	\$ 7,684,525.59	3,341,375.89
Capital Improvement Fund	D-5	30,000.00	25,000.00
Bond Anticipation Notes	D-13	1,028,346.65	1,687,267.11
Improvement Authorizations:			
Unfunded	D-11	356,552.29	765,436.24
Reserve for Amortization	D-9	9,153,673.60	8,126,541.23
Fund Balance	D-1	199.14	199.14
Total Capital Section		<u>\$ 18,253,297.27</u>	<u>13,945,819.61</u>

There were no Bonds and Notes of Authorized but not Issued at December 31, 2021 and December 31, 2022.

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

STATEMENT OF WATER-SEWER UTILITY CAPITAL FUND BALANCE**Exhibit D-1**

	<u>Ref.</u>	
Balance December 31, 2022 and 2021	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-2****WATER-SEWER UTILITY FUND****STATEMENT OF OPERATIONS AND CHANGE IN****OPERATING FUND BALANCE****REGULATORY BASIS**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income</u>			
Operating Surplus Anticipated	D-3	\$ 129,894.24	51,786.29
Water and Sewer Rents	D-3	2,532,321.70	2,549,733.08
Miscellaneous Revenues		6,580.70	
Overpayments Cancelled		6,124.87	
Appropriations Cancelled	D-4		71,981.05
Appropriation Reserves Balances Lapsed	D-8	46,046.33	69,596.07
		<u>2,720,967.84</u>	<u>2,743,096.49</u>
<u>Expenditures</u>			
Operating:			
Salaries and Wages	D-4	195,000.00	200,000.00
Other Expenses	D-4	1,679,897.00	1,696,586.29
Capital Improvement Fund	D-4	5,000.00	5,000.00
Capital Outlay	D-4	75,000.00	75,000.00
Debt Service	D-4	557,997.24	555,200.00
Deferred Charges and Statutory Expenditures	D-4	17,000.00	20,000.00
Other Expenditures			2,275.02
		<u>2,529,894.24</u>	<u>2,554,061.31</u>
Excess in Revenue		191,073.60	189,035.18
Fund Balance January 1	D	1,210,017.00	1,072,768.11
		<u>1,401,090.60</u>	<u>1,261,803.29</u>
Decreased By:			
Anticipated as Current Year Revenue		<u>129,894.24</u>	<u>51,786.29</u>
Fund Balance December 31	D	<u>\$ 1,271,196.36</u>	<u>1,210,017.00</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 REVENUES - DECEMBER 31, 2022****REGULATORY BASIS**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Operating Surplus Anticipated	D-2	\$ 129,894.24	129,894.24	
Rents - Water & Sewer	D-2	2,400,000.00	2,532,321.70	132,321.70
		<u>\$ 2,529,894.24</u>	<u>2,662,215.94</u>	<u>132,321.70</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-4

STATEMENT OF EXPENDITURES - DECEMBER 31, 2022

REGULATORY BASIS

	<u>Budget</u>	<u>Total for 2022 as Modified by All Transfers</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:					
Salaries and Wages	\$ 200,000.00	195,000.00	194,872.93	127.07	
Other Expenses	165,000.00	173,000.00	172,852.35	147.65	
N.J. Water Supply Authority	185,000.00	185,000.00	168,601.43	16,398.57	
South Monmouth Regional Sewerage Authority	565,000.00	565,000.00	563,009.14	1,990.86	
Monmouth County Improvement Authority	661,317.00	661,317.00	660,753.00	564.00	
Infiltration Study	580.00	580.00		580.00	
Borough of Sea Girt	90,000.00	90,000.00	88,315.00	1,685.00	
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	75,000.00	-	
Debt Service:					
Payment of Bond Principal	67,419.23	67,419.23	67,419.23	-	
Payment on Notes	200,000.00	200,000.00	200,000.00	-	
Interest on Bonds	10,090.77	10,090.77	10,090.77	-	
Principal on Loans	250,037.24	250,037.24	250,037.24	-	
Interest on Loans	30,450.00	30,450.00	30,450.00	-	
Deferred Charges & Statutory Expenditures:					
Social Security System	20,000.00	17,000.00	15,100.29	1,899.71	
Total Water-Sewer Utility Appropriation	<u>\$ 2,529,894.24</u>	<u>2,529,894.24</u>	<u>2,501,501.38</u>	<u>28,392.86</u>	<u>-</u>

Ref.

D-2

D D-1

Analysis of Paid or Charged

Disbursed	\$ 2,492,454.20
Encumbrances Payable	9,047.18
	<u>\$ 2,501,501.38</u>

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>2022</u>	<u>2021</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>2022</u>	<u>2021</u>
<u>Assets</u>		
Buildings and Building Improvements	\$ 4,967,512.80	4,967,512.80
Machinery and Equipment	<u>5,253,049.71</u>	<u>5,253,049.71</u>
Total General Fixed Assets	<u>\$ 10,220,562.51</u>	<u>10,220,562.51</u>
 <u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 10,220,562.51</u>	<u>10,220,562.51</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, 2022

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 2022.

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, 2022 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)

Leases

Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expenses as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording lease receivables, deferred outflows, lease liabilities or deferred inflows on their balance sheets.

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.

