

Report of Audit
on the
Financial Statements
of the
Borough of Deal
in the
County of Monmouth
New Jersey
for the
Year Ended
December 31, 2021

BOROUGH OF DEAL

INDEX

PAGES

PART I

Independent Auditor's Report

1-4

Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

5-6

EXHIBITS

Financial Statements – Regulatory Basis

Current Fund:

Balance Sheets - Regulatory Basis

"A"

Statements of Operations and Changes in Fund Balance - Regulatory Basis

"A-1"

Statement of Revenues - Regulatory Basis - Year Ended December 31, 2021

"A-2"

Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2021

"A-3"

Trust Fund:

Balance Sheets - Regulatory Basis

"B"

General Capital Fund:

Balance Sheets - Regulatory Basis

"C"

Statement of Capital Fund Balance - Regulatory Basis

"C-1"

Sewer Utility Fund:

Balance Sheets - Regulatory Basis

"D"

Statements of Operations and Changes in Fund Balance - Regulatory Basis

"D-1"

Statement of Sewer Utility Capital Fund Balance – Regulatory Basis

"D-2"

Statement of Revenues - Regulatory Basis - Year Ended December 31, 2021

"D-3"

Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2021

"D-4"

General Fixed Assets Account Group:

Balance Sheets - Regulatory Basis

"E"

PAGES

Notes to Financial Statements

7-38

BOROUGH OF DEAL

INDEX (CONTINUED)

EXHIBITS

Supplementary Schedules – All Funds

Current Fund:

Schedule of Cash - Treasurer	"A-4"
Schedule of Change Fund	"A-5"
Schedule of Prepaid Beach Revenue	"A-6"
Schedule of Due State of New Jersey for Senior Citizens and Veterans Deductions	"A-7"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-8"
Schedule of Reserve for Various Deposits	"A-9"
Schedule of Reserve for Encumbrances Payable	"A-10"
Schedule of Tax Title Liens	"A-11"
Schedule of Revenue Accounts Receivable	"A-12"
Schedule of Interfunds	"A-13"
Schedule of 2020 Appropriation Reserves	"A-14"
Schedule of Tax Overpayments	"A-15"
Schedule of Prepaid Taxes	"A-16"
Schedule of Added County Taxes Payable	"A-17"
Schedule of County Taxes Payable	"A-18"
Schedule of Local District School Taxes Payable	"A-19"
Schedule of Due Current Fund - Grant Fund	"A-20"
Schedule of Grants Receivable - Grant Fund	"A-21"
Schedule of Reserve for Grants Appropriated - Grant Fund	"A-22"
Schedule of Reserve for Grants Unappropriated - Grant Fund	"A-23"

Trust Fund:

Schedule of Cash - Treasurer	"B-1"
Schedule of Due Current Fund - Animal Control Trust Fund	"B-2"
Schedule of Reserve for Various Deposits	"B-3"
Schedule of Reserve for Animal Control Fund Expenditures	"B-4"
Schedule of Due State of New Jersey - Animal Control Trust Fund	"B-5"
Schedule of Reserve for Street Opening Deposits	"B-6"
Schedule of Unemployment Insurance Compensation	"B-7"
Schedule of Reserve for Law Enforcement Trust Fund	"B-8"

BOROUGH OF DEAL

INDEX (CONTINUED)

EXHIBITS

General Capital Fund:

Schedule of Cash - Treasurer	"C-2"
Analysis of Capital Cash and Investments	"C-3"
Schedule of Grants Receivable	"C-4"
Schedule of Contracts Payable	"C-5"
Schedule of Deferred Charges to Future Taxation - Unfunded	"C-6"
Schedule of Capital Improvement Fund	"C-7"
Schedule of Improvement Authorizations	"C-8"

Sewer Utility Fund:

Schedule of Cash - Collector - Treasurer	"D-5"
Analysis of Sewer Utility Capital Cash - Capital Fund	"D-6"
Schedule of Fixed Capital - Capital Fund	"D-7"
Schedule of Fixed Capital Authorized and Uncompleted	"D-8"
Schedule of 2020 Appropriation Reserves	"D-9"
Schedule of Sewer Use Charges Receivable	"D-10"
Schedule of Sewer Utility Rents Overpayments	"D-11"
Schedule of Reserve for Accounts Payable	"D-12"
Schedule of Improvement Authorizations - Capital Fund	"D-13"
Schedule of Reserve for Amortization - Capital Fund	"D-14"
Schedule of Capital Improvement Fund	"D-15"
Schedule of Deferred Reserve for Amortization - Capital Fund	"D-16"
Schedule of Various Reserves - Capital Fund	"D-17"
Schedule of Reserve for Contracts Payable	"D-18"

Statistical Data	39-42
Officials in Office and Surety Bonds	43
Comments and Recommendations	44-47

BOROUGH OF DEAL

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2021 AND 2020



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Commissioners
Borough of Deal
County of Monmouth
Deal, New Jersey

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Deal (the "Borough"), as of and for the year ended December 31, 2021 and 2020, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2021.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2021 and 2020, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the 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 adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed 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 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the regulatory 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division 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.

SUPLEE, CLOONEY & COMPANY

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, 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 that collectively comprise the Borough's regulatory financial statements. The supplementary information, and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, and data listed in the table of contents, as required by the Division are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

SUPLEE, CLOONEY & COMPANY

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2022 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

May 12, 2022



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

The Honorable Mayor and
Commissioners
Borough of Deal
County of Monmouth
Deal, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Deal, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated May 12, 2022. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Deal prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

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

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

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Deal's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Deal's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

May 12, 2022

THIS PAGE INTENTIONALLY LEFT BLANK

CURRENT FUND

BOROUGH OF DEAL

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
Cash	A-4	\$ 17,487,357.56	\$ 13,668,763.63
Change and Petty Cash Fund	A-5	250.00	250.00
		<u>\$ 17,487,607.56</u>	<u>\$ 13,669,013.63</u>
Receivables With Full Reserves			
Delinquent Property Taxes Receivable	A-8	\$ 245,956.52	\$ 384,459.70
Tax Title Liens Receivable	A-11	3,346.23	3,120.03
Revenue Accounts Receivable	A-12	4,414.80	4,082.24
Interfunds Receivable	A-13	207.00	262.20
	A	<u>\$ 253,924.55</u>	<u>\$ 391,924.17</u>
		<u>\$ 17,741,532.11</u>	<u>\$ 14,060,937.80</u>
Federal and State Grant Fund:			
Due Current Fund	A-20	\$ 167,669.59	\$ 128,798.25
Grant Receivable	A-21	1,325.51	26.01
		<u>\$ 168,995.10</u>	<u>\$ 128,824.26</u>
		<u>\$ 17,910,527.21</u>	<u>\$ 14,189,762.06</u>

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

BOROUGH OF DEAL

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves	A-3:A-14	\$ 1,992,242.25	\$ 1,749,588.49
Reserve for Encumbrances	A-10	30,479.51	37,456.88
Reserve for Various Deposits	A-9	1,011,653.13	4,079.00
County Taxes Payable	A-17	33,866.06	192,719.40
Prepaid Taxes	A-16	900,249.16	1,027,852.27
Prepaid Beach Revenues	A-6	592,673.49	571,275.00
Tax Overpayments	A-15		250.00
Due to State of N.J. - Senior Citizens and Veterans	A-7	325.83	
Local District School Taxes Payable	A-19	812,837.80	792,365.86
Interfunds Payable	A-13	167,669.59	128,798.25
		<u>\$ 5,541,996.82</u>	<u>\$ 4,504,385.15</u>
Reserve for Receivables and Other Assets	A	253,924.55	391,924.17
Fund Balance	A-1	<u>11,945,610.74</u>	<u>9,164,628.48</u>
		<u>\$ 17,741,532.11</u>	<u>\$ 14,060,937.80</u>
Federal and State Grant Fund:			
Reserve for Grants Appropriated	A-22	\$ 99,011.95	\$ 120,116.60
Reserve for Grants Unappropriated	A-23	46,996.15	8,707.66
Reserve for Encumbrances	A-10	<u>22,987.00</u>	
		<u>\$ 168,995.10</u>	<u>\$ 128,824.26</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 17,910,527.21</u>	<u>\$ 14,189,762.06</u>

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

BOROUGH OF DEALCURRENT FUNDSTATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2021</u>	<u>YEAR ENDED DECEMBER 31, 2020</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-1	\$ 1,535,000.00	\$ 820,000.00
Miscellaneous Revenue Anticipated	A-2	5,068,854.96	4,878,858.77
Receipts from Delinquent Taxes	A-2	380,861.33	438,429.49
Receipts from Current Taxes	A-2	17,790,716.13	17,247,394.39
Non-Budget Revenue	A-2	319,443.66	385,224.32
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	1,484,426.95	1,087,604.23
Interfunds Returned		262.20	147.60
Tax Overpayments Cancelled	A-15	250.00	
Grant Reserves/Receivables Cancelled (Net)			1,464.67
Accounts Payable Cancel			18,881.89
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 26,579,815.23</u>	<u>\$ 24,878,005.36</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations			
Salaries and Wages	A-3	\$ 4,334,002.00	\$ 4,197,502.00
Other Expenses	A-3	3,905,000.00	3,731,250.00
Municipal Debt Service	A-3	1,450,000.00	2,005,000.00
Deferred Charges and Statutory Expenditures	A-3	2,578,902.70	2,986,142.88
County Taxes	A-18	7,867,686.21	7,945,765.51
County Share of Added and Omitted Taxes	A-17	33,866.06	192,719.40
Local District School Taxes	A-19	2,088,141.00	2,047,197.00
Refunds of Prior Year Revenue	A-4	6,028.00	35,891.14
Prior Year Senior Citizen Added			250.00
Interfunds Advanced		207.00	262.20
<u>TOTAL EXPENDITURES</u>		<u>\$ 22,263,832.97</u>	<u>\$ 23,141,980.13</u>
Excess in Revenue		\$ 4,315,982.26	\$ 1,736,025.23
Fund Balance, January 1	A	\$ 9,164,628.48	\$ 8,248,603.25
		\$ 13,480,610.74	\$ 9,984,628.48
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	1,535,000.00	820,000.00
Fund Balance, December 31	A	<u>\$ 11,945,610.74</u>	<u>\$ 9,164,628.48</u>

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

BOROUGH OF DEAL

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	REF.	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 1,535,000.00	\$ 1,535,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-12	\$ 4,750.00	\$ 5,186.00	\$ 436.00
Other	A-12	5,000.00	6,251.00	1,251.00
Fees and Permits:				
Uniform Construction Code	A-12	130,000.00	289,163.00	159,163.00
Other	A-12	6,000.00	4,057.00	(1,943.00)
Fines - Municipal Court	A-12	120,000.00	93,373.91	(26,626.09)
Interest and Costs on Taxes	A-12	58,000.00	88,563.01	30,563.01
Energy Receipts Tax	A-12	455,315.00	455,315.00	
Interest on Investments and Deposits	A-12	7,500.00	33,889.18	26,389.18
Beach Revenues	A-2	1,600,000.00	3,052,321.63	1,452,321.63
Shared Police Services - Borough of Interlaken	A-12	672,927.39	672,927.36	(0.03)
Shared Police Services - Village of Loch Arbour	A-12	179,003.50	179,003.50	
Shared Municipal Court Services - Village of Loch Arbour	A-12	10,050.70	10,050.70	
Shared Public Work Services - Village of Loch Arbour	A-12	134,460.00	134,460.00	
Shared Beach Cleaning Services - Village of Loch Arbour	A-12	15,000.00	15,000.00	
Clean Communities Program	A-21	6,665.49	6,665.49	
Municipal Court Alcohol, Education and Rehabilitation Fund	A-21	2,042.17	2,042.17	
Body Armor Fund	A-21	1,604.89	1,604.89	
Drunk Driving Enforcement Grant	A-21	17,681.62	17,681.62	
Bulletproof Vest Grant	A-21	1,299.50	1,299.50	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 3,427,300.26	\$ 5,068,854.96	\$ 1,641,554.70
Receipts From Delinquent Taxes	A-1	\$ 275,000.00	\$ 380,861.33	\$ 105,861.33
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2	\$ 8,034,954.94	\$ 8,805,373.36	\$ 770,418.42
<u>BUDGET TOTALS</u>	A-3	\$ 13,272,255.20	\$ 15,790,089.65	\$ 2,517,834.45
Non-Budget Revenues	A-1:A-2	\$	\$ 319,443.66	\$ 319,443.66
		\$ 13,272,255.20	\$ 16,109,533.31	\$ 2,837,278.11
	REF.	A-3		

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

BOROUGH OF DEAL

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

REF.

