

BOROUGH OF UNION BEACH

COUNTY OF MONMOUTH

DECEMBER 31, 2019

ROBERT A. HULSART AND COMPANY
Certified Public Accountants

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

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

TABLE OF CONTENTS

	<u>Page</u>	
PART I – AUDITOR’S REPORT ON THE BOROUGH’S FINANCIAL STATEMENTS, FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS		
Independent Auditor’s Report	1 to 4.	
<u>Exhibit</u>		
<u>CURRENT FUND</u>		
A	Balance Sheet – Regulatory Basis	5 & 6.
A-1	Statement of Operations and Change in Fund Balance – Regulatory Basis	7.
A-2	Statement of Revenues – Regulatory Basis	8 & 9.
A-3	Statement of Expenditures – Regulatory Basis	10 to 16.
<u>TRUST FUND</u>		
B	Balance Sheet – Regulatory Basis	17.
<u>GENERAL CAPITAL FUND</u>		
C	Balance Sheet – Regulatory Basis	18.
C-1	Schedule of Capital Fund Balance	19.
<u>SEWER UTILITY FUND</u>		
D	Balance Sheet – Regulatory Basis	20.
D-1	Statement of Operations and Change in Fund Balance - Regulatory Basis	21.
D-2	Statement of Revenues – Regulatory Basis	22.
D-3	Statement of Expenditures – Regulatory Basis	23.
<u>PUBLIC ASSISTANCE FUND</u>		
E	Balance Sheet – Regulatory Basis	24.
<u>GENERAL FIXED ASSETS</u>		
F	Balance Sheet – Regulatory Basis	25.

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

TABLE OF CONTENTS

Notes to Financial Statements	<u>Page</u> 26 to 46.
-------------------------------	---------------------------------

PART II - SUPPLEMENTARY DATA

Supplementary Data	47 & 48.
Officials in Office and Surety Bonds	49.

CURRENT FUND

Exhibit

A-4	Schedule of Cash – Treasurer	50.
A-5	Schedule of Cash – Tax Collector	51.
A-6	Schedule of Cash – Borough Clerk	52.
A-7	Schedule of Taxes Receivable and Analysis of Property Tax Levy	53.
A-8	Schedule of Senior Citizen and Veterans Deductions Due From State of New Jersey	54.
A-9	Schedule of Demolition Liens	54.
A-10	Schedule of Tax Title Liens	54.
A-11	Schedule of Reserve for Insurance Claims	55.
A-12	Schedule of Foreclosed Property	55.
A-13	Schedule of Local District School Taxes	56.
A-14	Schedule of County Taxes Payable	56.
A-15	Schedule of Revenue Accounts Receivable	57.
A-16	Schedule of Appropriation Reserves	58.
A-17	Schedule of Reserve for Tax Appeals	59.
A-18	Federal and State Grant Fund – Schedule of Grants Receivable	60.
A-19	Federal and State Grant Fund – Schedule of Appropriation Reserves	61.
A-20	Federal and State Grant Fund – Schedule of Unappropriated Reserves	62.
A-21	Schedule of Due To/From Dog Trust Fund	63.

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
<u>TRUST FUND</u>		
B-1	Schedule of Cash – Treasurer	64.
B-2	Schedule of Reserve for Dog Fund Expenditures	65.
B-3	Schedule of Interfund – Current – Dog Trust	65.
B-4	Schedule of Reserve for Unemployment Insurance	66.
B-5	Schedule of Reserve for Performance Escrow	66.
B-6	Schedule of Reserve for Tax Title Liens	67.
B-7	Schedule of Reserve for Tax Sale Premium	67.
B-8	Schedule of Reserve for National Night Out	67.
B-9	Schedule of Reserve for Law Enforcement Trust	68.
B-10	Schedule of Special Duty Police	68.
B-11	Schedule of Reserve for Various Reserves	69.
<u>GENERAL CAPITAL FUND</u>		
C-2	Schedule of Capital Cash	70.
C-3	Analysis of Cash	71.
C-4	Deferred Charges to Future Taxation – Unfunded	72.
C-5	Schedule of Bond Anticipation Notes	73.
C-6	Schedule of Improvement Authorizations	74.
C-7	Schedule of Serial Bonds	75.
C-8	Schedule of Capital Improvement Fund	76.
C-9	Schedule of Grants Receivable	77.

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
<u>GENERAL CAPITAL FUND (Continued)</u>		
C-10	Schedule of Environmental Infrastructure Loan Payable	78.
C-11	Schedule of Interfund – Current Fund	79.
C-12	Schedule of Bonds and Notes Authorized but Not Issued	80.
C-13	Schedule of Green Acres Loan	81.
<u>SEWER UTILITY FUND</u>		
D-4	Schedule of Cash – Sewer Utility Fund	82.
D-5	Schedule of Reserve for Amortization	82.
D-6	Schedule of Sewer Rents Receivable	83.
D-7	Schedule of Appropriation Reserves	83.
D-8	Schedule of Fixed Capital	84.
D-9	Schedule of Capital Improvement Fund	84.
D-10	Schedule of U.S.D.A. Loan	85.
D-11	Schedule of Bond Anticipation Notes	86.
D-12	Schedule of Improvement Authorizations	87.
<u>PUBLIC ASSISTANCE FUND</u>		
E-1	Schedule of Public Assistance Cash and Reconciliation Per N.J.S.A. 40A:5-5	88.

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

TABLE OF CONTENTS

Page

PART III

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	89 & 90.
--	----------

PART IV

GENERAL COMMENTS	91 to 93.
FOLLOW-UP ON PRIOR YEAR FINDINGS	93.
RECOMMENDATIONS	93.
APPRECIATION	93.

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

PART I

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

FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

1.

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

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Union Beach
County of Monmouth
Union Beach, New Jersey 07735

Report on the Financial Statements

We have audited the accompanying financial statements - regulatory basis of the various funds and account groups of the Borough of Union Beach (the "Borough"), which comprise the balance sheets as of December 31, 2019 and 2018, and 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 funds for the year ended, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

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

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

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

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

As discussed in Note 1 to the financial statements, the Borough prepares statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit the LOSAP fund financial statements as a part of our audit of the Borough's financial statements. The LOSAP fund financial statements are included in the Borough's Trust Fund and represent 39% and 34% of the assets and liabilities as of December 31, 2019 and 2018, respectively, of the Borough's Trust Fund.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough, County of Monmouth, State of New Jersey, as of December 31, 2019 and 2018 or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2019 and 2018, the changes in financial position, or where applicable, its cash flows for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic consolidated financial statements.

However, in our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Borough, as of December 31, 2019 and 2018, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the consolidated statements of revenues – regulatory basis and consolidated statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2019 on the basis of accounting described in Note 1.

Other Matters

Other Information

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

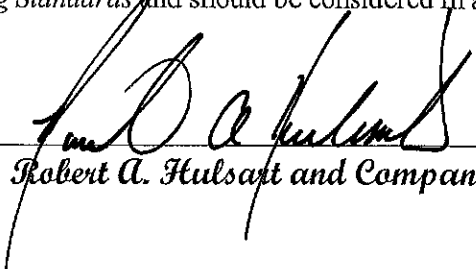
The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 18, 2020 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Robert A. Hulsart and Company

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

September 18, 2020

CURRENT FUND

**Exhibit A
Sheet 1 of 2**

BALANCE SHEET

REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2018</u>
Cash:			
Treasurer	A-4	\$ 1,427,845.52	1,007,602.28
Tax Collector	A-5	4,757,585.11	4,670,849.60
Borough Clerk	A-6		0.15
Payroll			53,865.42
Board of Health		3,041.00	
Escrow		55,522.16	55,522.16
Off Duty Police			51.40
Change Fund		50.00	50.00
		<u>6,244,043.79</u>	<u>5,787,941.01</u>
Due From State of New Jersey Veterans and Senior Citizens	A-8	<u>36,470.03</u>	<u>35,970.03</u>
Receivables With Full Reserves:			
Delinquent Taxes	A-7	370,782.02	401,740.21
Labor Liens		1,025.00	
Prepaid School Taxes	A-4	63,711.53	63,711.55
Property Acquired for Taxes	A-12	2,191,000.00	2,191,000.00
Demolition Lien	A-9	14,508.12	14,508.12
Tax Title Liens	A-10	47,854.64	31,381.76
Interfunds:			
Dog Trust	A-21	4,116.11	2,127.63
		<u>2,692,997.42</u>	<u>2,704,469.27</u>
		<u>8,973,511.24</u>	<u>8,528,380.31</u>
<u>State and Federal Grants</u>			
Interfund Current	Contra	441,557.72	1,085,086.19
Grants Receivable	A-18	101,782.06	112,782.06
		<u>543,339.78</u>	<u>1,197,868.25</u>
Total Assets		<u>\$ 9,516,851.02</u>	<u>9,726,248.56</u>