1. Summary of Significant Accounting Policies (Continued)

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 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 1,742,940.67	2,372,129.76	2,308,148.61
Water-Sewer Utility:			
Bonds and Notes	<u>8,712,872.14</u>	<u>4,982,773.10</u>	<u>7,436,158.23</u>
Total Issued	<u>10,455,812.81</u>	<u>7,354,902.86</u>	<u>9,744,306.84</u>
 <u>Authorized but not Issued</u>			
General:			
Bonds and Notes	2,448,112.47	1,861,673.38	1,869,100.53
Water-Sewer Utility:			
Bonds and Notes			<u>2,854,590.31</u>
Total Authorized but not Issued	<u>2,448,112.47</u>	<u>1,861,673.38</u>	<u>4,723,690.84</u>
 Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 12,903,925.28</u>	<u>9,216,576.24</u>	<u>14,467,997.68</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 0.227%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Water-Sewer Utility Debt	\$ 8,712,872.14	8,712,872.14	
General Debt	<u>4,191,053.14</u>		<u>4,191,053.14</u>
	<u>\$ 12,903,925.28</u>	<u>8,712,872.14</u>	<u>4,191,053.14</u>

Net Debt \$4,191,053.14 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended,
\$1,848,561,087.67 = 0.227%.

2. Long-Term Debt (Continued)

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

3 ½ of Equalized Valuation Basis (Municipal)	\$ 64,699,638.07
Net Debt	<u>4,191,053.14</u>
Remaining Borrowing Power	<u>\$ 60,508,584.93</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, 2022 was \$575,000.00.

Serial bonds dated 5/21/14 payable in semi-annual installments through 8/1/33 with no interest. The balance remaining at December 31, 2022 was \$1,508,765.65.

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, 2022 was \$270,000.00.

Serial bonds dated 5/2/2012 payable semi-Annual installments through 8/1/33 with no interest. The balance remaining at December 31, 2022 was \$737,573.00.

Serial bonds dated 8/1/22 payable in annual installments through 8/1/41 interest is paid semi-annually at 3% to 5%. The balance remaining at December 31, 2022 was \$535,000.00.

Serial bonds dated 8/1/22 payable in semi-annual installments through 8/1/41 with no interest. The balance remaining at December 31, 2022 was \$585,644.79.

Serial bonds dated 8/1/22 payable in annual installments through 8/1/41 interest is paid semi-annually at 3% to 5%. The balance remaining at December 31, 2022 as \$1,685,000.00.

Serial bonds dated 8/1/22 payable in semi-annual installments through 8/1/41 with no interest. The balance remaining at December 31, 2022 was \$1,787,542.05.

2. Long-Term Debt (Continued)**Water-Sewer Utility**

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Water-Sewer Utility</u>
2023	\$ 454,941.78	120,625.00	575,566.78
2024	464,941.78	113,875.00	578,816.78
2025	474,941.78	106,825.00	581,766.78
2026	474,941.78	100,275.00	575,216.78
2027	479,941.78	93,725.00	573,666.78
2028-2032	2,504,708.90	364,700.00	2,869,408.90
2033-2037	1,715,489.05	184,137.52	1,899,626.57
2038-2041	<u>1,114,618.74</u>	<u>54,950.00</u>	<u>1,169,568.74</u>
	<u>\$ 7,684,525.59</u>	<u>1,139,112.52</u>	<u>8,823,638.11</u>

Short Term Debt

On December 31, 2022 the Borough's outstanding Bond Anticipation Notes were as follows:

General Capital

<u>Ordinance Number</u>	<u>Description</u>	
151	Various Improvements	\$ 491,773.70
1085	Various Improvements	177,869.13
1092	Various Improvements	244,309.78
1114	Various Improvements	458,177.15
1094	Various Improvements	99,812.77
1099	Various Improvements	254,403.59
119	Various Improvements	<u>16,594.55</u>
		<u>\$ 1,742,940.67</u>

Water-Sewer Capital

8-13	Water Tower	<u>\$ 1,028,346.65</u>
------	-------------	------------------------

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

Summary of Debt Activity

	<u>Balance Jan. 1, 2022</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance Dec. 31, 2022</u>
General Debt				
Bond Anticipation Notes	\$ 2,372,129.76	370,810.91	1,000,000.00	1,742,940.67
Water-Sewer Utility				
Serial Bonds	3,341,375.89	4,716,361.51	373,211.91	7,684,525.49
Bond Anticipation Notes	<u>1,687,267.11</u>	<u> </u>	<u>658,920.46</u>	<u>1,028,346.65</u>
	<u>\$ 7,400,772.76</u>	<u>5,087,172.42</u>	<u>2,032,132.37</u>	<u>10,455,812.81</u>

3. Fund Balances Appropriated

Fund balances at December 31, 2022 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2023, were as follows:

Current Fund	\$ 1,650,000.00
Water-Sewer Utility	276,003.78

4. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022 the Borough had no deferred charges.

5. 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 \$771,151.00 for 2021 and \$813,883.00 for 2022.

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

6. 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.

6. Cash and Cash Equivalents (Continued)

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.
- (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, 2022.

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.

6. Cash and Cash Equivalents (Continued)

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.

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>Bank Balance</u>	
	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
<u>Depository Account</u>		
Insured:		
FDIC	\$ 250,000.00	250,000.00
GUDPA	<u>8,123,784.46</u>	<u>5,788,942.25</u>
	<u>\$ 8,373,784.46</u>	<u>6,038,942.25</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.

7. 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>2022</u>	<u>2021</u>
Prepaid Taxes	<u>\$ 135,467.44</u>	<u>187,730.36</u>

8. 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.

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.

9. 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.