ANALYSIS OF REALIZED INCOME

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A:8	\$ 17,790,716.13
Allocated to School and County Taxes	A-8	<u>9,989,693.27</u>
Support of Municipal Budget Appropriations		\$ 7,801,022.86
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>1,004,350.50</u>
Realized for Support of Municipal Budget Appropriations	A-2	<u>\$ 8,805,373.36</u>
Beach Revenue	A-12	\$ 2,481,046.63
Prepaid Beach Revenue Applied	A-6	<u>571,275.00</u>
	A-2	<u>\$ 3,052,321.63</u>

ANALYSIS OF NON-BUDGET REVENUE

LEA Rebate - Fire		\$ 3,786.58
Cell Tower Rental		131,264.24
Monmouth County JIF Dividend		20,824.00
Police Outside Overtime - Administrative Fee		12,865.00
US GOV Bid Proceeds		36,839.93
Cable TV Fees		12,816.13
Qual-Lynx Reimbursement		4,182.68
Loch Arbor Public Works - Shared Services		7,437.50
Corona Virus Relief		11,618.83
DMV Inspection Fees		200.00
Isaias Superstorm Grant		50,238.92
Miscellaneous		<u>27,162.85</u>
	A-4	319,236.66
Statutory Excess - Animal Control Fees	A-13	<u>207.00</u>
<u>Total Non-Budget Revenue</u>	A-2	<u>\$ 319,443.66</u>

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

BOROUGH OF DEAL

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>OPERATIONS WITHIN "CAPS"</u>				
<u>GENERAL GOVERNMENT</u>				
Administrative and Executive:				
Salaries and Wages	\$ 225,000.00	\$ 225,000.00	\$ 200,445.32	\$ 24,554.68
Other Expenses	195,700.00	195,700.00	62,237.30	133,462.70
Human Resources:				
Other Expenses	5,000.00	5,000.00		5,000.00
Directors Office - Public Affairs and Public Safety				
Salaries and Wages	3,000.00	3,000.00	3,000.00	
Other Expenses	1,400.00	1,400.00	295.00	1,105.00
Directors Office - Revenue and Finance				
Salaries and Wages	2,501.00	2,501.00	2,500.08	0.92
Other Expenses	500.00	500.00		500.00
Directors Office - Public Works, Parks & Public Property				
Salaries and Wages	2,501.00	2,501.00	2,500.08	0.92
Other Expenses	500.00	500.00		500.00
Municipal Clerk				
Other Expenses	5,000.00	5,000.00	348.00	4,652.00
Elections				
Other Expenses	14,700.00	14,700.00	948.63	13,751.37
Financial Administration				
Salaries and Wages	13,000.00	13,000.00	13,000.00	
Other Expenses	800.00	800.00	164.92	635.08
Audit Services				
Other Expenses	55,000.00	55,000.00	43,850.00	11,150.00
Collection Taxes				
Salaries and Wages	37,000.00	37,000.00	35,431.92	1,568.08
Other Expenses	12,900.00	12,900.00	11,065.26	1,834.74
Assessment of Taxes				
Salaries and Wages	42,000.00	42,000.00	40,000.08	1,999.92
Other Expenses	96,400.00	96,400.00	38,886.20	57,513.80
Legal Services and Costs				
Other Expenses	125,000.00	125,000.00	26,497.34	98,502.66
Engineering Services and Costs				
Other Expenses	30,000.00	30,000.00	6,000.00	24,000.00
<u>LAND USE ADMINISTRATION</u>				
Planning Board				
Salaries and Wages	40,000.00	40,000.00	38,337.50	1,662.50
Other Expenses	19,650.00	19,650.00	14,843.78	4,806.22
Zoning Board				
Salaries and Wages	38,000.00	38,000.00	36,256.08	1,743.92
Other Expenses	4,500.00	4,500.00	1,195.00	3,305.00
<u>INSURANCE</u>				
General Liability	117,000.00	117,000.00	115,750.00	1,250.00
Workers Compensation	153,000.00	153,000.00	149,768.00	3,232.00
Employee Group Health	1,140,000.00	1,140,000.00	756,074.17	383,925.83
Health Benefit Wavier	15,000.00	15,000.00	7,416.20	7,583.80

BOROUGH OF DEAL

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>PUBLIC SAFETY FUNCTIONS</u>				
Police				
Salaries and Wages	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,747,799.24	\$ 52,200.76
Other Expenses	259,800.00	259,800.00	165,964.12	93,835.88
Emergency Management Services				
Other Expenses	2,500.00	2,500.00		2,500.00
First Aid Organizations Contribution	30,000.00	30,000.00	26,060.00	3,940.00
Fire				
Salaries and Wages	300,000.00	300,000.00	236,679.45	63,320.55
Other Expenses:				
Fire - Other expenses:				
Fire Hydrant Services				
Miscellaneous Other Expenses	172,000.00	172,000.00	118,319.07	53,680.93
Municipal Prosecutor				
Salaries and Wages	32,000.00	32,000.00	30,362.16	1,637.84
Other Expenses	300.00	300.00		300.00
<u>PUBLIC WORKS FUNCTIONS</u>				
Streets and Roads				
Road Repairs and Maintenance				
Salaries and Wages	435,000.00	435,000.00	326,286.81	108,713.19
Other Expenses	152,700.00	152,700.00	122,186.27	30,513.73
Traffic Signal Maintenance				
Other Expenses	7,500.00	7,500.00		7,500.00
Garbage and Trash Removal				
Salaries and Wages	217,000.00	217,000.00	190,966.58	26,033.42
Other Expenses	51,500.00	51,500.00	20,301.31	31,198.69
Public Buildings and Grounds				
Other Expenses	66,400.00	66,400.00	29,862.37	36,537.63
Vehicle Maintenance				
Other Expenses	95,000.00	95,000.00	86,078.49	8,921.51
Deal Lake Weed Control				
Other Expenses	1,750.00	1,750.00	1,750.00	
<u>HEALTH AND HUMAN SERVICES FUNCTIONS</u>				
Board of Health				
Other Expenses	32,000.00	32,000.00	26,248.56	5,751.44
Dog Regulation				
Other Expenses	7,500.00	7,500.00	6,416.30	1,083.70
Aid to Health Care Facilities	500.00	500.00		500.00
<u>PARK AND RECREATION FACILITIES</u>				
Recreation				
Other Expenses	1,400.00	1,400.00	431.53	968.47
Parks and Playgrounds				
Other Expenses	70,000.00	70,000.00	34,292.38	35,707.62
Beach Front Recreation Facilities				
Salaries and Wages	740,000.00	740,000.00	712,305.19	27,694.81
Other Expenses	225,700.00	225,700.00	134,924.35	90,775.65
Conover Pavilion				
Salaries and Wages	60,000.00	60,000.00	33,739.61	26,260.39
Other Expenses	36,800.00	36,800.00	15,340.28	21,459.72
Municipal Court				
Salaries and Wages	135,000.00	135,000.00	99,857.64	35,142.36
Other Expenses	44,300.00	44,300.00	36,500.11	7,799.89
Public Defender				
Other Expenses	5,000.00	5,000.00	1,720.18	3,279.82

BOROUGH OF DEAL

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.H.A.C. 5:23-4.17)</u>				
Construction Official				
Salaries and Wages	\$ 172,000.00	\$ 172,000.00	\$ 166,596.23	\$ 5,403.77
Other Expenses	39,000.00	39,000.00	17,293.54	21,706.46
Plumbing Inspector				
Salaries and Wages	15,000.00	15,000.00	13,195.52	1,804.48
Other Expenses	200.00	200.00		200.00
Fire Sub-Code Official				
Salaries and Wages	10,000.00	10,000.00	9,967.50	32.50
Other Expenses	400.00	400.00		400.00
Electrical Inspector				
Salaries and Wages	15,000.00	15,000.00	12,836.96	2,163.04
Other Expenses	200.00	200.00		200.00
<u>UNCLASSIFIED</u>				
Accumulated Leave Compensation	1,000.00	1,000.00		1,000.00
<u>UTILITY EXPENSES AND BULK PURCHASES</u>				
Electricity	65,000.00	65,000.00	46,774.98	18,225.02
Street Lighting	70,000.00	70,000.00	46,237.82	23,762.18
Telephone	12,000.00	12,000.00		12,000.00
Water	20,000.00	20,000.00	14,501.07	5,498.93
Gas	30,000.00	30,000.00	21,566.46	8,433.54
Sewerage Processing and Disposal	40,000.00	40,000.00	38,000.00	2,000.00
Gasoline	120,000.00	120,000.00	77,890.36	42,109.64
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u>	<u>250,000.00</u>	<u>250,000.00</u>	<u>212,367.78</u>	<u>37,632.22</u>
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 8,236,502.00</u>	<u>\$ 8,236,502.00</u>	<u>6,488,431.08</u>	<u>\$ 1,748,070.92</u>
Contingent	\$ 2,500.00	\$ 2,500.00		\$ 2,500.00
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN CAPS</u>	<u>\$ 8,239,002.00</u>	<u>\$ 8,239,002.00</u>	<u>6,488,431.08</u>	<u>\$ 1,750,570.92</u>
<u>Detail:</u>				
Salaries and Wages	\$ 4,334,002.00	\$ 4,334,002.00	3,952,063.95	\$ 381,938.05
Other Expenses	3,905,000.00	3,905,000.00	2,536,367.13	1,368,632.87
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>				
<u>Statutory Expenditures</u>				
<u>Contribution to:</u>				
Public Employees Retirement System	\$ 145,000.00	\$ 145,000.00	\$ 140,000.00	\$ 5,000.00
Social Security System (O.A.S.I.)	230,000.00	230,000.00	213,977.08	16,022.92
Police & Firemen's Retirement System of N.J.	700,000.00	700,000.00	693,133.00	6,867.00
Unemployment Compensation Insurance	50,000.00	50,000.00	0.73	49,999.27
State Disability Insurance	6,000.00	6,000.00	2,431.34	3,568.66
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 1,131,000.00</u>	<u>\$ 1,131,000.00</u>	<u>\$ 1,049,542.15</u>	<u>\$ 81,457.85</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>\$ 9,370,002.00</u>	<u>\$ 9,370,002.00</u>	<u>\$ 7,537,973.23</u>	<u>\$ 1,832,028.77</u>

BOROUGH OF DEAL

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>				
<u>Shared Service Agreements</u>				
Police Mandated 911 Emergency Service	\$ 10,000.00	\$ 10,000.00	\$ 7,256.00	\$ 2,744.00
Ocean Township Tactical Team Fee- SWAT	1,600.00	1,600.00	1,500.00	100.00
Reverse 911 Emergency Service	1,000.00	1,000.00	241.67	758.33
Department of Public Affairs & Public Safety				
Police Services - Borough of Interlaken	672,927.39	672,927.39	672,849.51	77.88
Police Services - Village of Loch Arbour	179,003.50	179,003.50	178,470.71	532.79
Municipal Court Services - Village of Loch Arbour	10,050.70	10,050.70	1,371.75	8,678.95
Department of Public Works, Parks & Public Property				
Public Works Services - Village of Loch Arbour	134,460.00	134,460.00	2,138.47	132,321.53
Beach Cleaning Services - Village of Loch Arbour	15,000.00	15,000.00		15,000.00
Parks and Recreation Facilities				
Lifeguard Services	85,000.00	85,000.00	85,000.00	
<u>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>	<u>\$ 1,109,041.59</u>	<u>\$ 1,109,041.59</u>	<u>948,828.11</u>	<u>\$ 160,213.48</u>
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>				
Alcohol, Education & Rehabilitation Fund	\$ 2,042.17	\$ 2,042.17	\$ 2,042.17	\$
Clean Communities Program	6,665.49	6,665.49	6,665.49	
Body Armor Fund	1,604.89	1,604.89	1,604.89	
Drunk Driving Enforcement Grant	17,681.62	17,681.62	17,681.62	
Bullet Proof Vest Grant	1,299.50	1,299.50	1,299.50	
Over the Limit Under Arrest				
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</u>	<u>\$ 29,293.67</u>	<u>\$ 29,293.67</u>	<u>29,293.67</u>	<u>\$</u>
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 1,138,335.26</u>	<u>\$ 1,138,335.26</u>	<u>978,121.78</u>	<u>\$ 160,213.48</u>
<u>DETAIL OPERATIONS-EXCLUDED FROM "CAPS"</u>				
Other Expenses	\$ 1,138,335.26	\$ 1,138,335.26	978,121.78	\$ 160,213.48
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>				
Payments of Bond Anticipation Notes and Capital Notes	\$ 1,450,000.00	\$ 1,450,000.00	1,450,000.00	\$
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	<u>\$ 1,450,000.00</u>	<u>\$ 1,450,000.00</u>	<u>1,450,000.00</u>	<u>\$</u>