CURRENT FUND

Exhibit-A

BALANCE SHEET

Page 2 of 2

REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2018</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3	513,036.90	460,954.88
Encumbrances	A-3	57,840.48	123,398.62
Reserve For Insurance Claims	A-4	348,686.42	355,217.59
Reserve For Revaluation	A-3	90,638.00	112,258.00
Reserve for STEP Program	A-4	67,500.00	67,500.00
Due to General Capital Fund	C	1,883,472.58	603,529.07
Added Taxes Due County	A-14	20,340.31	36,352.52
Interfund - SUI	B	25,636.76	22,119.91
Due to Sewer Utility Capital Fund	D	15,721.54	585,000.00
Marriage Licenses		125.00	1,625.00
Tax Overpayments	A-10	28,574.26	19,689.64
Other Reserves - Public Works Equipment	A-4		5,382.29
Due to State of N.J. - Code Training Fees	A-4	4,696.00	
Due to State of N.J. - DCA			4,912.00
Prepaid Taxes	A-5,7	154,895.49	108,406.60
Due to Grant Fund	Contra	441,557.72	1,085,086.19
Due to Trust - Other	B	273,806.23	292,785.84
Reserve For Tax Appeals	A-17	605,033.49	545,033.49
Prepaid Revenue		5,600.00	16,800.00
Accounts Payable	A-4	409,153.18	24,153.18
Total Liabilities		<u>4,946,314.36</u>	<u>4,470,204.82</u>
Reserve for Receivables		2,692,997.42	2,704,469.27
Fund Balance	A-1	<u>1,334,199.46</u>	<u>1,353,706.22</u>
		<u>8,973,511.24</u>	<u>8,528,380.31</u>
<u>Federal and State Grant Fund</u>			
Appropriation Reserves	A-19	502,864.70	1,181,340.83
Unappropriated Reserves	A-20	40,475.08	16,527.42
		<u>543,339.78</u>	<u>1,197,868.25</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 9,516,851.02</u>	<u>9,726,248.56</u>

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

CURRENT FUND

STATEMENT OF OPERATIONS AND CHANGE

IN FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2018</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	A-2	\$ 815,000.00	740,000.00
Miscellaneous Revenue Anticipated	A-2	2,217,614.81	2,890,267.23
Receipts from Delinquent Taxes	A-2	400,648.44	295,454.28
Receipts from Current Taxes	A-2	15,328,471.03	15,062,897.42
Non-Budget Revenue	A-2	201,841.81	145,426.26
Other Credits to Income:			
Interfunds Liquidated	A	0.02	58,325.04
Appropriation Reserves Lapsed	A-16	360,562.54	280,178.68
Budget Appropriations Cancelled	A-3	1,511,433.51	1,532.20
		<u>20,835,572.16</u>	<u>19,474,081.11</u>
 <u>Expenditures</u>			
Budget Appropriations:			
inside CAP:			
Salaries and Wages	A-3	4,003,120.00	3,847,174.00
Other Expenses	A-3	3,483,600.00	3,405,800.00
Deferred Charges and Statutory Expenditures	A-3	927,534.52	855,369.88
Outside CAP:			
Other Expenses	A-3	133,735.67	923,678.17
Capital Improvements	A-3	346,000.00	363,400.00
Debt Service	A-3	1,139,151.00	941,215.00
County Taxes	A-14	1,804,665.94	1,756,433.56
Local District School Taxes	A-13	6,694,972.00	6,628,685.00
Emergency Appropriation Funded By Ordinance		1,500,000.00	
Prior Year Refund	A-4	4,286.31	14,791.72
Reserve for Prepaid School Tax			63,711.55
Interfunds Advanced	A	3,013.48	
		<u>20,040,078.92</u>	<u>18,800,258.88</u>
Excess in Revenue		795,493.24	673,822.23
Fund Balance January 1	A	1,353,706.22	1,419,883.99
		2,149,199.46	2,093,706.22
Decreased by:			
Utilized as Anticipated Revenue	A-2	815,000.00	740,000.00
Fund Balance December 31	A	<u>\$ 1,334,199.46</u>	<u>1,353,706.22</u>

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ -		-
Total Fund Balance Appropriated		815,000.00	815,000.00	
<u>Miscellaneous Revenue</u>				
Licenses:				
Alcoholic Beverages	A-15	5,000.00	5,050.00	50.00
Fees and Permits	A-15	218,000.00	175,660.40	(42,339.60)
Municipal Court	A-15	142,000.00	131,814.51	(10,185.49)
Interest and Costs on Taxes	A-15	60,000.00	81,403.58	21,403.58
Parking Meters	A-15	20,000.00	26,578.56	6,578.56
Consolidated Municipal Property Tax Relief Aid	A-15	5,298.00	5,298.00	-
Energy Receipts Tax (P.L. 1997 Chapter 162 & 167)	A-15	661,148.00	661,148.00	-
Uniform Construction Code Fees	A-15	192,500.00	236,592.00	44,092.00
Capital Surplus	A-15	39,000.00	39,000.00	-
Drunk Driving	A-18	1,740.00	1,740.00	-
Clean Communities	A-18	11,784.89	11,784.89	-
Sewer Rent Reserve	A-18	135,000.00	135,000.00	-
Utility Operating Surplus	A-18	275,000.00	275,000.00	-
Body Armor	A-18	2,046.98	2,046.98	-
Driving While Intoxicated	A-18	3,002.53	3,002.53	-
Recycling Tonnage	A-18	8,811.27	8,811.27	-
Cell Tower Rental-T Mobile	A-15	26,400.00	26,988.28	588.28
Cell Tower Rental-Verizon	A-15	31,000.00	32,019.09	1,019.09
Cell Tower A T & T Wireless	A-15	26,400.00	27,012.34	612.34
Off Duty Administration Fee	A-15	50,000.00	50,000.00	-
Cablevision Franchise Fee	A-15	41,738.00	41,738.00	-
Reserve to Pay Debt	A-15	200,000.00	200,000.00	-
Verizon Franchise Fee	A-15	37,577.38	37,577.38	-
Recycling Costs	A-15	2,500.00	2,349.00	(151.00)
Total Miscellaneous Revenue	A-1	2,195,947.05	2,217,614.81	21,667.76
Receipts from Delinquent Taxes	A-1	395,000.00	400,648.44	5,648.44
Amount to be Raised by Taxes for Support of the Municipal Budget	A-2	7,097,210.45	7,298,849.40	201,638.95
Total General Revenues		9,688,157.50	10,732,112.65	228,955.15
Miscellaneous Revenue Not Anticipated	A-1	-	201,841.81	201,841.81
Total Revenues		\$ 9,688,157.50	10,933,954.46	430,796.96

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>
<u>Allocation of Current Collections</u>			
Revenue from Collections	A-1		\$ 15,328,471.03
Less: Allocated to School and County Taxes	A-1		8,499,637.94
			<u>6,828,833.09</u>
Add: Reserve for Uncollected Taxes	A-3		470,016.31
			<u>\$ 7,298,849.40</u>
<u>Miscellaneous Revenue Not Anticipated</u>			
Police Fees	A-4	\$ 5,940.00	
Prior Year Refunds	A-4	2,950.13	
DWI Inspection Fees	A-4	3,594.50	
Gas Reimbursement	A-4	1,703.05	
Waterfront Feed	A-4	1,500.00	
Sale of Property	A-4	13,648.25	
Outside Sign Fee	A-4	20,000.00	
Interest	A-4	14,608.67	
Stale Checks	A-4	94,671.50	
Insurance Dividends	A-5	37,421.00	
Other	A-4	<u>5,804.71</u>	
Total Miscellaneous Revenue Not Anticipated	A-1		<u>\$ 201,841.81</u>