10. 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>2022</u>	<u>2021</u>
Balance of Tax	\$ 7,165,041.38	7,094,100.38
Deferred	<u>3,419,226.12</u>	<u>3,419,226.12</u>
Tax Payable	<u>\$ 3,745,815.26</u>	<u>3,674,874.26</u>

11. 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.

12. 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 within the stated policy limits and would be deferred by the respective carriers.

13. Pension Obligations

A. Public Employee's Retirement System (PERS)

Based on the latest available information provided by the State of New Jersey.

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

13. Pension Obligations (Continued)

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.

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 2022, 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 \$188,381.00 for 2022.

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 and Chapter 133, 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.

13. Pension Obligations (Continued)

Components of Net Pension Liability – At December 31, 2022, the Borough reported a liability of \$2,660,074 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022. The Borough's proportion measured as of June 30, 2022, was .01762%, which was .00218% greater as its proportion measured as of June 30, 2021.

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Actuarial Valuation Date	July 1, 2021	July 1, 2020
Net Pension Liability	\$ 2,660,074	1,829,501
Borough's Portion of the Plan's Total Net Pension Liability	0.01762%	0.01544%

For the year ended December 31, 2022, the Borough had an allocated pension expense of \$222,278.

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, 2022
Actuarial Valuation Date	July 1, 2021
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 - 6.55%
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 disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

13. Pension Obligations (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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	<u>\$ 3,445,097</u>	<u>2,660,074</u>	<u>2,031,871</u>

13. 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 of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which 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 2022, 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.

13. 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, 2022, the Borough reported a liability of \$6,406,695 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021. The Borough's proportion measured as of December 31, 2021, was .05597%, which was an increase of .00451% from its proportion measured as of December 31, 2020.

Collective Balances at December 31, 2022 and December 31, 2021

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Actuarial Valuation Date	July 1, 2021	July 1, 2020
Net Pension Liability	\$ 6,406,695	3,761,328
District's Portion of the Plan's Total Net Pension Liability	0.05597%	0.05146%

For the year ended December 31, 2022, the Borough had an allocated pension expense of \$727,939.

13. 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>PFRS</u>
Measurement Date	June 30, 2022
Actuarial Valuation Date	July 1, 2021
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25 - 16.25%
	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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022 are summarized in the following table:

13. Pension Obligations (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% 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	<u>\$ 10,354,866</u>	<u>6,406,695</u>	<u>5,208,870</u>

13. 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, 2022, 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 14. 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, 2022, has 25 members under the Special Funding Situation. The State proportionate share of the net OPEB liability attributed to the Borough is \$5,130,485, per the latest available information provided by the State.

15. 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.

16. 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, 2022, the Valic program has a balance of \$294,334.77 and the AXA program has a balance of \$266,134.00.

17. 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 202 will be \$80,000.00 and thereafter the cost will be determined by November 15th for the following year.

18. 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 \$115,000 for 2022 and \$115,000 for 2023.

19. 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 \$43,300.00 budgeted in 2023.

20. Shared Services Agreement

For the year 2022 the Borough has a shared services agreement with the Borough of Manasquan for municipal court services at a cost of \$138,924.52, \$150,000.00 has been budgeted for 2023.

21. 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, 2022 the accrued sick leave was valued at \$970,381.30, with \$18,280.70 funded. \$40,000.00 has been funded in the 2023 budget.

22. Fixed Assets

The following schedule is a summarization of the changes in general fixed assets by source for the year ended December 31, 2022.

	<u>Equipment</u>	<u>Land & Buildings</u>	<u>Total</u>
Balance December 31, 2021 and 2022	<u>\$ 5,253,049.71</u>	<u>4,967,512.80</u>	<u>10,220,562.51</u>

23. Interfund Receivables and Payables

	<u>Receivable</u>	<u>Payable</u>
Current Fund	\$	505,872.50
Grant Fund	<u>505,872.50</u>	<u> </u>
	<u>\$ 505,872.50</u>	<u>505,872.50</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 2023.

24. 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.

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, 2022 were \$46,800.00. The Borough's estimated contribution for the year ended December 31, 2023 is \$65,000.00. We will review the plan for the year ended December 31, 2022 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement of Standards for Accounting and Review Services in conjunction with the 2022 audit of the Borough's financial statements.

At December 31, 2022 the value of the plan is \$818,281.93.

25. Leases

The Borough has entered into lease agreements for cellular Co-Location on its water tower with different communication companies. Each lease is for 5 years with four 5 year renewal options for a maximum of 25 years.

<u>Company</u>	<u>Year Agreement Started</u>	<u>Increase % Per Year</u>	<u>Base Amount</u>
Dish Wireless, LLC	2022	3%	\$ 39,012.00
Verizon	2022	3%	36,012.00

26: Subsequent Events

Subsequent events have been evaluated through September 25, 2023, 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, 2022

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>			
	2022	\$ 2,985,702.69	1,650,000.00
	2021	2,872,634.25	1,800,000.00
	2020	2,742,159.32	2,000,000.00
<u>Water-Sewer Utility</u>			
	2022	1,271,196.36	276,003.75
	2021	1,340,326.28	129,894.24
	2020	1,072,768.11	51,786.29

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Tax Rate	\$ 1.364	\$ 1.533	1.637
<u>Apportionment of Tax Rate</u>			
Municipal	\$ 0.406	\$ 0.424	0.444
County	0.228	0.265	0.284
Local School	0.730	0.844	0.909
<u>Assessed Valuation</u>			
2022	\$ 1,980,641,200.00		
2021	1,680,289,700.00		
2020	1,575,977,400.00		