BOROUGH OF DEAL

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
DEFERRED CHARGES-MUNICIPAL- <u>EXCLUDED FROM "CAPS"</u>				
Deferred Charges to Future Taxation: Ord. #1115	\$ 309,567.44	\$ 309,567.44	\$ 309,567.44	\$
TOTAL DEFERRED CHARGES-MUNICIPAL- <u>EXCLUDED FROM "CAPS"</u>	\$ 309,567.44	\$ 309,567.44	\$ 309,567.44	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL <u>PURPOSES EXCLUDED FROM "CAPS"</u>	\$ 2,897,902.70	\$ 2,897,902.70	\$ 2,737,689.22	\$ 160,213.48
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 12,267,904.70	\$ 12,267,904.70	10,275,662.45	\$ 1,992,242.25
RESERVE FOR UNCOLLECTED TAXES	1,004,350.50	1,004,350.50	1,004,350.50	
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 13,272,255.20</u>	<u>\$ 13,272,255.20</u>	<u>\$ 11,280,012.95</u>	<u>\$ 1,992,242.25</u>
	<u>REF.</u>	<u>A-2</u>	<u>A-1</u>	<u>A:A-1</u>
Reserve for Uncollected Taxes	A-2		\$ 1,004,350.50	
Cash Disbursed	A-4		10,504,791.28	
Reserve for Encumbrances	A-10		30,479.51	
Reserve for State and Federal Grants	A-22		29,293.67	
			11,568,914.96	
Less: Refunds	A-4		288,902.01	
			<u>\$ 11,280,012.95</u>	

THIS PAGE INTENTIONALLY LEFT BLANK

TRUST FUND

BOROUGH OF DEALTRUST FUNDBALANCE SHEETS - REGULATORY BASIS

			BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
<u>ASSETS</u>	<u>REF.</u>			
Dog License Fund				
Cash	B-1	\$	648.60	\$ 717.60
	B	\$	648.60	\$ 717.60
Other Trust Funds:				
Cash - Law Enforcement Trust Fund	B-1	\$	14,738.19	\$ 14,711.16
Cash - Unemployment Compensation Funds	B-1		10,803.99	3,930.54
Cash - Street Opening Deposits	B-1		22,740.00	17,140.00
Cash - Miscellaneous Trust Funds	B-1		1,313,850.92	741,231.84
	B	\$	1,362,133.10	\$ 777,013.54
<u>TOTAL ASSETS</u>		\$	<u>1,362,781.70</u>	<u>\$ 777,731.14</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
Animal Control Trust Fund:				
Reserve for Animal Control Expenditures	B-4	\$	441.60	\$ 455.40
Due Current Fund	B-2		207.00	262.20
	B	\$	648.60	\$ 717.60
Other Trust Funds:				
Reserve for Law Enforcement Trust Fund	B-8	\$	14,738.19	\$ 14,711.16
Reserve for Unemployment Compensation Funds	B-7		10,803.99	3,930.54
Reserve for Street Opening Deposits	B-6		22,740.00	17,140.00
Reserve for Miscellaneous Trust Funds	B-3		1,313,850.92	741,231.84
	B	\$	1,362,133.10	\$ 777,013.54
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$	<u>1,362,781.70</u>	<u>\$ 777,731.14</u>

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

GENERAL CAPITAL FUND

BOROUGH OF DEALGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 2,681,600.82	\$ 2,469,495.19
Grant Receivable	C-4	97,452.65	78,750.00
Deferred Charges to Future Taxation:			
Unfunded	C-6		595,000.00
		<u>\$ 2,779,053.47</u>	<u>\$ 3,143,245.19</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Improvement Authorizations:			
Funded	C-8	\$ 1,725,835.08	\$ 2,029,594.24
Unfunded	C-8		285,432.56
Capital Improvement Fund	C-7	528,082.85	303,082.85
Fund Balance	C-1	<u>525,135.54</u>	<u>525,135.54</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,779,053.47</u>	<u>\$ 3,143,245.19</u>

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

BOROUGH OF DEAL

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

REF.

Balance, December 31, 2020 and
December 31, 2021

C

\$ 525,135.54

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

THIS PAGE INTENTIONALLY LEFT BLANK

SEWER UTILITY FUND

"D"

BOROUGH OF DEAL

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
<u>ASSETS</u>			
Operating Fund:			
Cash	D-5	\$ 2,755,832.83	\$ 2,443,073.41
Receivables with Full Reserves:			
Sewer Rental Receivables	D-10	54,739.24	63,952.58
<u>Total Operating Fund</u>		<u>\$ 2,810,572.07</u>	<u>\$ 2,507,025.99</u>
Capital Fund:			
Cash	D-5;D-6	\$ 798,233.16	\$ 913,790.60
Fixed Capital	D-7	6,203,431.77	2,803,431.77
Fixed Capital Authorized and Unauthorized	D-8	750,000.00	4,150,000.00
<u>Total Capital Fund</u>		<u>\$ 7,751,664.93</u>	<u>\$ 7,867,222.37</u>
<u>TOTAL ASSETS</u>		<u>\$ 10,562,237.00</u>	<u>\$ 10,374,248.36</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Utility Rent Overpayments	D-11	\$ 7,843.12	\$ 2,049.85
Appropriation Reserves	D-4;D-9	663,440.89	331,666.32
Accounts Payable	D-12	716,913.47	716,913.47
Prepaid Sewer Charges	D	8,009.79	548.45
		<u>\$ 1,396,207.27</u>	<u>\$ 1,051,178.09</u>
Reserve for Receivables	D	54,739.24	63,952.58
Fund Balance	D-1	1,359,625.56	1,391,895.32
<u>Total Operating Fund</u>		<u>\$ 2,810,572.07</u>	<u>\$ 2,507,025.99</u>
Capital Fund:			
Improvement Authorizations - Funded	D-13	\$ 736,405.00	\$ 750,000.00
Capital Improvement Fund	D-15	37,500.00	37,500.00
Reserve for Amortization	D-14	6,203,431.77	2,803,431.77
Reserve for Deferred Amortization	D-16	750,000.00	4,150,000.00
Various Reserves	D-17		101,962.44
Fund Balance	D-2	24,328.16	24,328.16
<u>Total Capital Fund</u>		<u>\$ 7,751,664.93</u>	<u>\$ 7,867,222.37</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 10,562,237.00</u>	<u>\$ 10,374,248.36</u>

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

BOROUGH OF DEAL

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER 31, <u>2021</u>	YEAR ENDED DECEMBER 31, <u>2020</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-3	\$ 505,696.50	\$ 455,696.50
Sewer Rents	D-3	1,232,534.31	1,224,479.53
Interest on Investments	D-3	6,497.04	16,040.96
Interest on Delinquent Accounts	D-3	9,676.41	12,428.87
Other Credits to Income:			
Unexpected Balance of Appropriation Reserves	D-9	<u>314,672.48</u>	<u>277,806.10</u>
<u>Total Income</u>		<u>\$ 2,069,076.74</u>	<u>\$ 1,986,451.96</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 1,100,650.00	\$ 1,050,650.00
Capital Improvements	D-4	375,000.00	375,000.00
Deferred Charges and Statutory Expenditures	D-4	<u>120,000.00</u>	<u>120,000.00</u>
<u>Total Expenditures</u>		<u>\$ 1,595,650.00</u>	<u>\$ 1,545,650.00</u>
Excess in Revenue		\$ 473,426.74	\$ 440,801.96
Fund Balance, January 1	D	<u>1,391,895.32</u>	<u>1,406,789.86</u>
		\$ 1,865,322.06	\$ 1,847,591.82
Decreased by:			
Utilization as Anticipated Revenue	D-1	<u>505,696.50</u>	<u>455,696.50</u>
Fund Balance, December 31	D	<u><u>\$ 1,359,625.56</u></u>	<u><u>\$ 1,391,895.32</u></u>

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

BOROUGH OF DEAL

SEWER UTILITY FUND

STATEMENT OF SEWER UTILITY CAPITAL FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

REF.

Balance, December 31, 2020 and
December 31, 2021

D

\$ 24,328.16

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

BOROUGH OF DEAL

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Utilized	D-1	\$ 505,696.50	\$ 505,696.50	\$
Sewer Rents	D-1	1,080,000.00	1,232,534.31	152,534.31
Interest On Investments	D-1:D-5	4,953.50	6,497.04	1,543.54
Interest On Rents	D-1:D-5	<u>5,000.00</u>	<u>9,676.41</u>	<u>4,676.41</u>
<u>Budget Totals</u>	D-4	<u>\$ 1,595,650.00</u>	<u>\$ 1,754,404.26</u>	<u>\$ 158,754.26</u>

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

BOROUGH OF DEAL
SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Operating:				
Salaries and Wages	\$ 312,000.00	\$ 312,000.00	\$ 277,173.82	\$ 34,826.18
Other Expenses	<u>788,650.00</u>	<u>788,650.00</u>	<u>565,600.51</u>	<u>223,049.49</u>
<u>Total Operating</u>	<u>\$ 1,100,650.00</u>	<u>\$ 1,100,650.00</u>	<u>\$ 842,774.33</u>	<u>\$ 257,875.67</u>
Capital Improvements:				
Purchase & Improvements to Sanitary Sewers	\$ 375,000.00	\$ 375,000.00	\$	\$ 375,000.00
<u>Total Capital Improvements</u>	<u>\$ 375,000.00</u>	<u>\$ 375,000.00</u>	<u>\$</u>	<u>\$ 375,000.00</u>
Statutory Expenditures:				
Public Employees' Retirement System	\$ 75,000.00	\$ 75,000.00	\$ 69,560.00	\$ 5,440.00
Contribution to Social Security System	<u>45,000.00</u>	<u>45,000.00</u>	<u>19,874.78</u>	<u>25,125.22</u>
<u>Total Statutory Expenditures</u>	<u>120,000.00</u>	<u>120,000.00</u>	<u>89,434.78</u>	<u>30,565.22</u>
	<u>\$ 1,595,650.00</u>	<u>\$ 1,595,650.00</u>	<u>\$ 932,209.11</u>	<u>\$ 663,440.89</u>
<u>REF.</u>	D-3	D-1	D-5	D

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"E"

BOROUGH OF DEAL

STATEMENT OF GENERAL FIXED ASSETS

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2021</u>	BALANCE DECEMBER <u>31, 2020</u>
Fixed Assets:		
Land and Land Improvements	\$ 107,612,700.00	\$ 107,612,700.00
Buildings	9,041,200.00	9,041,200.00
Machinery and Equipment	<u>7,433,588.00</u>	<u>7,242,763.00</u>
<u>Total Fixed Assets</u>	<u>\$ 124,087,488.00</u>	<u>\$ 123,896,663.00</u>
 Reserve:		
Investments in General Fixed Assets	<u>\$ 124,087,488.00</u>	<u>\$ 123,896,663.00</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF DEAL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Deal is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough operates under a Commission form of government. The Mayor is the chief executive officer of the Borough. The Commission exercises the legislative power.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization.

Except as noted below, the financial statements of the Borough of Deal include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Deal, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Deal do not include the operations of the local school district, inasmuch as its activities are administered by a separate board.