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Year Ending</u> <u>2019 Budget</u>	<u>Budget</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
General Government					
Administrative and Executive:					
Salaries and Wages - Governing Body	\$ 38,570.00	38,570.00	37,000.00	1,570.00	
Salaries and Wages - Borough Clerk's Office	150,200.00	150,200.00	147,095.76	3,104.24	
Salaries and Wages - Administrator's Office	102,000.00	102,000.00	102,000.00	-	
Other Expenses	60,000.00	60,000.00	49,876.35	10,123.65	
Office Supplies	75,000.00	75,000.00	60,251.46	14,748.54	
Contractual	20,000.00	20,000.00	9,218.49	10,781.51	
Election:					
Salaries and Wages	4,000.00	4,000.00	4,000.00	-	
Other Expenses	4,000.00	4,000.00	3,037.23	962.77	
Financial Administration:					
Salaries and Wages	55,000.00	55,000.00	54,663.96	336.04	
Other Expenses	55,000.00	55,000.00	36,061.67	18,938.33	
Audit Contract	24,000.00	24,000.00	24,000.00	-	
Assessment of Taxes:					
Salaries and Wages	22,500.00	22,500.00	19,464.00	3,036.00	
Other Expenses	3,000.00	3,000.00	1,956.04	1,043.96	
Collection of Taxes:					
Salaries and Wages	80,000.00	80,000.00	79,954.73	45.27	
Other Expenses	11,000.00	11,000.00	8,594.74	2,405.26	
Liquidation of Tax Title Liens and Foreclosed Property:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Legal Services and Costs:					
Salaries and Wages	48,500.00	48,500.00	48,442.50	57.50	
Other Expenses	135,000.00	113,350.00	73,045.44	40,304.56	
Engineering Services and Costs:					
Salaries and Wages	3,000.00	3,000.00	3,000.00	-	
Other Expenses	115,000.00	106,500.00	88,231.26	18,268.74	

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Year Ending 2019 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
General Government (Continued)					
Public Building and Grounds:					
Salaries and Wages	305,000.00	305,000.00	304,999.85	0.15	
Other Expenses	105,000.00	113,000.00	106,661.19	6,338.81	
Parks and Playgrounds:					
Other Expenses	20,500.00	20,500.00	20,500.00	-	
Zoning/Planning Costs:					
Salaries and Wages	9,850.00	9,850.00	9,836.04	13.96	
Other Expenses	110,000.00	110,000.00	95,441.82	14,558.18	
Heritage Committee:					
Other Expenses	125.00	125.00		125.00	
Borough Prosecutor:					
Salaries and Wages	33,500.00	33,500.00	33,104.98	395.02	
Other Expenses	150.00	150.00		150.00	
Public Safety					
Fire:					
Aid to Volunteer Companies	140,000.00	140,000.00	140,000.00	-	
Hydrant Service	125,000.00	125,000.00	120,000.00	5,000.00	
Alarms	19,200.00	19,200.00	3,273.36	15,926.64	
Other Equipment	1,500.00	1,500.00	1,500.00	-	
Police:					
Salaries and Wages	2,239,000.00	2,239,000.00	2,213,705.57	25,294.43	
Other Expenses	140,000.00	140,000.00	136,456.86	3,543.14	
Parking Meters	2,500.00	2,500.00	1,938.81	561.19	
Bayshore Task Force:					
Other Expenses	3,000.00	3,000.00	3,000.00	-	
Bayshore Strike Force:					
Other Expenses					
Hurricane Sandy					
Other Expenses	5,000.00	13,500.00	13,195.72	304.28	

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Year Ending 2019 Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Public Safety (Continued)					
Emergency Management Service:					
Other Expenses	8,500.00	8,500.00	7,577.02	922.98	
Life Hazard Use Fees:					
Other Expenses	150.00	150.00		150.00	
First Aid Organization:					
Contribution	42,000.00	42,000.00	42,000.00	-	
Clothing Allowance	2,000.00	2,000.00	2,000.00	-	
Other Equipment-Reporting Software	1,200.00	1,200.00	1,200.00	-	
Public Works					
Road Repairs and Maintenance:					
Salaries and Wages	348,000.00	348,000.00	298,000.00	50,000.00	
Other Expenses	65,000.00	57,000.00	55,391.99	1,608.01	
Snow Removal	10,000.00	10,000.00		10,000.00	
Garbage and Trash Removal - Contractual	202,000.00	202,000.00	197,361.79	4,638.21	
Landfill Closure Aid (P.L. - 1981 c.396) Monitoring Wells	500.00	500.00		500.00	
Landfill Charge - Taxes	293,000.00	293,000.00	277,824.30	15,175.70	
Recycling Costs:					
Salaries and Wages	81,000.00	81,000.00	80,999.90	0.10	
Other Expenses	75,000.00	75,000.00	73,777.90	1,222.10	
Health and Welfare					
Board of Health:					
Salaries and Wages	50,500.00	50,500.00	50,427.96	72.04	
Other Expenses	5,000.00	5,000.00	2,492.51	2,507.49	
Rodent Extermination and Control:					
Other Expenses	2,000.00	2,000.00	1,685.00	315.00	
Recreation and Education:					
Senior Citizens	850.00	850.00	850.00	-	
Other Expenses	20,000.00	20,000.00	20,000.00	-	
Bayshore Youth Service Bureau:					
Other Expenses	12,000.00	12,000.00	10,454.68	1,545.32	
Community Celebrations					
Other Expenses	7,500.00	7,500.00	7,145.00	355.00	
Drug Alliance Program:					
Other Expenses	3,000.00	3,000.00	3,000.00	-	

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Year Ending 2019 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Health and Welfare (Continued)</u>					
Bayshore Senior Center:					
Other Expenses	725.00	725.00		725.00	
Municipal Court:					
Salaries and Wages	85,000.00	85,000.00	82,065.64	2,934.36	
Other Expenses	11,000.00	11,000.00	10,985.51	14.49	
Public Defender (P.L. 1997, c. 256):					
Salaries and Wages	4,500.00	4,500.00	4,401.00	99.00	
Other Expenses	100.00	100.00		100.00	
Insurance					
Liability Insurance	165,000.00	165,000.00	163,543.28	1,456.72	
Flood Insurance	29,500.00	29,500.00	29,500.00		
Worker's Compensation	223,600.00	223,600.00	223,587.00	13.00	
Employee Group Insurance	755,000.00	755,000.00	700,500.56	54,499.44	
Insurance Waiver	40,000.00	40,000.00	40,000.00	-	
<u>Uniform Construction Code - Appropriations Offset by</u>					
<u>Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Uniform Construction Code:					
Salaries and Wages	284,000.00	284,000.00	250,170.34	33,829.66	
Other Expenses	10,000.00	10,000.00	7,047.86	2,952.14	
Code Enforcement:					
Salaries and Wages	59,000.00	59,000.00	58,051.45	948.55	
Other Expenses	3,000.00	3,000.00	1,383.48	1,616.52	
Unclassified:					
Electricity	135,000.00	112,000.00	101,710.06	10,289.94	
Gasoline	67,000.00	67,000.00	60,104.87	6,895.13	
Heating Gas	35,000.00	38,000.00	37,111.51	888.49	
Telephone	55,000.00	45,000.00	37,615.93	7,384.07	
Irrigation	25,000.00	25,000.00	14,462.17	10,537.83	
Accumulated Sick Leave & Vacation				-	
Shipping Cost	2,500.00	2,500.00	656.56	1,843.44	
Total Operations Within "CAPS"	7,485,220.00	7,433,570.00	7,008,593.10	424,976.90	-
Contingent					
Total Operations Within "CAPS" Including Contingent	7,486,720.00	7,435,070.00	7,008,593.10	426,476.90	-

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Year Ending 2019 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Deferred Charges and Statutory Expenditures</u>					
<u>Municipal Within "CAPS"</u>					
Deferred Charges: Dog License Trust Fund	3,145.52	3,145.52	3,145.52		
Statutory Expenditures:					
Public Employees Retirement System	196,845.00	196,845.00	196,845.00		
Social Security System (O.A.S.I.)	312,625.00	312,625.00	303,862.74	8,762.26	
Police & Firemen's Retirement System	409,919.00	409,919.00	409,919.00		
Unemployment Compensation Insurance	5,000.00	5,000.00	5,000.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>927,534.52</u>	<u>927,534.52</u>	<u>918,772.26</u>	<u>8,762.26</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>8,414,254.52</u>	<u>8,362,604.52</u>	<u>7,927,365.36</u>	<u>435,239.16</u>	<u>-</u>
<u>Operations - Excluded From "CAPS"</u>					
Aid to Free Public Library	38,000.00	38,000.00	38,000.00	-	
Police - 911 System	9,100.00	9,100.00	8,966.55	133.45	
Police - Reverse 911 System	6,100.00	6,100.00	6,010.00	90.00	
Length of Service Awards Program	48,000.00	48,000.00	34,700.00	13,300.00	
Total Other Operations Excluded from "CAPS"	<u>101,200.00</u>	<u>101,200.00</u>	<u>87,676.55</u>	<u>13,523.45</u>	<u>-</u>
<u>Shared Services Agreements</u>					
Registrant Services-Keyport Borough	5,150.00	5,150.00	5,150.00		