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		\$ 2,535,810.75
Deductions:		
Operating and Maintenance Cost	1,971,897.00	
Debt Service Per Water-Sewer Account	557,997.24	
		<u>2,529,894.24</u>
Excess in Revenue		<u>\$ 5,916.51</u>

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>
2022	\$ 27,180,999.28	26,982,764.26	99.25%
2021	25,862,652.14	25,555,091.43	99.40%
2020	25,907,652.51	25,701,491.41	99.20%

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>
2022	\$ 13,229.46	198,235.02	211,464.48	0.77%
2021	12,087.48	153,660.60	165,748.08	0.64%
2020	10,853.41	204,150.68	215,004.09	0.83%

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>
2022	\$ 42,900.00
2021	42,900.00
2020	42,900.00

COMPARISON OF WATER-SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2022	\$ 2,513,028.54	* 2,532,698.70
2021	2,492,761.05	* 2,549,733.06
2020	2,492,449.63	* 2,517,625.91

*Included collections against prior years.

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 Administrator	
Carol Baran	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, 2021		\$ 3,849,712.42	-
Increased by Receipts:			
Taxes Receivable	A-5	26,912,559.62	
Veterans & Senior Citizens	A-6	33,250.00	
Prepaid Taxes	A	135,467.44	
Grants Receivable	A-13		55,099.21
Appropriated Reserves - Grants	A-14		13,442.52
Grants Unappropriated	A-15		280,530.40
Interfund Grants	A	300,044.99	
Municipal Relief Aid	A	15,441.45	
Tax Overpayments	A	15,477.40	
Interlocals and Reimbursements	A	1,288,109.55	
Revenue Accounts Receivable	A-8	727,132.52	
Miscellaneous Revenue Not Anticipated	A-2	299,444.03	
		<u>29,726,927.00</u>	<u>349,072.13</u>
		33,576,639.42	349,072.13
Decreased by Disbursements:			
2022 Appropriations	A-3	8,816,219.50	
Appropriation Reserves	A-11	332,689.65	
Accounts Payable - Payroll	A	2,590.13	
Marriage Licenses	A	150.00	
Appropriated Reserves - Grants	A-14		49,027.14
Interfund Current	A		300,044.99
County Taxes	A-9	4,672,107.98	
Local School Taxes	A-10	14,259,147.00	
		<u>28,082,904.26</u>	<u>349,072.13</u>
Balance December 31, 2022	A	\$ 5,493,735.16	-

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND

ANALYSIS OF PROPERTY TAX LEVY

	Balance Dec. 31, 2021	2022 Levy	2021	2022	Veterans and Senior Citizens	Transfer To Liens	Cancelled	Balance Dec. 31, 2022
Prior Year	\$ 153,660.60	-	-	153,660.60	-	-	-	-
2022		27,180,999.28	187,730.36	26,758,899.02	32,208.90	1,141.98	2,784.00	198,235.02
	\$ 153,660.60	27,180,999.28	187,730.36	26,912,559.62	32,208.90	1,141.98	2,784.00	198,235.02
Ref.	A		A	A-2	A-6	A-7		A

Analysis of Tax Levy and Yield

2022 Levy	\$ 26,975,552.95
Added and Omitted Assessments	205,446.33
	<u>\$ 27,180,999.28</u>

<u>Tax Yield</u>	
School Tax	\$ 14,330,088.00
County Taxes	
General County	3,861,358.95
County Library	290,210.37
County Open Space	500,389.73
Added County Taxes	<u>21,581.33</u>
	4,673,540.38
Local Tax for Municipal Purposes	8,057,692.80
Additional Tax Levied	<u>119,678.10</u>
	<u>8,177,370.90</u>
	<u>\$ 27,180,999.28</u>

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, 2021 (Due To)	A		\$ (11,480.58)
Deductions Per Tax Billing:			
Senior Citizens		2,000.00	
Veterans		29,750.00	
Veterans Allowed by Collector		<u>1,000.00</u>	
			<u>32,750.00</u>
			21,269.42
Decreased by:			
Veterans Disallowed		541.10	
Cash Received	A-4	<u>33,250.00</u>	
			<u>33,791.10</u>
Balance December 31, 2022 (Due To)	A		<u><u>\$ (12,521.68)</u></u>

SCHEDULE OF TAX TITLE LIENS**Exhibit A-7**

	<u>Ref.</u>		
Balance December 31, 2021	A		\$ 12,087.48
Increased by:			
Transfer from 2021 Taxes	A-5		<u>1,141.98</u>
Balance December 31, 2022	A		<u><u>\$ 13,229.46</u></u>

CURRENT FUNDSCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance Dec. 31, 2021</u>	<u>Accrued in 2022</u>	<u>Collected</u>	<u>Balance Dec. 31, 2022</u>
<u>Clerk</u>					
<u>Licenses:</u>					
Alcoholic Beverages	A-2	\$ -	22,720.00	22,720.00	
Other	A-2		12,980.00	12,980.00	
		-	35,700.00	35,700.00	-
<u>Fees and Permits:</u>					
Other	A-2		87,127.50	87,127.50	
		-	87,127.50	87,127.50	-
<u>Other Revenues:</u>					
Uniform Construction Code Fees	A-2		172,779.40	172,779.40	
Energy Receipts Tax			296,018.00	296,018.00	
Interest and Costs on Taxes			47,159.43	47,159.43	
Municipal Court:					
Fines and Costs	A-2		81,521.61	81,521.61	-
Interest on Investments	A-2		6,826.58	6,826.58	
		-	604,305.02	604,305.02	-
		\$ -	727,132.52	727,132.52	-
Ref.		A		A-4	A