B. Description of Funds

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Borough of Deal 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 financial transactions and accounts of the Borough of Deal are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account groups:

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

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose for which each reserve was created

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

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

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

C. Basis of Accounting

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

General Fixed Assets - New Jersey Administrative Code (N.J.A.C. 5:30-5.6), Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

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

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

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

Fixed Capital - Sewer Utility

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Inventories of Supplies

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

Accounting and Financial Reporting for Pensions

Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

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

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

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

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

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

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits.

Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Borough of Deal had the following cash and cash equivalents at December 31, 2021:

<u>Fund</u>	Cash in	<u>Reconciling Items</u>		Change	<u>Total</u>
	<u>Bank</u>	<u>Increases</u>	<u>Decreases</u>	<u>Funds</u>	
Checking Accounts	\$25,316,269.96	\$60,291.36	\$290,755.25		\$25,085,806.07
Change Funds				\$250.00	250.00
	<u>\$25,316,269.96</u>	<u>\$60,291.36</u>	<u>\$290,755.25</u>	<u>\$250.00</u>	<u>\$25,086,056.07</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2021, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$25,316,269.96, \$250,000.00 was covered by Federal Depository Insurance, \$25,066,269.96 was covered under the provisions of NJGUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

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

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;

Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

7. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2021, the Borough had no funds set aside for investment purposes.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

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

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

	<u>YEAR 2021</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$-0-	\$-0-	\$-0-
Sewer Utility:			
Bonds and Notes	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Debt Issued	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	\$-0-	\$595,000.00	\$1,252,642.00
Sewer Utility:			
Bonds and Notes	<u></u>	<u></u>	<u></u>
Total Authorized But Not Issued	<u>\$ -0-</u>	<u>\$595,000.00</u>	<u>\$1,252,642.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ -0-</u>	<u>\$595,000.00</u>	<u>\$1,252,642.00</u>

SUMMARY OF REGULATORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 0.0%.

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

Equalized Valuation Basis* - December 31, 2021	\$2,958,094,309.33
3-1/2 of Equalized Valuation Basis	103,533,300.83
Net Debt	<u>\$-0-</u>
Remaining Borrowing Power	<u>\$103,533,300.83</u>

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

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

Total Cash Receipts from Fees. Rents or Other Charges for the Year	\$	1,747,907.22
Deductions:		
Operating and Maintenance Cost	\$	<u>932,209.11</u>
Total Deductions		<u>932,209.11</u>
Excess in Revenue	\$	<u><u>815,698.11</u></u>

BOND ANTICIPATION NOTES

There were no Outstanding Bond Anticipation Notes at December 31, 2021.

NOTE 4: FUND BALANCES APPROPRIATED

Fund Balances (surplus) at December 31, 2021 which were appropriated and included as anticipated revenue for the year ending December 31, 2021 were as follows:

Current Fund	<u>\$1,535,000.00</u>
Sewer Utility Fund	<u>\$505,696.50</u>

NOTE 5: PROPERTY TAXES

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

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

	Balance December <u>31, 2021</u>	Balance December <u>31, 2020</u>
Prepaid Taxes	<u>\$900,249.16</u>	<u>\$1,027,852.27</u>

NOTE 6: PENSION PLANS

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

Plan Descriptions

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions

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

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

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

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

Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

State, amounted to \$209,560 for 2021, \$190,141.00 for 2020 and \$184,540.00 for 2019 .

All contributions were equal to the required contributions for each of the three years, respectively.

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

Accounting and Financial Reporting for Pensions – GASB #68

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

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

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$3,123,888.00 for the Borough’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough’s proportion of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Borough’s proportion was 0.0191562762 percent, which was a decrease of 0.0002476454 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$29,994.00 for the Borough’s proportionate share of the total pension expense. The pension expense recognized in the Borough’s financial statements based on the April 1, 2020 billing was \$188,743.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 56,881.00	\$ 11,047.00
Changes of assumptions	101,342.00	1,308,001.00
Net difference between projected and actual earnings on pension plan investments	106,777.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>277,500.00</u>	<u>206,636.00</u>
	<u>\$ 542,500.00</u>	<u>\$ 1,525,684.00</u>

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	(\$377,818.20)
2022	(343,203.20)
2023	(190,058.20)
2024	(68,415.20)
2025	<u>(3,689.20)</u>
	<u>(\$983,184.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$3,932,453.00	\$3,123,888.00	\$2,437,798.00

Pension plan fiduciary net position

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$8,016,851.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2020, the Borough's proportion was 0.0620435986 percent, which was an decrease of 0.0014456869 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$487,773.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$641,312.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 80,823.00	\$ 28,772.00
Changes of assumptions	20,174.00	2,149,270.00
Net difference between projected and actual earnings on pension plan investments	470,065.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>486,306.00</u>	<u>474,602.00</u>
	\$ <u>1,057,368.00</u>	\$ <u>2,652,644.00</u>

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Year Ended		
<u>June 30</u>		<u>Amount</u>
2021	\$	(747,580.20)
2022		(503,765.20)
2023		(203,698.20)
2024		(75,493.20)
2025		<u>(64,739.20)</u>
	\$	<u>(1,595,276.00)</u>

Actuarial Assumptions

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

June 30, 2020

Inflation:

Price	2.75%
Wage	3.25%

Salary Increases

Through all future years	3.25-15.25%
	Based on years of Service

Investment Rate of Return	7.00%
---------------------------	-------

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions (Continued)

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

Long-Term Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate (Continued)

based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$10,660,762.00	\$8,016,851.00	\$5,820,881.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation (Continued)

At June 30, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,244,179.00 and \$1,226,851.00, respectively.

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

Borough's Proportionate Share of Net Pension Liability	\$8,016,851.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,244,179.00</u>
	<u>\$9,261,030.00</u>

Pension plan fiduciary net position

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

NOTE 7: LITIGATION

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

NOTE 8: SCHOOL TAXES

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

	LOCAL DISTRICT SCHOOL TAX	
	BALANCE	BALANCE
	DECEMBER	DECEMBER
	<u>31, 2021</u>	<u>31, 2020</u>
Balance of Tax	\$1,044,071.30	\$1,023,599.36
Deferred	<u>231,233.50</u>	<u>231,233.50</u>
Tax Payable	<u>\$812,837.80</u>	<u>\$792,365.86</u>

NOTE 9: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date as outlined in Borough personnel policies. It is estimated that, at December 31, 2021, the current cost of such unpaid compensation would approximate \$248,281.17. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget. The Borough has accumulated \$279,169.82 for this purpose in the Trust Other Fund and continues to budget funds to provide for these liabilities as they arise.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2021 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 11: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2021, the Borough does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

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

Property and Liability Insurance - The Borough maintains commercial insurance coverage for property, liability, accident and surety bonds.

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

<u>Year</u>	<u>Contributions</u>		<u>Amount Reimbursed</u>	<u>Ending Balance</u>
	<u>Borough</u>	<u>Employee</u>		
2021	-0-	\$7,772.37	\$898.92	\$10,803.99
2020	-0-	7,667.69	4,396.05	3,930.54
2019	\$200.00	17,996.87	38,749.04	658.90

NOTE 13: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the plan are held by an independent administrator, the Variable Annuity Life Insurance Company (VALIC).

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities. The Borough's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

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

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

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions; therefore, assets are accumulated to pay associated benefits.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Contributions

The Borough's contributions to the Plan for the years ended December 31, 2021, 2020, and 2019, were \$210,715.29, \$226,284.33 and \$241,790.51 respectively, which equaled the required contributions for each year.

Total OPEB Liability

At June 30, 2020, the Plan reported a liability of \$11,367,385.00 for the Borough's proportionate share of the collective net OPEB liability. The total Net OPEB Liability measured as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The Borough's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total OPEB Liability (Continued)

At June 30, 2020, the Borough's proportion was 0.063340 percent, which was an increase of 0.006111 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State reported OPEB expense of \$68,784.00. This OPEB benefit was based on the OPEB plans June 30, 2020 measurement date.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$299,408	\$2,116,819
Changes of assumptions	1,700,203	2,527,931
Net difference between projected and actual earnings on OPEB plan investments	7,219	-
Changes in proportion	<u>1,440,024</u>	<u>1,242,144</u>
	<u>\$3,446,854</u>	<u>\$5,886,894</u>

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

Year Ended	
<u>June 30,</u>	<u>Amount</u>
2021	(\$571,478)
2022	(572,032)
2023	(572,927)
2024	(573,745)
2025	(378,631)
Total Thereafter	<u>228,773</u>
	<u>(\$2,440,040)</u>

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

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

	<u>2020</u>	<u>2019</u>
Inflation rate	2.50%	2.50%
Salary Increases:		
Public Employees Retirement System (PERS):		
Initial fiscal Year Applied		
Rate through 2026	2.00% to 6.00%	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS):		
Rate for all future years	3.25% to 15.25%	3.25% to 15.25%

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020

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

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the Net OPEB Liability associated with the Borough's as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1.00% <u>Decrease (1.21%)</u>	At Discount <u>Rate (2.21%)</u>	1.00% <u>Increase (3.21%)</u>
Borough's proportionate share of the Net OPEB Liability	\$13,438,650	\$11,367,385	\$9,727,790

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

The following presents the total Net OPEB Liability associated with the Borough's as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
Borough's proportionate share of the Net OPEB Liability	\$9,406,523	\$11,367,385	\$13,935,160

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

OPEB Plan Fiduciary Net Position

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

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2021:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 207.00	\$ 167,669.59
Grant Fund	167,669.59	
Animal Control Fund		207.00
	<u>\$ 167,876.59</u>	<u>\$ 167,876.59</u>

All balances resulted from the time lag between the dates that payments between funds are made.

NOTE 16: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2021:

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2021</u>
Land	\$107,612,700.00			\$107,612,700.00
Building	\$9,041,200.00			9,041,200.00
Machinery & Equipment	<u>7,242,763.00</u>	<u>285,825.00</u>	<u>95,000.00</u>	<u>7,433,588.00</u>
	<u>\$123,896,663.00</u>	<u>\$285,825.00</u>	<u>\$95,000.00</u>	<u>\$124,087,488.00</u>

NOTE 17: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through May 12, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that the following subsequent event needed to be disclosed.

THIS PAGE INTENTIONALLY LEFT BLANK

BOROUGH OF DEAL
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2021

BOROUGH OF DEALCURRENT FUNDSCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2020	A	\$ 13,668,763.63	\$
Increased by Receipts:			
Taxes Receivable	A-8	\$ 17,140,183.52	\$
Appropriation Refunds	A-3	288,902.01	
Appropriation Reserve Refunds	A-14	14,883.72	
Change Fund	A-5	1,000.00	
Prepaid Beach Revenues	A-6	592,673.49	
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	3,867.50	
Revenue Accounts Receivable	A-12	4,468,286.29	
Miscellaneous Revenue Not Anticipated	A-2	319,236.66	
Prepaid Taxes	A-16	900,249.16	
Grants Receivable	A-21		19,286.51
Reserve for Grants-Appropriated	A-22		8,704.80
Reserve for Grants-Unappropriated	A-23		46,996.15
Reserve for Sale of Municipal Assets	A-9	999,800.00	
Reserve for Due State - Marriage Licenses	A-9	375.00	
Reserve for Snack Bar Deposit	A-9	23,181.00	
Reserve for DCA Due State	A-9	9,634.00	
Reserve for Police Receipts	A-9	1,868.13	
Interfunds	A-13	1,206,598.00	
		<u>25,970,738.48</u>	<u>74,987.46</u>
		\$ 39,639,502.11	\$ 74,987.46
Decreased by Disbursements:			
Appropriations	A-3	\$ 10,504,791.28	\$
Appropriation Reserves	A-14	317,502.14	
Interfunds	A-13: A-20	1,167,464.46	38,871.34
Change Fund	A-5	1,000.00	
Added County Taxes Payable	A-17	192,719.40	
County Taxes Payable	A-18	7,867,686.21	
Local District School Taxes Payable	A-19	2,067,669.06	
Reserve for Grants-Appropriated	A-22		36,116.12
Reserve for Due State - Marriage Licenses	A-9	375.00	
Reserve for Snack Bar Deposit	A-9	21,200.00	
Reserve for DCA Due State	A-9	5,709.00	
Refund of Prior Revenue	A-1	6,028.00	
		<u>22,152,144.55</u>	<u>74,987.46</u>
Balance, December 31, 2021	A	\$ <u>17,487,357.56</u>	\$ <u> </u>