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Year Ending 2019 Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Public and Private Programs Offset by Revenues					
Recycling Tonnage	8,811.27	8,811.27	8,811.27	-	-
Driving While Intoxicated-Court Session	3,002.53	3,002.53	3,002.53	-	-
Clean Communities Program	11,784.89	11,784.89	11,784.89	-	-
Body Armor	2,046.98	2,046.98	2,046.98	-	-
Drunk Driving Enforcement Fund	1,740.00	1,740.00	1,740.00	-	-
Total Public and Private Programs Offset by Revenues	27,385.67	27,385.67	27,385.67	-	-
Total Operations Excluded from "CAPS"	133,735.67	133,735.67	120,212.22	13,523.45	-
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	20,000.00	71,650.00	71,650.00	-	-
License Plate Reader	15,000.00	15,000.00	-	15,000.00	-
Evidence Room Improvements	17,000.00	17,000.00	-	17,000.00	-
Surveillance Camera Replacement	10,000.00	10,000.00	-	10,000.00	-
Fire Dept. Equipment Testing	8,000.00	8,000.00	7,169.50	830.50	-
Fire Chiefs Vehicle	13,000.00	13,000.00	13,000.00	-	-
Public Works Vehicle	9,000.00	9,000.00	8,912.64	87.36	-
Road Overlay of Various Roads	16,000.00	16,000.00	10,500.00	5,500.00	-
Paving St. Johns Street	181,000.00	181,000.00	180,774.17	225.83	-
Scholar park Pavement Improvements	15,000.00	15,000.00	-	15,000.00	-
Electrical Upgrades to Parks	12,000.00	12,000.00	11,644.00	356.00	-
Scholar Park Drainage	15,000.00	15,000.00	14,900.00	100.00	-
Scholar Park Recreation Improvements	15,000.00	15,000.00	14,825.40	174.60	-
Total Capital Improvement - Excluded From "CAPS"	346,000.00	397,650.00	333,375.71	64,274.29	-
Municipal Debt Service Excluded From "CAPS"					
Payment of Bond Principals	265,000.00	265,000.00	265,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes	275,676.00	275,676.00	275,676.00	-	-
Interest on Bonds	97,120.00	97,120.00	97,120.00	-	-
Interest on Notes	213,355.00	213,355.00	211,399.15	-	1,955.85
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	117,000.00	117,000.00	108,253.28	-	8,746.72
Community Disaster Loan	135,000.00	135,000.00	135,000.00	-	-
N.J. Infrastructure Loan	36,000.00	36,000.00	35,269.06	-	730.94
Total Municipal Debt Service Excluded From "CAPS"	1,139,151.00	1,139,151.00	1,127,717.49	-	11,433.51

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Year Ending 2019 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Total General Appropriations Excluded from "CAPS"	1,618,886.67	1,670,536.67	1,581,305.42	77,797.74	11,433.51
Subtotal General Appropriation Reserve for Uncollected Taxes	10,033,141.19 470,016.31	10,033,141.19 470,016.31	9,508,670.78 470,016.31	513,036.90	11,433.51
Total General Appropriations	<u>\$ 10,503,157.50</u>	<u>10,503,157.50</u>	<u>9,978,687.09</u>	<u>513,036.90</u>	<u>11,433.51</u>

Ref.

A-1

A

A-1

Paid or Charged

Disbursed	\$ 8,800,626.14
Encumbrances	513,036.90
Deficit in Animal Control	3,145.52
Capital Improvement Fund	71,650.00
Federal and State Grant Fund	120,212.22
Reserve for Uncollected Taxes	470,016.31
	<u>\$ 9,978,687.09</u>

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

TRUST FUND

Exhibit B

BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
<u>Assets</u>			
<u>Dog License Fund</u>			
Cash	B-1	\$ 425.45	435.51
Deferred Charges - Deficit in Operations	B-2	5,090.66	3,145.52
		<u>5,516.11</u>	<u>3,581.03</u>
<u>Payroll</u>			
Cash	B-1	78,255.06	56,435.75
<u>Unemployment Trust</u>			
Cash	B-1	3,367.16	3,362.11
Interfund - Sewer Fund		5,000.00	4,000.00
Interfund - Current Fund	A	25,636.76	22,119.91
		<u>34,003.92</u>	<u>29,482.02</u>
<u>Trust - Other</u>			
Cash	B-1	573,958.53	477,196.86
Interfund - Current Fund	A	273,806.23	292,785.84
		<u>847,764.76</u>	<u>769,982.70</u>
<u>Length of Service Award Programs - Unaudited</u>			
Investments		605,093.47	451,856.23
Total Assets		<u>\$ 1,570,633.32</u>	<u>1,311,337.73</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Dog License Fund</u>			
Due to State of New Jersey		\$ -	53.40
Reserve for Dangerous Dog		1,400.00	1,400.00
Interfund - Current Fund	B-3	4,116.11	2,127.63
		<u>5,516.11</u>	<u>3,581.03</u>
<u>Payroll</u>			
Reserve for Payroll Agency		78,255.06	56,435.75
<u>Unemployment Trust</u>			
Reserve for Unemployment	B-4	34,003.92	29,482.02
		<u>34,003.92</u>	<u>29,482.02</u>
<u>Trust - Other</u>			
Reserve for Performance Escrow	B-5	159,184.09	169,917.34
Reserve for Tax Title Liens	B-6	8,453.34	8,509.42
Reserve for National Night Out	B-8	48.44	48.44
Reserve for Law Enforcement Trust	B-9	3,258.52	898.83
Reserve for Tax Premium	B-7	237,724.39	175,520.07
Reserve for Special Duty Police	B-10	126,172.59	106,395.42
Reserve for Various Reserves	B-11	312,923.39	308,693.18
		<u>847,764.76</u>	<u>769,982.70</u>
<u>Length of Service Award Programs - Unaudited</u>			
Reserve for Length of Service Award Programs		605,093.47	451,856.23
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,570,633.32</u>	<u>1,311,337.73</u>

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

GENERAL CAPITAL FUND

Exhibit C

BALANCE SHEET

REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2018</u>
<u>Assets</u>			
Cash	C-2	\$ 810,812.44	562,218.98
Grants Receivable	C-9	364,514.66	428,150.66
Due From Current Fund	C-11	1,883,472.58	603,529.07
Due From Sewer Fund			310,969.98
Deferred Charges to Future Taxation:			
Funded		3,828,102.82	4,215,651.68
Unfunded	C-4	<u>10,982,827.00</u>	<u>9,406,653.00</u>
Total Assets		<u><u>\$ 17,869,729.50</u></u>	<u><u>15,527,173.37</u></u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-7	\$ 2,899,000.00	3,164,000.00
Bond Anticipation Notes	C-5	9,900,527.00	7,474,353.00
N.J. Environmental Infrastructure Loan Payable	C-10	40,825.19	74,212.58
Capital Improvement Fund	C-8	29.70	24,529.70
Improvement Authorizations:			
Funded	C-6	1,514,750.00	500.00
Unfunded	C-6	2,400,168.90	2,731,142.96
Green Acres Loan	C-13	888,277.63	977,439.10
Green Acres Loan Payable - Cash on Hand	C-5	50,000.00	175,000.00
Reserve for Debt Service - CDL		135,000.00	
Reserve For FEMA Funds	C-3		563,642.33
Reserve for Debt Service	C-3	133.93	75,133.93
Accounts Payable		16,956.76	17,801.71
Reserve for Debt-FEMA Beachfront	C-3	23,939.05	210,296.72
Fund Balance	C-1	<u>121.34</u>	<u>39,121.34</u>
Total Liabilities, Reserves and Fund Balance		<u><u>\$ 17,869,729.50</u></u>	<u><u>15,527,173.37</u></u>

There were Bonds and Notes authorized but not issued for \$1,082,300.00 at December 31, 2019 and \$1,932,300.00 at December 31, 2018. (Exhibit C-12).