CURRENT FUND**SCHEDULE OF COUNTY TAXES PAYABLE**

	<u>Ref.</u>		
Balance December 31, 2021	A		\$ 20,148.93
Increased by:			
2022 Levy:			
County Tax		3,861,358.95	
Library Tax		290,210.37	
Open Spaces Taxes		500,389.73	
Added County Taxes		<u>21,581.33</u>	
	A-1		<u>4,673,540.38</u>
			4,693,689.31
Decreased by:			
Disbursed	A-4		<u>4,672,107.98</u>
Balance December 31, 2022	A		<u><u>\$ 21,581.33</u></u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**Exhibit A-10**

	<u>Ref.</u>		
Balance December 31, 2021:			
Payable	A	\$ 3,674,874.26	
Deferred		<u>3,419,226.12</u>	
			7,094,100.38
Increased:			
Levy School Year July 1, 2021 to June 30, 2022	A-1		<u>14,330,088.00</u>
			21,424,188.38
Decreased by:			
Paid	A-4		<u>14,259,147.00</u>
Balance December 31, 2022:			
Payable	A	3,745,815.26	
Deferred		<u>3,419,226.12</u>	
			<u><u>\$ 7,165,041.38</u></u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**CURRENT FUND****Exhibit A-11****SCHEDULE OF APPROPRIATION RESERVES**

Balance December 31, 2021	<u>Ref.</u> A		\$ 847,013.99
Increased by:			
Encumbrances	A		64,251.28
			<u>911,265.27</u>
Decreased by:			
Disbursed	A-4	332,689.65	
Cancelled to Operations	A-1	<u>578,575.62</u>	
			<u>\$ 911,265.27</u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**CURRENT FUND****Exhibit A-12****SCHEDULE OF VARIOUS RESERVES**

	<u>Ref.</u>	<u>Revaluation</u>	<u>Library Aid</u>	<u>Total</u>
Balance December 31, 2021 and 2022	A	<u>\$ 22,360.00</u>	<u>1,448.00</u>	<u>23,808.00</u>

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

Exhibit A-13

SCHEDULE OF FEDERAL AND STATE GRANT RECEIVABLES

	Balance Dec. 31, 2021	Received	Balance Dec. 31, 2022
State Transportation Grant	\$ 441,433.75	55,099.21	386,334.54
Community Development Block Grant	45,737.63		45,737.63
	\$ 487,171.38	55,099.21	432,072.17
Ref.	A-3	A-4	A

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-14

SCHEDULE OF APPROPRIATED RESERVES

FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2021	Transferred from 2022 Budget	Expended	Other	Balance Dec. 31, 2022
Driving While Intoxicated	\$ 16,020.86	4,711.65	16,020.86		4,711.65
Clean Communities	45,521.13	-	18,170.00		27,351.13
Recycling Tonnage	8,636.07	5,133.21	13,769.28		-
State Transportation Grant	349,250.73			13,442.52	362,693.25
Global Fire Prevention	177.01				177.01
Community Development Block Grant	2,664.57				2,664.57
Share Grant	20,000.00				20,000.00
Body Armor	343.01	2,635.76	1,067.00		1,911.77
	<u>\$ 442,613.38</u>	<u>12,480.62</u>	<u>49,027.14</u>	<u>13,442.52</u>	<u>419,509.38</u>
Ref.	A	A-3	A-4	A-4	A

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

Exhibit A-15

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

	Balance	Transferred		Balance
	Dec. 31, 2021	to	Received	Dec. 31, 2022
		2022 Budget		
Driving While Intoxicated	\$ 4,711.65	4,711.65	5,600.00	5,600.00
Body Armor	1,482.12	2,635.76	2,674.27	1,520.63
Clean Communities		-	12,314.18	12,314.18
Recycling Tonnage Grant		5,133.21	5,133.21	
Body Worn Camera Grant			10,617.00	10,617.00
American Rescue Plan	244,191.74		244,191.74	488,383.48
	<u>\$ 250,385.51</u>	<u>12,480.62</u>	<u>280,530.40</u>	<u>518,435.29</u>
Ref.	A	A-3	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, 2021	B	\$ 6,860.56	1,002,609.79
Increased by Receipts:			
Dog License Fees	B-3	2,047.16	
State Registration Fees	B-2	288.60	
Recreation Fees	B-4		144,114.03
Builder's Escrow	B-5		288,720.56
Law Enforcement Fund	B-6		97.07
Tax Title Lien Account	B-8		106,161.72
Trust - Other	B-7		19,804.74
		<u>2,335.76</u>	<u>558,898.12</u>
		9,196.32	1,561,507.91
Decreased by:			
State Registration Fees	B-2	288.60	
Dog License Fees	B-3	1,023.73	
Recreation Fees	B-4		112,240.25
Builder's Escrow	B-5		137,963.15
Trust - Other	B-7		100,088.48
		<u>1,312.33</u>	<u>350,291.88</u>
Balance December 31, 2022	B	\$ 7,883.99	1,211,216.03

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**TRUST FUND****Exhibit B-2****SCHEDULE OF STATE REGISTRATION FEES**

	<u>Ref.</u>	
Increased by:		
Receipts	B-1	<u>\$ 288.60</u>
Decreased by:		
Disbursements	B-1	<u>\$ 288.60</u>