"A-5"

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF CHANGE FUND

	<u>REF.</u>	
Balance, December 31, 2020	A	\$ 250.00
Increased by:		
Cash Disbursements	A-4	1,000.00
		<u>\$ 1,250.00</u>
Decreased by:		
Cash Receipts	A-4	1,000.00
		<u>1,000.00</u>
Balance, December 31, 2021	A	<u><u>\$ 250.00</u></u>

OFFICE

Court Administrator - Change		\$ 100.00
Municipal Clerk - Change		50.00
Finance - Change		<u>100.00</u>
		<u><u>\$ 250.00</u></u>

"A-6"

SCHEDULE PREPAID BEACH REVENUE

Balance, December 31, 2020	A	\$ 571,275.00
Increased by:		
Cash Receipts	A-4	592,673.49
		<u>\$ 1,163,948.49</u>
Decreased by:		
Applied Prepaid Beach Revenue	A-2	571,275.00
		<u>571,275.00</u>
Balance, December 31, 2021	A	<u><u>\$ 592,673.49</u></u>

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>			
Increased by:				
Received From State	A-4	\$	3,867.50	
Senior Citizens Deductions Disallowed	A-7		<u>208.33</u>	
				<u>4,075.83</u>
		\$		<u>4,075.83</u>
Decreased by:				
Senior Citizens Deductions Per Tax Billing	A-7	\$	500.00	
Veterans/Widow of Veteran Deductions Per Tax Billing	A-7		3,000.00	
Deductions Allowed By Collector	A-7		<u>250.00</u>	
				<u>3,750.00</u>
Balance, December 31, 2021 (Due To)	A	\$		<u><u>325.83</u></u>

ANALYSIS OF STATE SHARE OF 2021 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-7	\$	500.00
Veterans/Widow of Veteran Deductions Per Tax Billing	A-7		3,000.00
Deductions Allowed By Collector	A-7		<u>250.00</u>
		\$	<u>3,750.00</u>
Less: Disallowed by Collector - Current Year	A-7		<u>208.33</u>
	A-8	\$	<u><u>3,541.67</u></u>

"A-8"

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2020	2021 LEVY & ADDED	COLLECTIONS		TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2021
			2020	2021			
2020	\$ 384,459.70	\$	\$	\$ 380,861.33	\$	3,598.37	\$
2021		18,083,340.45	820,398.02	16,970,318.11	226.20	46,441.60	245,956.52
	\$ 384,459.70	18,083,340.45	820,398.02	17,351,179.44	226.20	50,039.97	245,956.52
REF.	A		A-2-A-16	A-2	A-11		A

REF.

Collector	A-4	\$ 17,140,183.52
Overpayments Applied	A-15	207,454.25
Senior Citizens and Veterans Deductions	A-7	3,541.67
		<u>\$ 17,351,179.44</u>

ANALYSIS OF 2021 PROPERTY TAX LEVY

<u>TAX YIELD</u>	
General Property Tax	\$ 18,006,101.95
Added Taxes (54:4-63.1 et seq.)	<u>77,238.50</u>
	\$ 18,083,340.45

<u>TAX LEVY</u>	
Local District School Tax (Abstract)	
County Tax (Abstract)	\$ 6,581,682.96
County Library (Abstract)	494,078.71
County Open Space (Abstract)	791,924.54
	<u>\$ 7,867,686.21</u>
Due County for Added Taxes (54:4-63.1 et seq.)	<u>33,866.06</u>
<u>Total County Taxes</u>	7,901,552.27

Local Tax for Municipal Purposes (Abstract)	
Add: Additional Tax Levied	\$ 8,034,954.94
	<u>58,692.24</u>
Local Tax for Municipal Purposes Levied	8,093,647.18
	<u>\$ 18,083,340.45</u>

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE DECEMBER 31, 2021</u>
Due State - Marriage Licences	\$	\$ 375.00	\$ 375.00	\$
Sale of Municipal Assets		999,800.00		999,800.00
Snack Bar Deposit	1,500.00	23,181.00	21,200.00	3,481.00
Damage Claims	2,579.00			2,579.00
Due State - DCA		9,634.00	5,709.00	3,925.00
Police Receipts		1,968.13		1,868.13
	<u>\$ 4,079.00</u>	<u>\$ 1,034,858.13</u>	<u>\$ 27,284.00</u>	<u>\$ 1,011,653.13</u>
<u>REF.</u>	A	A-4	A-4	A

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Balance, December 31, 2020	A		\$	37,456.88
Increased by:				
2021 Appropriations	A-3	\$	30,479.51	
Grants Appropriated	A-22		<u>22,987.00</u>	
				53,466.51
			\$	<u>90,923.39</u>
Decreased by:				
Appropriation Reserves	A-14		\$	<u>37,456.88</u>
Balance, December 31, 2021			\$	<u><u>53,466.51</u></u>
<u>Analysis of Balance</u>				
Current Fund	A		\$	30,479.51
Federal and State Grant Fund	A			<u>22,987.00</u>
			\$	<u><u>53,466.51</u></u>

"A-11"

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2020	A	\$ 3,120.03
Increased by:		
Transferred From Taxes	A-8	<u>226.20</u>
Balance, December 31, 2021	A	\$ <u><u>3,346.23</u></u>

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>ACCOUNTS</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>ACCRUED IN 2020</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2021</u>
Clerk:						
Licenses:						
Alcoholic Beverages	A-2		\$	5,186.00	\$ 5,186.00	\$
Other	A-2			6,251.00	6,251.00	
Fees and Permits	A-2			4,057.00	4,057.00	
Interest and Costs on Taxes	A-2			88,563.01	88,563.01	
Interest on Investments and Deposits	A-2			33,889.18	33,889.18	
Construction Code Official						
Fees and Permits	A-2			289,163.00	289,163.00	
Municipal Court:						
Fines and Costs	A-2		4,082.24	93,706.47	93,373.91	4,414.80
Energy Receipts Tax	A-2			455,315.00	455,315.00	
Shared Services:						
Police - Borough of Interlaken	A-2			672,927.36	672,927.36	
Police - Village of Loch Arbour	A-2			179,003.50	179,003.50	
Municipal Court - Village of Loch Arbour	A-2			10,050.70	10,050.70	
Public Works - Village of Loch Arbour	A-2			134,460.00	134,460.00	
Beach Cleaning - Village of Loch Arbour	A-2			15,000.00	15,000.00	
Beach Revenue	A-2			2,481,046.63	2,481,046.63	
			\$ 4,082.24	\$ 4,468,618.85	\$ 4,468,286.29	\$ 4,414.80
<u>REF.</u>			A		A-4	A

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ANIMAL CONTROL FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2020					
Due From	A	\$ 262.20	\$	\$ 262.20	\$
Due To	A	\$ 128,798.25	\$ 128,798.25		
Increased By/ Decreased By:					
Receipts	A-4	1,206,598.00	55,038.45	262.20	1,151,297.35
Excess Animal Control Reserves	A-2	207.00		207.00	
Disbursements	A-4	1,167,464.46	16,167.11		1,151,297.35
Balance, December 31, 2021					
Due From	A	\$ 207.00	\$	\$ 207.00	\$
Due To	A	\$ 167,669.59	\$ 167,669.59		

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFER</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
<u>SALARIES AND WAGES:</u>				
Administrative and Executive	\$ 673.49	\$ 673.49	\$	\$ 673.49
Director - Dept of Revenue and Finance	0.92	0.92		0.92
Director - Dept of Public Works and Property	0.92	0.92		0.92
Financial Administration	340.76	340.76		340.76
Collection of Taxes	1,600.08	1,600.08		1,600.08
Assessment of Taxes	177.36	177.36		177.36
Planning Board	924.97	924.97		924.97
Zoning Board	799.92	799.92		799.92
Construction Official	4,416.04	4,416.04		4,416.04
Plumbing Sub Code Official	2,542.16	2,542.16		2,542.16
Fire Sub Code Official	1,000.00	1,000.00		1,000.00
Electrical Inspector	2,551.92	2,551.92		2,551.92
Police	130,690.62	130,690.62	129,670.62	1,020.00
Fire	70,264.28	70,264.28	648.76	69,615.52
Prosecutor	2,233.04	2,233.04		2,233.04
Road Repair and Maintenance	72,674.68	72,674.68	1,585.94	71,088.74
Solid Waste Collection	8,246.85	8,246.85		8,246.85
Deal Casino	72,844.74	72,844.74		72,844.74
Municipal Court	40,093.92	40,093.92		40,093.92
<u>OTHER EXPENSES:</u>				
Administrative and Executive	81,024.42	81,024.42	1,331.20	79,693.22
Human Resources	5,000.00	5,000.00		5,000.00
Director of Public Affairs	956.00	956.00		956.00
Dept. of Revenue and Finance	400.00	400.00		400.00
Dept. of Public Works and Property	400.00	400.00		400.00
Municipal Clerk	5,000.00	5,000.00		5,000.00
Elections	10,516.56	10,516.56		10,516.56
Financial Administration	650.00	650.00		650.00
Financial Administration - Audit	11,500.00	11,500.00		11,500.00
Collection of Taxes	765.01	765.01	44.77	720.24
Assessment of Taxes	34,042.25	34,042.25	17,725.00	16,317.25
Legal Services and Costs	76,592.65	76,592.65	1,442.66	75,149.99
Engineering Services and Costs	25,662.50	25,662.50		25,662.50
Planning Board	2,116.97	2,116.97		2,116.97
Zoning Board	3,330.92	3,330.92		3,330.92
Construction Official	10,925.68	10,925.68	2,652.22	8,273.46
Plumbing Sub Code Official	200.00	200.00		200.00
Fire Sub Code Official	400.00	400.00		400.00
Electrical Inspector	200.00	200.00		200.00

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED):</u>				
Police	\$ 16,808.44	\$ 39,259.54	\$ 27,936.11	\$ 11,323.43
Office of Emergency Management	2,500.00	2,500.00		2,500.00
Aid to First Aid Squad	3,700.00	3,700.00		3,700.00
Fire - Fire Hydrant	13,859.15	13,859.15		13,859.15
Fire - Misc.	46,444.51	47,809.29		47,809.29
Prosecutor	300.00	300.00		300.00
Road Repair and Maintenance	17,070.44	30,711.44	16,180.48	14,530.96
Traffic Signal Maintenance	7,500.00	7,500.00		7,500.00
Solid Waste Collection	22,585.30	22,585.30	2,388.06	20,197.24
Buildings and Grounds	23,258.47	23,258.47	2,403.06	20,855.41
Vehicle Maintenance	25,744.56	25,744.56	9,119.35	16,625.21
Board of Health	3,024.01	3,024.01		3,024.01
Dog Regulation	1,116.85	1,116.85	550.00	566.85
Social Services - Aid to Healthcare	500.00	500.00		500.00
Recreation	1,400.00	1,400.00		1,400.00
Parks and Playgrounds	53,712.32	\$ 53,712.32		53,712.32
Beach Front Recreation Facilities	81,126.97	81,126.97	1,356.09	79,770.88
Accumulated Wages	1,000.00	1,000.00		1,000.00
Liability	2,792.00	2,792.00	(14,883.72)	17,675.72
Group Insurance for Employees	309,181.94	309,181.94		309,181.94
Workers Comp	5,793.00	5,793.00		5,793.00
Gasoline and Motor Fuels	73,220.93	73,220.93	3,119.97	70,100.96
Electricity	19,752.94	19,752.94	6,490.75	13,262.19
Telephone	9,036.26	9,036.26		9,036.26
Water	5,821.17	5,821.17	413.20	5,407.97
Natural Gas	6,531.10	6,531.10	3,904.06	2,627.04
Street Lighting	25,526.06	25,526.06	12,086.70	13,439.36
Sewerage	2,000.00	2,000.00		2,000.00
Landfill Solid Waste	3,038.82	3,038.82	1,675.00	1,363.82
Contingent	2,500.00	2,500.00		2,500.00
Social Security System (O.A.S.I.)	23,938.72	23,938.72		23,938.72
Unemployment Compensation Insurance	43,028.06	43,028.06		43,028.06
State Disability	97.72	97.72		97.72
911 System - Police Mandated				
Emergency Service	2,351.00	2,351.00		2,351.00
MoCert Tactical Team - SWAT	50.00	50.00		50.00
Reverse 911 Emergency Service	900.00	900.00	900.00	
Municipal Court	8,194.22	8,194.22	280.00	7,914.22
Public Defender	2,962.30	2,962.30		2,962.30