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

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL FUND BALANCE

REGULATORY BASIS

Exhibit C-1

	<u>Ref.</u>	
Balance December 31, 2018	C	\$ 39,121.34
Decreased by:		
Budgeted in Current	C-2	<u>39,000.00</u>
Balance December 31, 2019	C	<u>\$ 121.34</u>

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

SEWER UTILITY FUND

BALANCE SHEET

REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2018</u>
<u>Assets</u>			
<u>Sewer Operating</u>			
Cash - Checking	D-4	\$ 1,474,532.22	1,619,518.75
Receivables with Full Reserves:			
Sewer Rents Receivable	D-6	152,225.46	135,450.69
Total Sewer Operating		<u>1,626,757.68</u>	<u>1,754,969.44</u>
<u>Sewer Capital</u>			
Interfund - Sewer Capital	Contra	180,000.00	175,000.00
Interfund - Current		15,721.54	585,000.00
Fixed Capital Authorized Uncompleted		505,721.54	289,030.02
Fixed Capital	D-8	2,967,603.96	2,709,295.48
Total Sewer Capital		<u>3,669,047.04</u>	<u>3,758,325.50</u>
Total Assets		<u>\$ 5,295,804.72</u>	<u>5,513,294.94</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Sewer Operating</u>			
Appropriation Reserves	D-3,6	\$ 120,207.83	113,756.95
Interfund Unemployment Trust	D-4	5,000.00	4,000.00
Prepaid Sewer Rents	D-4	113,449.89	105,376.86
Accrued Interest on Notes	D-3	33,620.67	4,427.75
Reserve for Rent Reserve		89,784.70	224,784.70
Interfund - Sewer Capital	Contra	180,000.00	175,000.00
Sewer Overpayment	D-4	2,967.90	3,662.12
		<u>545,030.99</u>	<u>631,008.38</u>
Reserve for Receivables		152,225.46	135,450.69
Fund Balance	D-1	929,501.23	988,510.37
Total Sewer Operating		<u>1,626,757.68</u>	<u>1,754,969.44</u>
<u>Sewer Capital</u>			
Capital Improvement Fund	D-9	5,000.00	160,000.00
Improvement Authorization Unfunded	D-12	487,525.79	289,030.02
Improvement Authorization Funded	D-12	18,195.75	
Interfund - General Capital	C		310,969.98
Bond Anticipation Note Payable	D-11	737,500.00	812,500.00
Reserve For Deferred Amortization		160,000.00	
Reserve for Amortization	D-5	684,153.93	571,948.48
U.S.D.A. Loan Payable	D-10	1,576,671.57	1,613,877.02
Total Sewer Capital		<u>3,669,047.04</u>	<u>3,758,325.50</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 5,295,804.72</u>	<u>5,513,294.94</u>

There were Bonds and Notes on December 31, 2019 authorized but not issued for \$315,000.00 and none at December 31, 2018.

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

SEWER UTILITY FUND

Exhibit D-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2018</u>
<u>Revenue and Other Income Realized</u>			
Sewer Service Charge	D-2	\$ 1,326,536.02	1,318,892.16
Non-Budget Revenue	D-2	28,171.45	14,008.16
Other Credits to Income:			
Appropriation Reserves Cancelled	D-7	63,094.45	93,800.66
Budget Appropriations Cancelled	D-3	-	406.00
		<u>1,417,801.92</u>	<u>1,427,106.98</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating	D-3	885,000.00	905,000.00
Capital Improvements	D-3	75,000.00	134,000.00
Debt Service	D-3	237,843.00	167,578.00
Deferred Charges and Statutory Expenditures	D-3	3,000.00	3,000.00
Other		968.06	
		<u>1,201,811.06</u>	<u>1,209,578.00</u>
 Excess/(Deficit) in Revenue			
		215,990.86	217,528.98
Fund Balance January 1	D	988,510.37	1,095,981.39
		<u>1,204,501.23</u>	<u>1,313,510.37</u>
Less Anticipated in Current Budget	D-4	<u>275,000.00</u>	<u>325,000.00</u>
Fund Balance December 31	D	<u><u>\$ 929,501.23</u></u>	<u><u>988,510.37</u></u>

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

SEWER UTILITY FUND

Exhibit D-2

STATEMENT OF REVENUES

REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Rents	D-1	<u>\$ 1,200,843.00</u>	<u>1,326,536.02</u>	<u>125,693.02</u>
Total Sewer Utility Revenues		<u>1,200,843.00</u>	<u>1,326,536.02</u>	<u>125,693.02</u>
Miscellaneous Revenue Not Anticipated	D-1		<u>28,171.45</u>	<u>28,171.45</u>
Total Revenues		<u>\$ 1,200,843.00</u>	<u>1,354,707.47</u>	<u>153,864.47</u>
Interest on Delinquent Accounts	D-4		<u>\$ 28,171.45</u>	

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

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2019

REGULATORY BASIS

	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:					
Salaries and Wages	\$ 60,000.00	60,000.00	60,000.00	-	
Other Expenses	65,000.00	65,000.00	30,752.35	34,247.65	
B.S.R.S.A. - Share of Costs	760,000.00	760,000.00	744,039.82	15,960.18	
Capital Improvements					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00	-	
Capital Outlay	70,000.00	70,000.00		70,000.00	
Debt Service:					
Payment on Bond Anticipation Note	75,000.00	75,000.00	75,000.00	-	-
Interest on Notes	36,260.00	36,260.00	36,260.00	-	-
U.S.D.A.-Loan Principal	37,206.00	37,206.00	37,206.00	-	-
U.S.D.A.-Loan-Interest	89,377.00	89,377.00	89,377.00	-	-
Statutory Expenditures:					
Social Security System	2,000.00	2,000.00	2,000.00	-	-
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00	-	-
	<u>\$ 1,200,843.00</u>	<u>1,200,843.00</u>	<u>1,080,635.17</u>	<u>120,207.83</u>	<u>-</u>
Ref.			D,D-7	D	D-1
Accrued Interest			\$ 36,260.00		
Interfund Unemployment			1,000.00		
Disbursed			<u>1,043,375.17</u>		
			<u>\$1,080,635.17</u>		

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit E

PUBLIC ASSISTANCE TRUST FUNDS**BALANCE SHEET****REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
<u>Assets</u>			
Cash	E-1	\$ 9,594.31	9,579.95
<u>Liabilities</u>			
Reserve For:			
Public Assistance I		\$ 9,594.31	9,579.95

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

GENERAL FIXED ASSETS

Exhibit F

BALANCE SHEET - REGULATORY BASIS

	Balance Dec. 31, 2019	Balance Dec. 31, 2018
<u>Assets</u>		
Land	\$ 11,747,200.00	11,747,200.00
Building and Building Improvements	1,383,180.00	1,383,180.00
Machinery and Equipment	1,120,346.31	1,013,599.91
Total Assets	<u>\$ 14,250,726.31</u>	<u>14,143,979.91</u>
<u>Liabilities</u>		
Reserve for Fixed Assets	<u>\$ 14,250,726.31</u>	<u>14,143,979.91</u>

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

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2019****NOTE 1: Summary of Significant Accounting Policies****A. Reporting Entity**

Except as noted below, the financial statements of the Borough of Union Beach, County of Monmouth, New Jersey (the “Borough”), include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Union Beach as required by N.J.S. 40A:5-5.

B. Description of Funds

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

The accounting policies of the Borough 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 (the “Division”). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds, which differs from the fund structure required by generally accepted accounting principles:

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

Dog Trust Fund – dog license revenues and expenditures.

Trust Other Funds – sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

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

Sewer Operating Fund – revenue and expenditures necessary to operate a municipally owned sewer supply system from user fees. The Borough only has a sewer system.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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 (GAAP) applicable to local government units. The more significant policies in New Jersey follow.

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

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

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

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

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

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

Deferred Charges – the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2019 is set forth in Note 7.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences – expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation. (See Note 4).

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

Interfunds – advances from the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

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

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)**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 which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

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

F. Reporting Entity

GASB Statement 14 establishes criteria to be used to determine component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Borough to be reported separately.

NOTE 2: Cash and Cash Equivalents**A. Deposits**

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The carrying amount of the Borough's deposits at year-end was \$9,750,387.51. Of this amount \$750,000.00 was covered by Federal depository insurance and the remaining \$9,000,387.51 was covered by a collateral pool maintained by the banks as required by New Jersey statute.

NOTE 2: Cash and Cash Equivalents (Continued)**B. Investments**

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

- 1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
 - 2) Government money market mutual funds.
 - 3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
 - 4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
 - 5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
 - 6) Municipal investment pools.
 - 7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281; or
 - 8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.
- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Borough had no investments in qualified securities at December 31, 2019.

NOTE 2: Cash and Cash Equivalents (Continued)**C. Cash Management Plan**

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

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

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

D. Credit Risk Categories

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Insured:		
FDIC	\$ 750,000.00	250,000.00
GUDPA	<u>9,000,387.51</u>	<u>8,771,059.50</u>
	<u>\$ 9,750,387.51</u>	<u>9,021,059.50</u>

Custodial Credit Risk – Deposits

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

State law limits investments as noted above.