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

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 6,860.56
Increased by:		
Fees Collected	B-1	<u>2,047.16</u>
		<u>8,907.72</u>
Decreased by:		
Dog Expenditures Per R.S. 4:19-15.1	B-1	<u>1,023.73</u>
Balance December 31, 2022	B	<u>\$ 7,883.99</u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**TRUST FUND****Exhibit B-4****SCHEDULE OF RESERVE FOR BOARD OF RECREATION COMMISSIONERS**

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 129,058.85
Increased by:		
Receipts	B-1	144,114.03
		<u>273,172.88</u>
Decreased by:		
Disbursements	B-1	112,240.25
		<u>112,240.25</u>
Balance December 31, 2022	B	<u><u>\$ 160,932.63</u></u>

SCHEDULE OF RESERVE FOR BUILDER'S ESCROW**Exhibit B-5**

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 535,171.20
Increased by:		
Receipts	B-1	288,720.56
		<u>823,891.76</u>
Decreased by:		
Disbursements	B-1	137,963.15
		<u>137,963.15</u>
Balance December 31, 2022	B	<u><u>\$ 685,928.61</u></u>

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT FUND**Exhibit B-6**

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 1,038.23
Increased by:		
Receipts	B-1	97.07
		<u>97.07</u>
Balance December 31, 2022	B	<u><u>\$ 1,135.30</u></u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

TRUST FUND

Exhibit B-7

SCHEDULE OF RESERVE FOR TRUST - OTHER

	Balance Dec. 31, 2021	Receipts	Disbursements	Balance Dec. 31, 2022
Unemployment Insurance	\$ 12,319.58	7,148.74	2,484.92	16,983.40
Road Opening Deposits	87,304.88			87,304.88
P.O.A.A	1,462.00	30.00		1,492.00
Sick Leave	103,337.30		85,056.60	18,280.70
Fire Safety Penalty		3,000.00	1,034.21	1,965.79
Inspection Fees	6,734.00			6,734.00
Centennial Celebration	17,543.33			17,543.33
Recycling	21,178.55			21,178.55
Police Equipment	32,710.40	8,820.50		41,530.90
Public Defender	4,845.00	805.50		5,650.50
Shade Tree Donation	26,757.25		1,482.20	25,275.05
Police K-9 Donation	2,000.00			2,000.00
Storm Reserve	20,710.94		10,030.55	10,680.39
	<u>\$ 336,903.23</u>	<u>19,804.74</u>	<u>100,088.48</u>	<u>256,619.49</u>
Ref.	B	B-1	B-1	B

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**TRUST FUND****Exhibit B-8****SCHEDULE OF RESERVE FOR TAX TITLE LIEN ACCOUNT**

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 438.28
Increased by:		
Receipts	B-1	<u>106,161.72</u>
Balance December 31, 2022	B	<u><u>\$ 106,600.00</u></u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**CAPITAL FUND****Exhibit C-2****SCHEDULE OF CAPITAL CASH - 2022**

	<u>Ref.</u>		
Increased by:			
Grants Receivable	C	\$ 55,099.21	
Capital Improvement Fund	C	10,000.00	
Bond Anticipation Notes	C-5	<u>370,810.91</u>	
			<u>435,910.12</u>
Decreased by:			
Expended Improvement Authorizations	C-4	176,866.95	
Encumbrances Disbursed	C-3	<u>259,043.17</u>	
			<u>435,910.12</u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CAPITAL FUND

Exhibit C-3

SCHEDULE OF CAPITAL CASH AND INVESTMENTS

<u>Description</u>	Balance Dec. 31, 2021	Receipts	Disbursed	Transfers		Balance Dec. 31, 2022
				From	To	
Fund Balance	\$ 979.95					979.95
Capital Improvement Fund	243,921.00	10,000.00		32,000.00		221,921.00
Reserve for Beach Grant	29,000.00					29,000.00
Community Development Block Charges	123,545.43					123,545.43
Bond Anticipation Notes	658,177.15	370,810.91				1,028,988.06
Improvement Authorizations	(1,314,666.70)	55,099.21	176,866.95	510,603.39	32,000.00	(1,915,037.83)
Encumbrances	259,043.17		259,043.17		510,603.39	510,603.39
	\$ -	435,910.12	435,910.12	542,603.39	542,603.39	-
Ref.	C	C-2	C-2, C-5			C

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Paid in Budget	Balance Dec. 31, 2022
16-151	Various Improvements	\$ 717,478.90		400,000.00	317,478.90
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		200,000.00	186,500.00
20-1092	Various Improvements	465,500.00		200,000.00	265,500.00
20-1094	Various Improvements	617,500.00			617,500.00
21-1099	Various Improvements	460,750.00			460,750.00
21-1114	Various Improvements	658,177.15		200,000.00	458,177.15
22-1119	Various Improvements	-	902,150.79		902,150.79
		<u>\$ 4,156,156.05</u>	<u>902,150.79</u>	<u>1,000,000.00</u>	<u>4,058,306.84</u>
Ref.	C	C-5	A-3	C	