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED):</u>				
Police Services:				
Borough of Interlaken	\$ 4.35	\$ 4.35	\$	\$ 4.35
Borough of Loch Arbour	55,186.86	55,186.86	55,100.00	86.86
Municipal Court Services:				
Village of Loch Arbour	9,011.13	9,011.13		9,011.13
Public Works Services:				
Public Works Village of Loch Arbour	123,861.01	123,861.01	9,010.05	114,850.96
Beach Cleaning Village of Loch Arbour	11,398.25	11,398.25		11,398.25
<u>TOTAL</u>	<u>\$ 1,749,588.49</u>	<u>\$ 1,787,045.37</u>	<u>\$ 302,618.42</u>	<u>\$ 1,484,426.95</u>
<u>REF.</u>	A		A-4	A-1
Balance, December 31, 2020	A-14	\$ 1,749,588.49		
Reserve for Encumbrances	A-10	37,456.88		
		<u>\$ 1,787,045.37</u>		

"A-15"

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2020	A	\$	250.00
Increased by:			
Overpayments in 2021	A-16	\$	<u>207,454.25</u>
			<u>207,454.25</u>
		\$	<u>207,704.25</u>
Decreased by:			
Applied to 2021 Taxes	A-8	\$	207,454.25
Canceled	A-1		<u>250.00</u>
			<u><u>207,704.25</u></u>

"A-16"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2020	A	\$	1,027,852.27
Increased by:			
Collection of 2022 Taxes	A-4		<u>900,249.16</u>
		\$	<u>1,928,101.43</u>
Decreased by:			
Applied to Overpayments	A-15	\$	207,454.25
Applied to 2021 Taxes	A-8		<u>820,398.02</u>
			<u>1,027,852.27</u>
Balance, December 31, 2021	A	\$	<u><u>900,249.16</u></u>

"A-17"

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF ADDED COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance,. December 31, 2020	A	\$	192,719.40
Increased by:			
County Share of 2021 Levy:			
Added Taxes (R.S.54:4-63.1 et seq.)			
2021	A-1:A-8	\$	<u>33,866.06</u>
		\$	<u>33,866.06</u>
			226,585.46
Decreased by:			
Disbursements	A-4		<u>192,719.40</u>
Balance,. December 31, 2021	A	\$	<u><u>33,866.06</u></u>

"A-18"

SCHEDULE OF COUNTY TAXES PAYABLE

Increased by:			
2021 Levy	A-1:A-8	\$	<u>7,867,686.21</u>
Decreased by:			
Disbursements	A-4	\$	<u>7,867,686.21</u>

BOROUGH OF DEAL

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2020:			
School Tax Deferred		\$ 231,233.50	
School Tax Payable	A	<u>792,365.86</u>	
			\$ 1,023,599.36
Increased by:			
Levy-School Year July 1, 2021 to June 30, 2022	A-1;A-8		<u>2,088,141.00</u>
			<u>3,111,740.36</u>
Decreased by:			
Payments	A-4		<u>2,067,669.06</u>
Balance, December 31, 2021:			
School Tax Deferred		\$ 231,233.50	
School Tax Payable	A	<u>812,837.80</u>	
			\$ <u><u>1,044,071.30</u></u>

BOROUGH OF DEAL

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2020 (Due From)	A	\$ 128,798.25
Increased by:		
Disbursements	A-4	<u>38,871.34</u>
Balance, December 31, 2021 (Due From)	A	\$ <u><u>167,669.59</u></u>

BOROUGH OF DEAL

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2020	BUDGET APPROPRIATIONS	RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2021
Clean Communities Program	\$	\$ 6,665.49	\$	\$ 6,665.49	\$
Alcohol Education and Rehabilitation Fund		2,042.17		2,042.17	
Body Armor Grant		1,604.89	1,604.89		
Drunk Driving Enforcement Fund		17,681.62	17,681.62		
Bulletproof Vest Grant	26.01	1,299.50			1,325.51
	<u>26.01</u>	<u>29,293.67</u>	<u>19,286.51</u>	<u>8,707.66</u>	<u>1,325.51</u>
REF.	A	A-2-A-22	A-4	A-23	A

BOROUGH OF DEAL

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2020	BUDGET APPROPRIATION	EXPENDED	REFUNDED	ENCUMBRANCE PAYABLE	BALANCE DECEMBER 31, 2021
STATE GRANTS						
Recycling Tonnage Grant	\$ 14,989.65	\$		\$	\$ 3,682.00	\$ 11,307.65
Clean Communities Program	31,937.56	6,665.49	24,873.86			13,729.19
Alcohol Education and Rehabilitation Fund	7,612.05	2,042.17				9,654.22
Body Armor Grant	2,803.29	1,604.89	950.95			3,457.23
Drunk Driving Enforcement Fund	53,129.15	17,681.62	1,586.51	8,704.80	19,305.00	58,624.06
Distracted Driving Grant	5,500.00		5,500.00			
Over the Limit Under Arrest	3,204.80		3,204.80			
FEDERAL GRANTS						
Bulletproof Vest Grant	940.10	1,299.50				2,239.60
	<u>\$ 120,116.60</u>	<u>\$ 29,293.67</u>	<u>\$ 36,116.12</u>	<u>\$ 8,704.80</u>	<u>\$ 22,987.00</u>	<u>\$ 99,011.95</u>
REF.	A	A-3:A-21	A-4	A-4	A-10	A

BOROUGH OF DEAL

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED

	BALANCE DECEMBER 31, 2020	RECEIPTS	APPLIED TO REVENUE	BALANCE DECEMBER 31, 2021
Clean Communities Program	\$ 6,665.49	\$ 7,090.80	\$ 6,665.49	\$ 7,090.80
Alcohol Education and Rehabilitation Fund	2,042.17		2,042.17	
Recycling Tonnage Grant		2,277.01		2,277.01
American Rescue Plan		37,628.34		37,628.34
	<u>\$ 8,707.66</u>	<u>\$ 46,996.15</u>	<u>\$ 8,707.66</u>	<u>\$ 46,996.15</u>
REF.	A	A-4	A-21	A

BOROUGH OF DEAL

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2020	B	\$ 717.60	\$ 777,013.54
Increased by Receipts:			
Due State of New Jersey - Animal Control Reserve for:	B-5	\$ 16.80	\$
Animal Control Fund Expenditures	B-4	193.20	
Street Opening Deposits	B-6		5,600.00
Unemployment Insurance Compensation	B-7		7,772.37
Various Trust Deposits	B-3		7,720,498.57
Law Enforcement Trust Fund	B-8		27.03
		<u>210.00</u>	<u>7,733,897.97</u>
		\$ <u>927.60</u>	\$ <u>8,510,911.51</u>
Decreased by Disbursements:			
Due State of New Jersey - Animal Control Reserve For:	B-5	\$ 16.80	\$
Unemployment Insurance Compensation	B-7		898.92
Various Trust Deposits	B-3		7,147,879.49
Due Current Fund	B-2	<u>262.20</u>	<u>7,148,778.41</u>
		<u>279.00</u>	<u>7,148,778.41</u>
Balance, December 31, 2021	B	\$ <u>648.60</u>	\$ <u>1,362,133.10</u>

BOROUGH OF DEAL

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2020	B	\$ 262.20
Increased by:		
Excess Reserve of Animal Control Trust	B-4	<u>207.00</u>
		\$ 469.20
Decreased by:		
Disbursements	B-1	<u>262.20</u>
Balance, December 31, 2021	B	<u><u>\$ 207.00</u></u>

BOROUGH OF DEAL

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE DECEMBER 31, 2021</u>
	\$			
Police Outside Overtime	1,313.67	121,960.00	121,960.00	1,313.67
Police Donations	12,000.00	15,786.35	15,786.35	12,000.00
POAA	177.36	552.00	18.00	711.36
Public Defender	623.80	59.50	612.63	70.67
Snow Removal	329,395.99	17,000.00		346,395.99
Recreation	41,289.85	32,200.00	42,043.52	31,446.33
Engineering Escrow	171,043.50	51,260.00	25,670.00	196,633.50
Accumulated Leave	179,169.82	100,000.00		279,169.82
Tax Escrow	673.46	888,361.86	449,035.32	440,000.00
Payroll Trust	5,544.39	6,493,318.86	6,492,753.67	6,109.58
	\$	\$	\$	\$
	741,231.84	7,720,498.57	7,147,879.49	1,313,850.92
<u>REF.</u>	<u>B</u>	<u>B-1</u>	<u>B-1</u>	<u>B</u>

BOROUGH OF DEAL

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>	
Balance, December 31, 2020	B	\$ 455.40
Increased by:		
Receipts	B-1	193.20
		<u>\$ 648.60</u>
Decreased by:		
Excess Animal Control Reserves	B-2	207.00
Balance, December 31, 2021	B	<u><u>\$ 441.60</u></u>

DOG LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2019	\$ 220.80
2020	<u>220.80</u>
	<u><u>\$ 441.60</u></u>

BOROUGH OF DEAL

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - ANIMAL CONTROL TRUST FUND

REF.

Increased by:		
State Registration Fees Collected	B-1	\$ <u>16.80</u>
Decreased by:		
Paid to State Department of Health	B-1	\$ <u>16.80</u>

"B-6"

BOROUGH OF DEAL

TRUST FUND

SCHEDULE OF RESERVE FOR STREET OPENING DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2020	B	\$ 17,140.00
Increased by:		
Receipts	B-1	<u>5,600.00</u>
Balance, December 31, 2021	B	<u>\$ 22,740.00</u>

"B-7"

BOROUGH OF DEAL

TRUST FUND

SCHEDULE OF UNEMPLOYMENT INSURANCE COMPENSATION

	<u>REF.</u>	
Balance, December 31, 2020	B	\$ 3,930.54
Increased by:		
Receipts	B-1	<u>7,772.37</u>
		\$ <u>11,702.91</u>
Decreased by:		
Disbursements	B-1	<u>898.92</u>
Balance, December 31, 2021	B	\$ <u><u>10,803.99</u></u>

"B-8"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

Balance, December 31, 2020	B	\$ 14,711.16
Increased by:		
Receipts	B-1	<u>27.03</u>
Balance, December 31, 2021	B	\$ <u><u>14,738.19</u></u>

BOROUGH OF DEAL

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2020	C		\$ 2,469,495.19
Increased by Receipts:			
Capital Improvement Fund	C-7	\$ 1,450,000.00	
Deferred Charges to Future Taxation - Unfunded	C-6	309,567.44	
Grants Receivable	C-4	<u>251,297.35</u>	
			<u>2,010,864.79</u>
			\$ <u>4,480,359.98</u>
Decreased by Disbursements:			
Contracts Payable	C-5	\$ <u>1,798,759.16</u>	
			<u>1,798,759.16</u>
Balance, December 31, 2021	C		\$ <u><u>2,681,600.82</u></u>

"C-3"

BOROUGH OF DEAL

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

BALANCE
DECEMBER
31, 2021

Capital Improvement Fund	\$ 528,082.85
Grants Receivable	(97,452.65)
Fund Balance	525,135.54
Improvement Authorizations Funded- Listed on "C-8"	<u>1,725,835.08</u>
	<u><u>\$ 2,681,600.82</u></u>

REF.

C

BOROUGH OF DEAL

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2020	C	\$ 78,750.00
Increased by:		
Improvement Authorizations - NJDOT Grant	C-8	\$ 270,000.00
		\$ 348,750.00
Decreased by:		
Cash Receipts	C-2	251,297.35
Balance, December 31, 2021	C	\$ 97,452.65
<u>ANALYSIS OF BALANCE:</u>		
New Jersey - Department of Transportation		\$ 97,452.65
		\$ 97,452.65

BOROUGH OF DEAL

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

REF.