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

NOTE 3: Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal and utility capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note, a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid of the notes are to be renewed beyond the fourth anniversary date of the original issuance. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

Long-Term Debt**General Capital Fund Bonds**

Variable Rate General Improvement Bonds (2% to 4%) Issued July 1, 2011 through July 1, 2027	\$ 1,260,000.00
2% to 3% General Improvement Bonds Issued February 15, 2015 through February 15, 2030	<u>1,639,000.00</u>
	<u>\$ 2,899,000.00</u>

Sewer Utility Fund

U.S.D.A. Loan Interest Rate 4.75% Issued July 17, 2002 Through July 17, 2043	<u>\$ 1,576,671.57</u>
---	------------------------

The debt principal and interest requirements for the long term debt during the next five fiscal years are as follows:

Green Acres Loans

<u>Year Ending</u> <u>December 31</u>	<u>General Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 88,231.37	17,326.58
2021	90,004.82	15,553.15
2022	91,813.92	13,744.04
2023	93,659.35	11,898.57
2024	92,497.31	10,674.83
Remaining	<u>432,070.86</u>	<u>32,214.56</u>
	<u>\$ 888,277.63</u>	<u>101,411.73</u>

NOTE 3: Debt (Continued)**2014 General Improvements**

<u>Year Ending December 31</u>	<u>General Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 265,000.00	89,420.00
2021	275,000.00	81,620.00
2022	285,000.00	73,620.00
2023	295,000.00	65,520.00
2024	325,000.00	56,220.00
2025-2029	1,255,000.00	123,200.00
2030	<u>199,000.00</u>	<u>2,985.00</u>
	<u>\$ 2,899,000.00</u>	<u>492,585.00</u>

<u>Year Ending December 31</u>	<u>N.J. Environmental Infrastructure Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2020	<u>\$ 40,825.19</u>	<u>2,127.99</u>

<u>Year Ending December 31</u>	<u>Sewer Utility Fund – U.S.D.A. Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 38,993.70	74,400.30
2021	40,867.89	72,526.11
2022	42,832.17	70,561.83
2023	44,890.86	68,503.14
2024	47,048.50	66,345.50
2025-2029	271,416.22	295,553.74
2030-2034	343,937.33	223,748.07
2035-2039	434,024.43	132,945.57
2040-2042	<u>312,660.47</u>	<u>26,435.38</u>
	<u>\$ 1,576,671.57</u>	<u>1,031,019.64</u>

NOTE 4: Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The Borough has a potential liability of \$737,241.90 at December 31, 2019. Of this amount, \$85,989.44 has been reserved as of December 31, 2019. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 5: Fund Balances Appropriated

The fund balance at December 31, 2019 which was appropriated and included as anticipated revenue in the year ending December 31, 2020 as follows:

Current Fund:	
Fund Balance	\$ 877,000.00

NOTE 6: Assessment and Collections of Property Taxes

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

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

NOTE 7: Deferred Charges to Future Taxation Funded and Unfunded

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

NOTE 8: Pensions**A. Plan Description**

Employees of the Borough are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employee's Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey, which are administered by the New Jersey Division of Pensions and Benefits. These plans provide retirement, disability, annual cost of living adjustments and death benefits to plan members. Each plan has a Board of Trustees that implement benefit provisions which are established and amended by State statute. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained in writing to:

NOTE 8: Pensions (Continued)**A. Plan Description (Continued)**

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, NJ 08625-0295

As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L.1994, plan members enrolled in the Public Employees' Retirement System are required to contribute 5.5% of their annual covered salary. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement Systems are required to contribute 10% of their annual covered salary. Contributions during the last three years for the plans are as follows from the Borough.

	<u>PERS</u>	<u>PFRS</u>
2019	\$ 196,845.00	409,919.00
2018	205,233.88	336,512.00
2017	168,492.00	281,724.00

NOTE 9: Pension Obligations**A. Public Employee's Retirement System (PERS)**

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

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

The following represents the membership tiers for PERS:

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

NOTE 9: Pension Obligations (Continued)

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

Contributions – The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State’s pension contribution is based on an actuarially determined amount which includes the employer’s portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State’s pension contribution was less than the actuarial determined amount. The local employer’s contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$196,845 for 2019.

Components of Net Pension Liability – At December 31, 2019, the Borough reported a liability of \$3,465,116 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The Borough’s proportion of the net pension liability was based on the Borough’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2019. The Borough’s proportion measured as of June 30, 2019, was .01910%, which was an increase of .00116% from its proportion measured as of June 30, 2018.

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
	July 1, 2019	July 1, 2018
Actuarial Valuation Date		
Net Pension Liability	\$ 3,465,116	3,531,761
District’s Portion of the Plan’s Total Net Pension Liability	0.01910%	0.01794%

For the year ended December 31, 2019, the Borough had an allocated pension expense of \$160,649.

NOTE 9: Pension Obligations (Continued)

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

	<u>PERS</u>
Measurement Date	June 30, 2019
Actuarial Valuation Date	July 1, 2018
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00%
	Based on Years of Service
Thereafter	3.00 – 7.00%
	Based on Years of Service
Inflation Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value 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-2019.

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

NOTE 9: Pension Obligations (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on 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. 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 will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 9: Pension Obligations (Continued)**Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower (5.28%) or 1 percentage point higher (7.28%) than the current rate:

	<u>Decrease (5.28%)</u>	<u>Discount Rate (6.28%)</u>	<u>Increase (7.28%)</u>
Borough's Proportionate Share Of Net Pension Liability	\$ 4,377,005	3,465,116	2,696,721

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

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

The vesting and benefit provisions are set by *N.J.S.A. 43:16A*. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

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

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

NOTE 9: Pension Obligations (Continued)

Contributions – The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For fiscal year 2019, the State contributed an amount less than the actuarially determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability by employer for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Components of Net Pension Liability – At December 31, 2019, the Borough reported a liability of \$5,199,268 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Borough's proportion measured as of December 31, 2019, was .03669%, which was an increase of .00090% from its proportion measured as of December 31, 2018.

NOTE 9: Pension Obligations (Continued)**Collective Balances at December 31, 2019 and December 31, 2018**

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
	July 1, 2019	July 1, 2018
Actuarial Valuation Date		
Net Pension Liability	\$ 5,199,268	5,500,717
District's Portion of the Plan's Total Net Pension Liability	0.03669%	0.03579%

For the year ended December 31, 2019, the Borough had an allocated pension expense of \$464,497.

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

	<u>PFRS</u>
Measurement Date	June 30, 2019
Actuarial Valuation Date	July 1, 2018
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25 - 15.25%
	Based on Years of Service
Inflation Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

NOTE 9: Pension Obligations (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on 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. 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 9: Pension Obligations (Continued)**Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower (5.85%) or 1 percentage point higher (7.85%) than the current rate:

	<u>Decrease (5.85%)</u>	<u>Discount Rate (6.85%)</u>	<u>Increase (7.85%)</u>
Borough's Proportionate Share Of Net Pension Liability	\$ 7,027,516	5,199,268	3,686,130

C. Defined Contributions Retirement Program

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

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

As of December 31, 2019, the Borough did not have any employees participating in the Defined Contribution Retirement Program.

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

NOTE 10. Other Post Employment Benefits (OPEB)

In addition to the pension described in Note 9, the Borough does not provide post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan; however, it does have a special funding situation.

Special Funding Situation

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

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

The Borough, as of December 31, 2019, has 27 members under the Special Funding Situation. The State proportionate share of the net OPEB liability attributed to the Borough is \$5,004,533.

NOTE 11: Sewer Utility

The Borough in fiscal year 2002, established a self liquidating sewer utility fund. This was an agreement with the federal government to fund the rehabilitation of the Borough’s sewer system.

NOTE 12: Interfunds Receivable and Payable

The following interfund balances remained on the balance sheet at December 31, 2019:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 4,116.11	2,640,194.83
Trust – Unemployment	30,636.76	
Trust - Other	273,806.23	
Trust – Dog		4,116.11
General Capital	1,883,472.58	
Grant Fund	441,557.72	
Sewer - Operating		185,000.00
Sewer - Capital	<u>195,721.54</u>	
Total	<u>\$ 2,829,310.94</u>	<u>2,829,310.94</u>

Fees collected of expenses paid from one fund due another.

NOTE 12: Interfunds Receivable and Payable (Continued)**Interfund Explanations**

The interfund between Current and Trust – Dog is for expenses paid out of Current which belong to Trust – Dog.

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

The interfund between the General Capital and current Fund is for funding an ordinance.

The interfund between the General Capital and Sewer Capital is for funding an ordinance.

The interfund between Current and Trust – Other is for funds received in Current for the Trust.

The interfund between Current and Trust – Unemployment is for funds received in current for the Trust.