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit C-5

CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Date	Amount	Balance		2022 Authorizations	Expended	Balance Dec. 31, 2022 Unfunded
				Dec. 31, 2021 Unfunded				
997	Various Improvements	6/1/2009	\$ 410,000.00	\$ 15,000.00			15,000.00	-
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	-
17-1059	Various Improvements	4/25/2016	1,677,000.00	108,341.26			37,149.59	71,191.67
18-070	Various Improvements	5/3/2017	400,000.00	49,267.96			49,267.96	-
18-075	Various Improvements	6/25/2018	95,000.00	28,286.00			28,286.00	-
19-085	Various Improvements	5/1/2018	400,000.00	133,545.43			113,816.86	19,728.57
20-1094	Various Improvements	12/31/2020	650,000.00	624,987.00			99,812.77	525,174.23
21-1099	Various Improvements	6/30/2021	485,000.00	231,269.64			226,935.63	4,334.01
21-1114	Various Improvements	12/31/2021	200,000.00	41,939.63				41,939.63
22-1119	Various Improvements	12/31/2022	989,250.00	-		989,250.00	98,756.28	890,493.72
				<u>\$ 1,251,082.17</u>		<u>989,250.00</u>	<u>687,470.34</u>	<u>1,552,861.83</u>
		Ref.	Ref.	C				C
	Capital Improvement Fund	Ref.				\$ 32,000.00		
	Grants Receivable	C-3				55,099.21		
	Deferred Charges Unfunded	C				902,150.79		
		C-4						
						<u>\$ 989,250.00</u>		
	Cash Disbursed	Ref					\$ 176,866.95	
	Encumbrances	C-2					510,603.39	
		C					<u>\$ 687,470.34</u>	

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit C-6

CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Original Issue	Date of		Interest Rate	Balance Dec. 31, 2021	Notes		Balance Dec. 31, 2022
			Issue	Maturity			Issued	Paid	
151	Various Improvements	12/21/17	12/31/22	12/31/23	*	891,773.70		400,000.00	491,773.70
1085	Various Improvements	12/31/19	12/31/22	12/31/23	*	377,869.13		200,000.00	177,869.13
1092	Various Improvements	12/31/20	12/31/22	12/31/23	*	444,309.78		200,000.00	244,309.78
1114	Various Improvements	12/31/21	12/31/22	12/31/23	*	658,177.15		200,000.00	458,177.15
1094	Various Improvements	12/31/22	12/31/22	12/31/23	*		99,812.77		99,812.77
1099	Various Improvements	12/31/22	12/31/22	12/31/23	*		254,403.59		254,403.59
1119	Various Improvements	12/31/22	12/31/22	12/31/23	*	-	16,594.55	-	16,594.55
						<u>\$2,372,129.76</u>	<u>370,810.91</u>	<u>1,000,000.00</u>	<u>1,742,940.67</u>
			Ref.			C	C-1	C-3	C
					Funded by Budget			<u>\$1,000,000.00</u>	

*Held by Current at No Interest

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CAPITAL FUND

Exhibit C-7

SCHEDULE OF BONDS AND NOTES AUTHORIZED - UNISSUED

Ordinance Number	Description	Balance Dec. 31, 2021	Authorized in 2022	Bond Anticipation Notes	Balance Dec. 31, 2022
18-1070	Various Improvements	\$ 213,423.38			213,423.38
20-1059	Various Improvements	380,000.00			380,000.00
20-1094	Various Improvements	617,500.00		99,812.77	517,687.23
21-1099	Various Improvements	460,750.00		254,403.59	206,346.41
21-1114	Various Improvements	190,000.00			190,000.00
22-1119	Various Improvements	-	957,250.00	16,594.55	940,655.45
		<u>\$ 1,861,673.38</u>	<u>957,250.00</u>	<u>370,810.91</u>	<u>2,448,112.47</u>
Ref.	C		C-5	C-6	C

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**WATER-SEWER UTILITY FUND****Exhibit D-5****SCHEDULE OF CASH**

Balance December 31, 2021	<u>Ref.</u> D		\$ 1,284,385.13
Increased by:			
Consumer Accounts Receivable	D-7	2,532,321.70	
Utility Overpayments	D	<u>6,580.70</u>	
			<u>2,538,902.40</u>
			<u>3,823,287.53</u>
Decreased by:			
Budget Appropriations	D-3	2,492,454.20	
Appropriation Reserve	D-8	<u>22,296.93</u>	
			<u>2,514,751.13</u>
Balance December 31, 2022	D		<u><u>\$ 1,308,536.40</u></u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit D-6

WATER-SEWER UTILITY FUND

SCHEDULE OF CAPITAL CASH

	Balance Dec. 31, 2021	Receipts	Disbursements	Transfers		Balance Dec. 31, 2022
				From	To	
Fund Balance	\$ 199.14					199.14
Notes-Current Fund	1,687,267.11					1,028,346.65
Capital Improvement Fund	25,000.00			658,920.46	5,000.00	30,000.00
<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				200,000.00	228,334.29
15-1040 Water Mains	(410,400.31)		-			(410,400.31)
19-1086 Various Improvements	(1,032,359.73)		-	5,000.00	458,920.46	(578,439.27)
	\$ -	-	-	663,920.46	663,920.46	-

Ref.