Increased by:		
Improvement Authorizations (net)	C-8	\$ <u>1,798,759.16</u>
Decreased by:		
Cash Disbursements	C-2	\$ <u>1,798,759.16</u>

BOROUGH OF DEAL

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>DECREASED BY:</u>	
			<u>CANCELLED</u>	<u>BUDGET</u>
1115	Improvements to the Brighton Avenue Drainage	\$ 595,000.00	\$ 285,432.56	\$ 309,567.44
		\$ 595,000.00	\$ 285,432.56	\$ 309,567.44
<u>REF.</u>	C		C-8	C-2

BOROUGH OF DEAL

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2020	C	\$ 303,082.85
Increased by:		
2021 Budget Appropriation	C-2	<u>1,450,000.00</u>
		\$ 1,753,082.85
Decreased by:		
Appropriated to Finance:		
Improvement Authorizations	C-8	<u>1,225,000.00</u>
Balance, December 31, 2021	C	<u><u>\$ 528,082.85</u></u>

BOROUGH OF DEAL

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	GENERAL IMPROVEMENTS:	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2020		2021 AUTHORIZATIONS	EXPENDED	IMPROVEMENT AUTHORIZATIONS CANCELLED	BALANCE DECEMBER 31, 2021	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
1115	Improvements to the Brighton Avenue Drainage	04/24/15	1,500,000.00	\$	\$	\$	\$	\$	\$	\$
1147	Various Improvements to Municipal Buildings	05/10/17	100,000.00	49,832.86			49,832.86	285,432.56		
1165	Various Improvements to the Deal Casino and Conover Pavilion Beach	04/11/18	150,000.00	7,927.44			5,800.00		2,127.44	
1167	Various Improvements to the Municipal Building	04/11/18	20,000.00	20,000.00			20,000.00			
1184	Various Improvements to Deal Casino	04/30/19	150,000.00	34,137.48			28,579.92		5,557.56	
1185	Purchase & Improvements to DPW Equipment	04/30/19	100,000.00	62,110.00			62,110.00			
1204	Various Improvements to Streets and Drains	02/05/20	965,000.00	468,764.54			465,829.54		2,935.00	
1205	Various Improvements to Deal Casino	02/05/20	100,000.00	100,000.00			100,000.00			
1206	Purchase & Improvements to Sanitation Equipment	02/05/20	20,000.00	13,053.40			9,543.85		3,509.55	
1207	Purchase & Improvements to Police Department	02/05/20	135,000.00	106,844.00			106,844.00			
1208	Purchase & Improvements to Fire Department	02/05/20	25,000.00	21,474.52			21,474.52			
1210	Various Improvements to Deal & Conover Beach Clubs	04/01/20	50,000.00	50,000.00			42,463.24		7,536.76	
1211	Various Improvements to DPW Equipment	04/01/20	50,000.00	50,000.00			31,995.56		18,004.44	
1212	Various Improvements to Municipal Buildings	04/01/20	750,000.00	740,450.00			310,016.53		430,433.37	
1214	Purchase & Improvements to Sanitation Equipment	04/01/20	30,000.00	30,000.00			1,748.00		28,252.00	
1215	Purchase & Improvements to Fire Department	04/01/20	75,000.00	75,000.00			30,271.16		44,728.84	
1216	Purchase & Improvements to Police Department	04/01/20	200,000.00	200,000.00			182,547.60		17,352.40	
1228	Various Improvements to Street and Drains	02/05/21	1,070,000.00			1,070,000.00	329,602.28		740,397.72	
1229	Purchase & Improvements to Police Equipment	02/05/21	100,000.00			100,000.00			100,000.00	
1232	Various Improvements to Street and Drains	04/07/21	200,000.00			200,000.00			200,000.00	
1233	Purchase & Improvements to DPW Equipment	04/07/21	100,000.00			100,000.00			100,000.00	
1234	Purchase & Improvements to Police Equipment	04/07/21	25,000.00			25,000.00			25,000.00	
				\$ 2,029,594.24	\$ 285,432.56	\$ 1,495,000.00	\$ 1,798,759.16	\$ 285,432.56	\$ 1,725,835.08	

REF.

C-C-3

C-6

C-5

C

Capital Improvement Fund

C-7

Grants Receivable

C-4

\$ 1,225,000.00

270,000.00

\$ 1,495,000.00

BOROUGH OF DEAL

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2020	D	\$ <u>2,443,073.41</u>	\$ <u>913,790.60</u>
Increased by Receipts:			
Sewer Rents Receivable	D-10	\$ 1,228,235.86	\$
Interest On Investments	D-3	6,497.04	
Interest On Rents	D-3	9,676.41	
Sewer Utility Rents Overpayments	D-11	9,543.27	
Prepaid Sewer Charges	D	8,009.79	
		\$ <u>1,261,962.37</u>	\$ <u> </u>
		\$ <u>3,705,035.78</u>	\$ <u>913,790.60</u>
Decreased by Disbursements:			
2021 Budget Appropriations	D-4	\$ 932,209.11	\$
2020 Appropriation Reserves	D-9	16,993.84	
Contracts Payable	D-18		115,557.44
		\$ <u>949,202.95</u>	\$ <u>115,557.44</u>
Balance, December 31, 2021	D	\$ <u><u>2,755,832.83</u></u>	\$ <u><u>798,233.16</u></u>

"D-6"

BOROUGH OF DEAL

SEWER UTILITY CAPITAL FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

	<u>REF.</u>		BALANCE DECEMBER <u>31, 2021</u>
Fund Balance	D-2	\$	24,328.16
Capital Improvement Fund	D-15		37,500.00
Improvement Authorizations - Funded	D-13		<u>736,405.00</u>
		\$	<u><u>798,233.16</u></u>
	<u>REF.</u>		D

BOROUGH OF DEAL

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>DESCRIPTION</u>	<u>ORDINANCE</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2020</u>	<u>COMPLETED</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2021</u>
Upgrading Sewer Lines	755	\$ 28,388.25	\$	\$ 28,388.25
Purchase of Back Hoe	814	53,500.00		53,500.00
Control of Infiltration into Woodford Road Sanitary Sewer System	813	42,000.00		42,000.00
Conversion and Construction of Sewer Pumping System	671	1,200,000.00		1,200,000.00
Improvement of Sanitary Sewerage System	710	120,000.00		120,000.00
Reconstruction & Improvement of the Sanitary Sewer Utility Lines	846	100,000.00		100,000.00
Reconstruction & Improvement of the Sewer Utility Pumping Station	847	75,000.00		75,000.00
Improvements to Poplar Brook Sanitary Sewer	864	150,000.00		150,000.00
Improvements to the Sewer Pumping Station	879	110,000.00		110,000.00
Improvements to the Sanitary Sewer System in Brighton Avenue	880	300,000.00		300,000.00
Improvements to the Sanitary Sewer System in Brighton Avenue	886	100,000.00		100,000.00
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station	992	189,431.09		189,431.09
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station	1010	76,178.19		76,178.19
Improvement of Sanitary Sewers	1054	87,347.06		87,347.06
Various Improvements to Sanitary Sewers	1064	123,237.69		123,237.69
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station	1096	29,716.49		29,716.49
Purchase of & Improvements to Sanitary Sewer Equipment	1150	18,633.00		18,633.00
Improvements to Sanitary Sewers in Poplar Ave	902		350,000.00	350,000.00
Improvements to Sanitary Sewers Pumping Station	903		100,000.00	100,000.00
Various Improvements to Sanitary Sewers	904		50,000.00	50,000.00
Improvements to Sanitary Sewers Pumping Station	921		100,000.00	100,000.00
Improvements to Sanitary Sewers	922		150,000.00	150,000.00
Improvements to Sanitary Sewers	927		150,000.00	150,000.00
Various Improvements to Sanitary Sewer Utility Pumping Station	937		250,000.00	250,000.00
Improvements to Sanitary Sewers	938		100,000.00	100,000.00
Improvements to Sanitary Sewers	953		200,000.00	200,000.00
Improvements to Sanitary Sewers	959		50,000.00	50,000.00
Improvements to Sanitary Sewers	969		200,000.00	200,000.00
Various Improvements to Sanitary Sewer Utility Pumping Station	970		150,000.00	150,000.00
Improvements to Sanitary Sewers	991		200,000.00	200,000.00
Improvements to Sanitary Sewers	1009		150,000.00	150,000.00
Purchase of Sewer Utility Vehicle	1011		50,000.00	50,000.00
Improvements to Sewer Utility Vehicles	1055		50,000.00	50,000.00
Purchase of Sanitary Sewer Equipment	1065		100,000.00	100,000.00
Improvements to Roosevelt Ave Sanitary Sewers Pumping Station	1071		1,000,000.00	1,000,000.00
		<u>\$ 2,803,431.77</u>	<u>\$ 3,400,000.00</u>	<u>\$ 6,203,431.77</u>
<u>REF.</u>		D	D-8	D

BOROUGH OF DEAL

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>AMOUNT</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>COMPLETED</u>	<u>BALANCE DECEMBER 31, 2021</u>
902	Improvements to Sanitary Sewers in Poplar Ave	05/14/02	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$
903	Improvements to Sanitary Sewers Pumping Station	05/14/02	100,000.00	100,000.00	100,000.00	
904	Various Improvements to Sanitary Sewers	05/14/02	50,000.00	50,000.00	50,000.00	
921	Improvements to Sanitary Sewers Pumping Station	04/08/03	100,000.00	100,000.00	100,000.00	
922	Improvements to Sanitary Sewers	04/08/03	150,000.00	150,000.00	150,000.00	
927	Improvements to Sanitary Sewers	12/23/03	150,000.00	150,000.00	150,000.00	
937	Various Improvements to Sanitary Sewer Utility Pumping Station	03/23/04	250,000.00	250,000.00	250,000.00	
938	Improvements to Sanitary Sewers	03/23/04	100,000.00	100,000.00	100,000.00	
953	Improvements to Sanitary Sewers	04/05/05	200,000.00	200,000.00	200,000.00	
959	Improvements to Sanitary Sewers	11/22/05	50,000.00	50,000.00	50,000.00	
969	Improvements to Sanitary Sewers	04/11/06	200,000.00	200,000.00	200,000.00	
970	Various Improvements to Sanitary Sewer Utility Pumping Station	04/11/06	150,000.00	150,000.00	150,000.00	
991	Improvements to Sanitary Sewers	03/28/07	200,000.00	200,000.00	200,000.00	
1009	Improvements to Sanitary Sewers	04/22/08	150,000.00	150,000.00	150,000.00	
1011	Purchase of Sewer Utility Vehicle	04/22/08	50,000.00	50,000.00	50,000.00	
1055	Improvements to Sewer Utility Vehicles	11/30/11	50,000.00	50,000.00	50,000.00	
1065	Purchase of Sanitary Sewer Equipment	05/08/12	100,000.00	100,000.00	100,000.00	
1071	Improvements to Roosevelt Ave Sanitary Sewers Pumping Station	03/01/13	1,000,000.00	1,000,000.00	1,000,000.00	
1191	Improvements to Sanitary Sewers	04/10/19	250,000.00	250,000.00		250,000.00
1192	Purchase of Sanitary Sewer Equipment	04/10/19	25,000.00	25,000.00		25,000.00
1193	Improvement to Roosevelt Ave. Pump Station	04/10/19	100,000.00	100,000.00		100,000.00
1217	Improvements to Sanitary Sewers	04/01/20	375,000.00	375,000.00		375,000.00
			<u>\$ 4,150,000.00</u>	<u>\$ 4,150,000.00</u>	<u>\$ 3,400,000.00</u>	<u>\$ 750,000.00</u>
				D	D-7	D
		<u>REF.</u>				

"D-9"

BOROUGH OF DEAL

SEWER UTILITY FUND

SCHEDULE OF 2020 APPROPRIATION RESERVES

	BALANCE DECEMBER <u>31, 2020</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
Operating:			
Salaries & Wages	\$ 24,138.36	\$ 335.19	\$ 23,803.17
Other Expenses	274,447.30	16,658.65	257,788.65
Statutory Expenditures:			
Public Employees' Retirement	5,000.00		5,000.00
Contribution to Social Security	<u>28,080.66</u>		<u>28,080.66</u>
	<u>\$ 331,666.32</u>	<u>\$ 16,993.84</u>	<u>\$ 314,672.48</u>
<u>REF.</u>	D	D-5	D-1

"D-10"