The interfund between Current and Sewer-Operating is for funds received in Current for Sewer-Operating.

The interfund between Sewer-Operating and Trust – Unemployment is for budget appropriation due Unemployment.

The interfund between Sewer-Operating and Sewer-Capital is for Capital Improvement Fund Budget Appropriation.

It is anticipated that all interfunds will be liquidated in 2020.

NOTE 13: Length of Service Award Program

On November 4, 2003 the voters of the Borough approved the creation of a Length of Service Award Program (“LOSAP”). Subsequently, the Division approved the Borough’s LOSAP plan, provided by Lincoln Financial Group. The purpose of this program is to enhance the Borough’s ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The program shall provide for a fixed annual contribution of \$800 for the fire company and the first aid squad to each eligible volunteer who accumulates a minimum of 80 service points based on criteria established by Borough Ordinance No. 2003-32. The Borough’s contribution shall be included in the current year’s budget.

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

NOTE 13: Length of Service Award Program (Continued)

The Borough's estimated contribution for the year ended December 31, 2020 is \$48,000.00. We did review the plan for the year ended December 31, 2019 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement of Standards for Accounting and Review Services in conjunction with the Annual audit of the Borough's financial statements.

At December 31, 2019, the value of the plan is \$605,093.47.

NOTE 14: Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years.

	Balance <u>Dec. 31, 2018</u>	Amount Resulting <u>From 2019</u>	2019 <u>Budget</u>	Balance <u>Dec. 31, 2019</u>
Dog Trust:				
Deficit in Dog Fund	<u>\$ 3,145.52</u>	<u>5,090.66</u>	<u>3,145.52</u>	<u>5,090.66</u>

NOTE 15: Contingencies

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

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

NOTE 16: Subsequent Events**COVID-19**

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

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

PART II

SUPPLEMENTARY DATA

FOR THE YEAR ENDED DECEMBER 31, 2019

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>% of Collection</u>
2019	\$ 15,776,264.91	15,328,471.03	97.54%
2018	15,493,358.48	15,062,897.42	97.22%
2017	15,148,793.62	14,839,479.16	97.95%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year Ended</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2019	\$ 47,854.64	370,782.02	418,636.66	2.65%
2018	31,381.76	401,740.21	433,121.97	2.79%
2017	5,045.20	308,189.68	313,234.88	2.07%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2019	\$ 2,191,000.00
2018	2,191,000.00
2017	2,191,000.00

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

Cash Receipts Form Fees, Rents or Other Charges for the Year		\$1,354,707.47
Deductions:		
Operating and Maintenance Cost	\$ 888,000.00	
Debt Service Per Water-Sewer Account	237,843.00	
Total Deductions		<u>1,125,843.00</u>
Excess in Revenues		<u>\$ 228,864.47</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties were acquired in 2019 by foreclosure as a result of liquidation tax title liens.

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2019	\$ 1,343,310.79	1,326,536.02
2018	1,293,127.94	1,318,892.16
2017	1,383,976.38	1,408,687.73

COMPARATIVE SCHEDULE OF FUND BALANCES**Current Fund**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2019	\$ 1,334,199.46	877,000.00
2018	1,353,706.22	815,000.00
2017	1,419,883.99	740,000.00

Water-Sewer Fund

<u>Year</u>		
2019	\$ 929,501.23	None
2018	988,510.37	None
2017	1,095,981.39	None

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**LIST OF OFFICIALS AND SURETY BOND COVERAGE****DECEMBER 31, 2019**

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

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Paul J. Smith, Jr.	Mayor	
Albin J. Wicki	Councilman - President	
Louis Andreuzzi	Councilman	
Charles W. Cocuzza	Councilman	
Cherlanne Roche	Councilwoman	
Anthony Cavallo	Councilman	
Albert Lewandowski	Councilman	
Anne Marie Friscia	Borough Clerk	
Robert M Howard Jr.	Administrator	
Desiree Durkin	Tax Collector	\$ 1,000,000.00
Joseph Faccone	Chief Financial Officer	1,000,000.00
Michael Pugliese	Municipal Court Judge	50,000.00
Sharon Devaney	Municipal Court Administrator	50,000.00
Edward G. Broberg	Engineer	
John T. Lane, Jr.	Attorney	

All surety bonds are in accordance with state statutes.

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2018	A		\$ 1,007,602.28
Increased by:			
Tax Collector	A-5	15,641,661.45	
Borough Clerk	A-6	0.15	
State of New Jersey Veterans and Senior Citizens	A-8	40,444.53	
Revenue Accounts Receivable	A-15	2,190,229.14	
Federal and State Grants Receivable	A-18	38,385.67	
Federal and State Grants Unappropriated	A-20	40,475.08	
Miscellaneous Revenue Not Anticipated	A-2	201,841.81	
State Construction Fees	A	15,769.00	
Marriage Licenses	A	925.00	
Tax Appeals		60,000.00	
Tax Overpayments	A	8,884.62	
Interfunds:			
Dog Trust	A	11,165.52	
Trust	A	70,030.47	
Capital	A	1,354,278.46	
Sewer Capital	A	<u>569,278.46</u>	
			<u>20,243,369.36</u>
			21,250,971.64
Decreased by:			
Budget Appropriations	A-3	8,800,626.14	
Appropriation Reserves		223,690.96	
Federal and State Grants	A-3	223,790.96	
Local District School Taxes	A-19	1,820,678.15	
County Taxes Payable	A-13	6,694,972.00	
State Construction Fees	A-14	33,404.59	
Marriage Licenses	A	15,985.00	
Various Reserves	A	2,425.00	
Accounts Payable	A	390,000.00	
Interfunds:			
Trust	B	27,002.79	
Dog Trust	B	13,154.00	
Grants	A	32,071.25	
Capital	A	<u>1,545,305.28</u>	
			<u>19,823,106.12</u>
Balance December 31, 2019	A		<u>\$ 1,427,865.52</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTHCURRENT FUND

Exhibit A-5

SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>		
Balance December 31, 2018	A		\$ 4,670,849.60
Increased by:			
2019 Taxes Receivable	A-7	\$ 15,096,468.01	
2018 Taxes Receivable	A-7	399,037.88	
Prepaid Taxes	A	154,895.49	
Interest and Costs on Taxes	A-15	55,704.52	
Advertising Fees	A-2	12,868.98	
Miscellaneous		8,572.08	
Duplicate Bills		<u>850.00</u>	
			<u>15,728,396.96</u>
			20,399,246.56
Decreased by:			
Paid to Treasurer	A-4		<u>15,641,661.45</u>
Balance December 31, 2019	A		<u>\$ 4,757,585.11</u>

CURRENT FUND

Exhibit A-6

SCHEDULE OF CASH - BOROUGH CLERK

	<u>Ref.</u>		
Balance December 31, 2018	A	\$	0.15
Decreased by:			
Payments to Treasurer	A-4	\$	<u>0.15</u>

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2018	Tax Levy	2018	Cash 2019	Veterans and Senior Citizens Deductions	Transferred To Liens	Cancelled	Balance Dec. 31, 2019
Prior Years	\$ 401,740.21			399,037.88			2,702.33	
2019		15,776,264.91	108,406.60	15,239,119.90	40,944.53	13,143.44	3,868.42	370,782.02
	<u>\$ 401,740.21</u>	<u>15,776,264.91</u>	<u>108,406.60</u>	<u>15,638,157.78</u>	<u>40,944.53</u>	<u>13,143.44</u>	<u>3,868.42</u>	<u>370,782.02</u>
Ref.	A		A	A-4,5	A-8	A		A
Analysis of Property Tax Levy								
General Year Tax Levy				\$ 15,599,830.62				
Added and Omitted Taxes				<u>176,434.29</u>				
					<u>\$ 15,776,264.91</u>			
Tax Levy					\$ 6,694,972.00			
Local District School Tax			A-14					
General County Tax				1,478,180.93				
County Library Tax				105,742.56				
County Health Tax				29,769.99				
Open Space Preservation				170,632.15				
Added Taxes Due County			A-15	<u>20,340.31</u>	1,804,665.94			
Amount to be Raised in Support of Municipal Budget			A-2	7,097,220.45				
Added Taxes				<u>179,406.52</u>	<u>7,276,626.97</u>			
					<u>\$ 15,776,264.91</u>			