D

D

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

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 158,746.83
Increased by:		
Water-Sewer Levy		<u>2,512,651.54</u>
		2,671,398.37
Decreased by:		
Receipts	D-5	<u>2,532,321.70</u>
Balance December 31, 2022	D	<u><u>\$ 139,076.67</u></u>

SCHEDULE OF APPROPRIATION RESERVES**Exhibit D-8**

	<u>Ref.</u>		
Balance December 31, 2021	D		\$ 59,281.49
Increased by:			
Encumbrances	D		<u>9,061.77</u>
			68,343.26
Decreased by:			
Disbursed	D-5	22,296.93	
Lapsed to Operations	D-2	<u>46,046.33</u>	
			<u><u>\$ 68,343.26</u></u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH**WATER-SEWER UTILITY FUND****Exhibit D-9****SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>		
Balance December 31, 2021	D		\$ 8,126,541.23
Increased by:			
Notes Paid	D-13	200,000.00	
Serial Bonds Paid	D-12	373,211.91	
Current Fund	D-13	<u>458,920.46</u>	
			<u>1,032,132.37</u>
Balance December 31, 2022	D		<u>\$ 9,158,673.60</u>

SCHEDULE OF FIXED CAPITAL**Exhibit D-10**

	<u>Balance</u>
	<u>Dec. 31, 2021 &</u>
	<u>Dec. 31, 2022</u>
1984 and Prior	<u>137,477.39</u>
Distribution Mains	1,818,525.31
New Wells	219,302.94
Pump House & Equipment	452,097.23
Purification Equipment	3,392.56
Meters and Meter Boxes	497,151.45
Office Equipment	1,635.00
General Equipment	222,414.77
Hydrants and Tanks	230,083.38
Sewer Systems	<u>3,302,282.92</u>
	<u>6,884,362.95</u>
Ref.	D

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D-11

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Date	Amount	Balance December 31, 2021		Balance December 31, 2022	
				Funded	Unfunded	Funded	Unfunded
15-1040	Various	1/5/2015	\$ 2,200,000.00	\$ -	617,802.27	261,249.98	356,552.29
19-1086	Various	5/1/2019	5,210,500.00		147,633.97	147,633.97	-
				\$ -	765,436.24	408,883.95	356,552.29
	Ref.			D	D	D-6	D

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

SCHEDULE OF WATER-SEWER SERIAL BONDS

Exhibit D-12

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bond Outstanding		Interest Rate	Balance Dec. 31, 2021	Issued	Paid	Balance Dec. 31, 2022
			Date	Amount					
Water Tower-Trust Loan Bond-Series 2014A	5/21/2014	\$ 860,000.00	8/1/2023-24	\$ 40,000.00	5%	\$ 615,000.00		40,000.00	575,000.00
			8/1/2025-28	50,000.00	5%				
			8/1/2029-31	55,000.00	3%				
			8/1/2032-33	60,000.00	3%				
Water Tower-Environmental Infrastructure Trust Loan Bond Series 2014A	5/21/2014	2,646,750.00	8/1/2023-32	137,160.49	N/A	1,645,926.14		137,160.49	1,508,765.65
			8/1/2033	137,160.85					
Water Mains-Environmental Infrastructure Trust Loan Bond Series 2016A-1	5/2/2016	1,117,298.00	8/1/2023-34	57,876.75	N/A	795,449.75		57,876.75	737,573.00
			8/1/2035	43,052.00					
Water Mains-Trust Loan Bond-Series 2016A-1	5/2/2016	355,000.00	8/1/2023	15,000.00	3% to 5%	285,000.00		15,000.00	270,000.00
			8/1/2024-32	20,000.00					
			8/1/2033-35	25,000.00					
Water Mains-Environmental Infrastructure Trust Loan Bond Series 2022A-1	8/1/2022	535,000.00	8/1/2023-27	20,000.00	Varies		535,000.00		535,000.00
			8/1/2028-31	25,000.00					
			8/1/2032-35	30,000.00					
			8/1/2036-40	35,000.00					
			8/1/2041	40,000.00					
Water Mains-Trust Loan Bond-Series 2022A-1	8/1/2022	611,978.18	8/1/2023-41	Varies	N/A		611,978.18	26,333.39	585,644.79
Water Mains-Environmental Infrastructure Trust Loan Bond Series 2022B-1	8/1/2022	1,685,000.00	8/1/2023-41	Varies	Varies		1,685,000.00		1,685,000.00
Water Mains-Trust Loan Bond-Series 2022B-1	8/1/2022	1,884,383.33	8/1/2023-41	Varies	N/A		1,884,383.33	96,841.28	1,787,542.05
						\$ 3,341,375.89	4,716,361.51	373,211.91	7,684,525.49
					Ref.	D			D

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit D-13

WATER-SEWER UTILITY FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Original Issue	Date Of		Balance Dec. 31, 2021	Notes Paid	Balance Dec. 31, 2022
			Issue	Maturity			
8-13	Water Tower	12/31/2018	12/31/2022	12/31/2023	\$ 283,782.81	200,000.00	83,782.81
19-1086	Various Water Improvements	12/31/2019	12/31/2022	12/31/2023	962,067.52	458,920.46	503,147.06
19-1086	Various Water Improvements	12/31/2020	12/31/2022	12/31/2023	441,416.78		441,416.78
					<u>\$ 1,687,267.11</u>	<u>658,920.46</u>	<u>1,028,346.65</u>
			Ref.	D			D
			Funded by Budget	Ref.		\$ 200,000.00	
			Current Fund	D-3		458,920.46	
				A			
						<u>\$ 658,920.46</u>	

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, 2022

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

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

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, 2022, 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 25, 2023, 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 its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division.

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 25, 2023

BOROUGH OF BRIELLE

COUNTY OF MONMOUTH

PART IV

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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 3, 2022, 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 2022”.

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 November 10, 2022 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>
2022	1
2021	1
2020	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 \$16,983.40 on December 31, 2022. 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 2022 resulted in interest revenue of \$6,826.58 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.