BOROUGH OF DEAL

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2020	D	\$	63,952.58
Increased by:			
Sewer Charges Levied (Net)			<u>1,223,328.37</u>
		\$	<u>1,287,280.95</u>
Decreased By:			
Receipts	D-5	\$	1,228,235.86
Prepaid applied			548.45
Overpayments applied	D-11		3,750.00
Cancelled			<u>7.40</u>
			<u>1,232,541.71</u>
Balance, December 31, 2021	D	\$	<u><u>54,739.24</u></u>

"D-11"

BOROUGH OF DEAL

SEWER UTILITY FUND

SCHEDULE OF SEWER UTILITY RENTS OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2020	D	\$ 2,049.85
Increased by:		
Receipts	D-5	<u>9,543.27</u>
		\$ <u>11,593.12</u>
Decreased by:		
Applied to Revenue	D-10	<u>3,750.00</u>
Balance, December 31, 2021	D	\$ <u><u>7,843.12</u></u>

"D-12"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2020 and December 31, 2021	D	\$ <u><u>716,913.47</u></u>
---	---	-----------------------------

BOROUGH OF DEAL

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2020		EXPENDED	BALANCE DECEMBER 31, 2021	
		DATE	AMOUNT	FUNDED	FUNDED		FUNDED	FUNDED
1191	Improvements to Sanitary Sewers	04/10/19	\$ 250,000.00	\$ 250,000.00	\$	\$	\$ 250,000.00	
1192	Purchase of Sanitary Sewer Equipment	04/10/19	25,000.00	25,000.00			25,000.00	
1193	Improvement to Roosevelt Ave. Pump Station	04/10/19	100,000.00	100,000.00	13,595.00		86,405.00	
1217	Improvements to Sanitary Sewers	04/01/20	375,000.00	375,000.00			375,000.00	
				<u>\$ 750,000.00</u>	<u>\$ 13,595.00</u>		<u>\$ 736,405.00</u>	
			<u>REF.</u>	D	D-18		D	

"D-14"

BOROUGH OF DEAL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2020	D	\$ 2,803,431.77
Increased by:		
Transfer from Deferred Amortization for Completed Projects	D-16	<u>3,400,000.00</u>
Balance, December 31, 2021	D	\$ <u><u>6,203,431.77</u></u>

"D-15"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2020 and December 31, 2021	D	\$ <u><u>37,500.00</u></u>
---	---	----------------------------

BOROUGH OF DEAL

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>DECREASED BY TRANSFERRED TO RESERVE FOR AMORTIZATION</u>	<u>BALANCE DECEMBER 31, 2021</u>
902	Improvements to Sanitary Sewers in Poplar Ave	05/14/02	\$	350,000.00	\$
903	Improvements to Sanitary Sewers Pumping Station	05/14/02		100,000.00	
904	Various Improvements to Sanitary Sewers	05/14/02		50,000.00	
921	Improvements to Sanitary Sewers Pumping Station	04/08/03		100,000.00	
922	Improvements to Sanitary Sewers	04/08/03		150,000.00	
927	Improvements to Sanitary Sewers	12/23/03		150,000.00	
937	Various Improvements to Sanitary Sewer Utility Pumping Station	03/23/04		250,000.00	
938	Improvements to Sanitary Sewers	03/23/04		100,000.00	
953	Improvements to Sanitary Sewers	04/05/05		200,000.00	
959	Improvements to Sanitary Sewers	11/22/05		50,000.00	
969	Improvements to Sanitary Sewers	04/11/06		200,000.00	
970	Various Improvements to Sanitary Sewer Utility Pumping Station	04/11/06		150,000.00	
991	Improvements to Sanitary Sewers	03/28/07		200,000.00	
1009	Improvements to Sanitary Sewers	04/22/08		150,000.00	
1011	Purchase of Sewer Utility Vehicle	04/22/08		50,000.00	
1055	Improvements to Sewer Utility Vehicles	11/30/11		50,000.00	
1065	Purchase of Sanitary Sewer Equipment	05/08/12		100,000.00	
1071	Improvements to Roosevelt Ave Sanitary Sewers Pumping Station	03/01/13		1,000,000.00	
1191	Improvements to Sanitary Sewers	04/10/19		250,000.00	250,000.00
1192	Purchase of Sanitary Sewer Equipment	04/10/19		25,000.00	25,000.00
1193	Improvement to Roosevelt Ave. Pump Station	04/10/19		100,000.00	100,000.00
1217	Improvements to Sanitary Sewers	04/01/20		375,000.00	375,000.00
			<u>\$ 4,150,000.00</u>	<u>3,400,000.00</u>	<u>\$ 750,000.00</u>
			REF.	D	D

"D-17"

BOROUGH OF DEAL

SEWER UTILITY CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

	<u>REF.</u>	
Balance, December 31, 2020	D	\$ 101,962.44
Decreased By:		
Contracts Payable	D-18	\$ <u>101,962.44</u>

BOROUGH OF DEAL

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

REF.

Increased by:			
Improvement Authorizations	D-13	\$ 13,595.00	
Various Reserves	D-17	<u>101,962.44</u>	
			\$ <u>115,557.44</u>
Decreased by:			
Disbursements	D-5		\$ <u>115,557.44</u>

BOROUGH OF DEAL

PART II

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

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

	YEAR 2021		YEAR 2020	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,535,000.00	5.78%	\$ 820,000.00	3.30%
Miscellaneous - From Other Than Local				
Property Tax Levies	6,873,237.77	25.86%	6,372,181.48	25.61%
Collection of Delinquent Taxes and				
Tax Title Liens	380,861.33	1.43%	438,429.49	1.76%
Collection of Current Tax Levy	17,790,716.13	66.93%	17,247,394.39	69.33%
<u>TOTAL INCOME</u>	<u>\$ 26,579,815.23</u>	<u>100.00%</u>	<u>\$ 24,878,005.36</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures	\$ 12,267,904.70	55.10%	\$ 12,919,894.88	55.83%
County Taxes	7,901,552.27	35.49%	8,138,484.91	35.17%
Local School Taxes	2,088,141.00	9.38%	2,047,197.00	8.85%
Other Expenditures	6,235.00	0.03%	36,403.34	0.16%
<u>TOTAL EXPENDITURES</u>	<u>\$ 22,263,832.97</u>	<u>100.00%</u>	<u>\$ 23,141,980.13</u>	<u>100.00%</u>
Excess in Revenue	\$ 4,315,982.26		\$ 1,736,025.23	
Fund Balance, January 1	9,164,628.48		8,248,603.25	
	\$ 13,480,610.74		\$ 9,984,628.48	
Less: Utilization as Anticipated Revenue	1,535,000.00		820,000.00	
Fund Balance, December 31	<u>\$ 11,945,610.74</u>		<u>\$ 9,164,628.48</u>	

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

	YEAR 2021		YEAR 2020	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 505,696.50	24.44%	\$ 455,696.50	22.94%
Collection of Sewer Fees	1,232,534.31	59.57%	1,224,479.53	61.64%
Miscellaneous From Other Than Sewer Fees	330,845.93	15.99%	306,275.93	15.42%
<u>TOTAL INCOME</u>	<u>\$ 2,069,076.74</u>	<u>100.00%</u>	<u>\$ 1,986,451.96</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Operating	\$ 1,100,650.00	68.98%	\$ 1,050,650.00	67.97%
Capital Improvements	375,000.00	23.50%	375,000.00	24.26%
Deferred Charges and Regulatory Expenditures	120,000.00	7.52%	120,000.00	7.76%
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,595,650.00</u>	<u>100.00%</u>	<u>\$ 1,545,650.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 473,426.74		\$ 440,801.96	
Fund Balance, January 1	1,391,895.32		1,406,789.86	
	<u>\$ 1,865,322.06</u>		<u>\$ 1,847,591.82</u>	
Decreased by:				
Utilized by Sewer Operating Budget	505,696.50		455,696.50	
Fund Balance, December 31	<u>\$ 1,359,625.56</u>		<u>\$ 1,391,895.32</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>0.650</u>	<u>0.714</u>	<u>0.709</u>
Apportionment of Tax Rate:			
Local Municipal	0.290	0.309	0.301
County	0.285	0.322	0.322
Local School	0.075	0.083	0.086

ASSESSED VALUATIONS:

2021	<u>\$2,770,169,530.00</u>		
2020		<u>\$2,469,689,062.00</u>	
2019			<u>\$2,328,408,887.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH</u> <u>COLLECTION</u>	<u>PERCENTAGE OF</u> <u>COLLECTIONS</u>
2021	\$18,083,340.45	\$17,790,716.13	98.38%
2020	\$18,060,455.45	\$17,247,394.39	95.50%
2019	\$16,676,784.79	\$16,168,932.11	96.95%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX</u> <u>TITLE LIENS</u>	<u>AMOUNT OF</u> <u>DELINQUENT</u> <u>TAXES</u>	<u>TOTAL</u> <u>DELINQUENT</u>	<u>PERCENTAGE</u> <u>OF TAX LEVY</u>
2021	\$3,346.23	\$245,956.52	\$249,302.75	1.38%
2020	\$3,120.03	\$384,459.70	\$387,579.73	2.15%
2019	\$2,830.86	\$454,425.61	\$457,256.47	2.74%

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2021	\$11,945,610.74	\$3,500,000.00
	2020	\$9,164,628.48	\$1,535,000.00
	2019	\$8,248,603.25	\$2,322,000.00
	2018	\$6,546,476.17	\$820,000.00
	2017	\$4,846,348.49	\$820,000.00

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Sewer Utility Operating Fund	2021	\$1,359,625.56	\$575,496.50
	2020	\$1,391,895.32	\$505,696.50
	2019	\$1,406,789.86	\$455,696.50
	2018	\$1,361,401.81	\$445,696.50
	2017	\$1,591,587.78	\$657,500.00

EQUALIZED VALUATIONS - REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2021	\$2,958,094,309.33
2020	\$2,766,722,629.67
2019	\$2,541,631,394.33

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT</u>
Samuel M. Cohen	Mayor and Commissioner	*
Morris Ades	Commissioner	*
David Simhon	Commissioner	*
Stephen R. Carasia	Borough Clerk & Administrator, Officer and Registrar of Vital Statistics	*
Thomas X. Seaman	Chief Financial Officer	*
Theresa M. Davis	Tax Collector; Treasurer; Tax Search Officer	*
Michael W. Egan	Deputy Borough Clerk	*
Erick Aguiar	Tax Assessor	*
Joseph Ciccone	Building Inspector, Construction Code Official; Fire Sub-Code Official	*
Paul Fernicola	Borough Attorney	*
Krystle Reiner	Court Administrator	*
Scott J. Basen	Borough Magistrate	*
Peter Avakian	Borough Engineer	*

All of the bonds were examined and were properly executed.

*All Employees are covered under a \$1,000,000.00 Employees Dishonesty Blanket Coverage Bond through the Municipal Excess Liability Joint Insurance Fund.

COMMENTS AND RECOMMENDATIONS

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

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

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

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$44,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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

- Improvements to Various Streets and Roads
- Purchase of Municipal Vehicles
- Beach Equipment Rental Services
- Snack Bar Operations

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

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

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

- Auditor
- Bond Counsel
- Engineering Services
- Labor Counsel
- Borough Attorney
- Legal Services
- Planning Services

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 6, 2021 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

RESOLVED, that the Collector of Taxes shall charge interest at the rate of 8 percent per annum on the first \$1,500 of the delinquency and 18 percent per annum on that amount of the delinquency as defined in N.J.S.A. 54:4-67 in excess of \$1,500 on all delinquent taxes and assessments during the year 2020 to be calculated from the date the tax was payable until the date of actual payment, and

BE IT FURTHER RESOLVED, that the Collector of Taxes shall charge interest at the rate of 8 percent per annum on the whole delinquency as defined in N.J.S.A. 54:4-67 on all delinquent assessments during the year 2020 until the date of actual payment, and

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

TYPE

Payments of 2022 Taxes	50
Payments of 2021 Taxes	50
Delinquent Taxes	25

TAX TITLE LIENS

The last tax sale was held on August 14, 2019 and was complete. There was no tax sale held in 2021 as all delinquent taxes had been paid.

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

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

STATE FISCAL YEAR	NUMBER OF LIENS
2021	1
2020	1
2019	1
2018	1
2017	1

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

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus, creating interfund balances. Reference to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out at year end.

RECOMMENDATIONS

None