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTHCURRENT FUND

Exhibit A-8

SCHEDULE OF SENIOR CITIZEN AND VETERANSDEDUCTIONS DUE FROM STATE OF NEW JERSEY

Balance December 31, 2018	<u>Ref.</u> A		\$ 35,970.03
Increased by:			
Veterans Per Tax Billings		\$ 35,500.00	
Senior Citizens Per Tax Billings		8,000.00	
Veterens Deductions Allowed by Tax Collector		<u>750.00</u>	
	A-7		<u>44,250.00</u>
			80,220.03
Decreased by:			
Deductions Disallowed by Tax Collector		3,305.47	
Received from State	A-4	<u>40,444.53</u>	
			<u>43,750.00</u>
Balance December 31, 2019	A		<u>\$ 36,470.03</u>

SCHEDULE OF DEMOLITION LIENS

Exhibit A-9

Balance December 31, 2019 and 2018	<u>Ref.</u> A		<u>\$ 14,508.12</u>
------------------------------------	------------------	--	---------------------

SCHEDULE OF TAX TITLE LIENS

Exhibit A-10

Balance December 31, 2018	<u>Ref.</u>		\$ 31,381.76
Transferred from Property Taxes:			
Prior Years Adjustment		\$ 4,940.00	
2019 Tax Year	A-7	<u>13,143.44</u>	
			<u>18,083.44</u>
			49,465.20
Decreased by:			
Receipts			<u>1,610.56</u>
Balance December 31, 2019	A		<u>\$ 47,854.64</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-11

SCHEDULE OF RESERVE FOR INSURANCE CLAIMS

Balance December 31, 2018	<u>Ref.</u> A	\$ 355,217.59
Decreased by:		
Claims Paid		<u>6,531.17</u>
Balance December 31, 2019	A	<u><u>\$ 348,686.42</u></u>

SCHEDULE OF FORECLOSED PROPERTY

Exhibit A-12

Balance December 31, 2018 and 2019	<u>Ref.</u> A	<u><u>\$ 2,191,000.00</u></u>
------------------------------------	------------------	-------------------------------

CURRENT FUND

Exhibit A-13

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES

	<u>Ref.</u>	
Levy School Year: January 1, 2019 to Dec. 31, 2019	A-1	<u>\$ 6,694,972.00</u>
Decreased by: Paid	A-4	<u>\$ 6,694,972.00</u>

SCHEDULE OF COUNTY TAXES PAYABLE

Exhibit A-14

	<u>Ref.</u>	
Balance December 31, 2018	A	\$ 36,352.52
County Tax Levy:		
General County		\$ 1,478,180.93
County Library		105,742.56
County Health		29,769.99
County Open Space Preservation		170,632.15
Due County for Added Taxes		<u>20,340.31</u>
	A-1	<u>1,804,665.94</u>
		1,841,018.46
Decreased by:		
Paid	A-4	<u>1,820,678.15</u>
Balance Due December 31, 2019	A	<u>\$ 20,340.31</u>

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Accrued</u>	<u>Receipts</u>
Licenses:			
Alcoholic Beverages	A-2	\$ 5,050.00	5,050.00
Fees and Permits	A-2	175,660.40	175,660.40
Water Sewer Operating Surplus	A-2	275,000.00	275,000.00
Municipal Court	A-2	131,814.51	131,814.51
Interest and Costs on Taxes	A-2	81,403.58	81,403.58
Energy Receipts Tax	A-2	661,148.00	661,148.00
Consolidated Municipal Property Tax Relief Aid	A-2	5,298.00	5,298.00
Uniform Construction Code Fees	A-2	236,592.00	236,592.00
Cablevision	A-2	41,738.00	41,738.00
General Capital Surplus	C	39,000.00	39,000.00
Off Duty Administrative Fee	A-2	50,000.00	50,000.00
Reserve to Pay Debt	A-2	200,000.00	200,000.00
Sewer Rent Reserve	D	135,000.00	135,000.00
Verizon Franchise Fee	A-2	37,577.38	37,577.38
AT&T Wireless	A-2	27,012.34	27,012.34
Recycling Costs	A-2	2,349.00	2,349.00
Parking Meters	A-2	26,578.56	26,578.56
Verizon-Cell Tower	A-2	32,019.09	32,019.09
T-Mobile	A-2	26,988.28	26,988.28
Total Revenue		<u>\$2,190,229.14</u>	<u>2,190,229.14</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-16

SCHEDULE OF APPROPRIATION RESERVES

Balance December 31, 2018	<u>Ref.</u> A		\$ 584,353.50
Decreased by:			
Disbursed	A-4	\$ 223,790.96	
Balance Lapsed	A-1	<u>360,562.54</u>	
			<u>\$ 584,353.50</u>

CURRENT FUND

Exhibit A-17

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>Ref.</u>	
Balance December 31, 2018	A	\$ 545,033.49
Increased by:		
Additional Reserve		<u>60,000.00</u>
Balance December 31, 2019	A	<u>\$ 605,043.99</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-18

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>Purpose</u>	<u>Balance</u>	<u>Budget</u>	<u>Balance</u>
	<u>Dec. 31, 2018</u>	<u>Revenue Realized</u>	<u>Dec. 31, 2019</u>
Bayshore Saturation Patrol	\$ 11,000.00	11,000.00	-
DCA Zoning Grant-Phase II	10,332.03		10,332.03
DCA Zoning Grant-Phase I	8,303.59		8,303.59
Driving While Intoxicated-Court Session		3,002.53	
Police Body Armor		2,046.98	
Clean Communities		11,784.89	
Drunk Driving Enforcement Fund		1,740.00	
Recycling Tonnage		8,811.27	
Post Sandy Planning Grant Phase II	13,146.44		13,146.44
Post Sandy Planning Grant-Phase III	20,000.00		20,000.00
Post Sandy Planning Grant Phase IV	50,000.00		50,000.00
	<u>\$ 112,782.06</u>	<u>27,385.67</u>	<u>101,782.06</u>
Ref.	A	A-3	A
		A-4	

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-19

FEDERAL AND STATE GRANT FUND

SCHEDULE OF APPROPRIATION RESERVES

<u>Grant</u>	<u>Balance Dec. 31, 2018</u>	<u>Transfer From Budget</u>	<u>Cancelled</u>	<u>Expended</u>	<u>Balance Dec. 31, 2019</u>
Clean Communities	\$ 34,244.14	11,784.89		7,976.77	38,052.26
Click it or Ticket	4,680.00			4,680.00	-
Police Body Armor	8,058.32	2,046.98		2,800.00	7,305.30
Federal Beachfront Grant	303,399.75				303,399.75
Alcohol Education and Rehabilitation	6,390.66				6,390.66
Recycling Tonnage	8,269.04	8,811.27		2,202.82	14,877.49
Jewish Foundation of New Jersey	2,155.68				2,155.68
Drunk Driving Enforcement Fund	19,159.15	1,740.00	(494.35)		20,404.80
Post Sandy Planning Grant	270.12				270.12
FEMA-Acquisition of Easements	672,457.21		(672,457.21)		
Drive Sober or Get Pulled Over	1,480.00				1,480.00
Driving While Intoxicated	2,200.00		(2,200.00)		
Rotary Foundation District 7500	31,780.00				31,780.00
Bayshore Saturation - Beach Patrol	13,500.00			13,500.00	
DWI - Court Sessions	189.06	3,002.53	2,694.35	900.00	4,985.94
Cops in Shops	3,780.00			1,345.00	2,435.00
Post Sandy Planning Grant-Phase III	19,526.26				19,526.26
Post Sandy Planning Grant-Phase IV	48,701.44				48,701.44
Distracted Driver	1,100.00				1,100.00
	<u>\$ 1,181,340.83</u>	<u>27,385.67</u>	<u>(672,457.21)</u>	<u>33,404.59</u>	<u>502,864.70</u>

Ref.

A

A-18

A-4

A

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-20

FEDERAL AND STATE GRANT FUND

SCHEDULE OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Transferred To</u> <u>Budget</u> <u>Appropriations</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
DWI Court Sessions	\$ 3,002.53	3,002.53	2,571.99	2,571.99
Recycling Tonnage	1,740.00	1,740.00	8,811.27	8,811.27
Driving While Intoxicated	11,784.89	11,784.89	15,938.46	15,938.46
Clean Communities			13,153.36	13,153.36
	<u>\$ 16,527.42</u>	<u>16,527.42</u>	<u>40,475.08</u>	<u>40,475.08</u>

Ref.

A

A-18

A-4

A

CURRENT FUND

Exhibit A-21

SCHEDULE OF DUE TO/FROM DOG TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2018 Due From	A	\$ 2,127.63
Increased by:		
Funds Disbursed	A-3	<u>1,988.48</u>
Balance December 31, 2019 Due From	A	<u><u>\$ 4,116.11</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

TRUST FUND

Exhibit B-1

SCHEDULE OF CASH - TREASURER

	Ref.	State Unemployment Insurance	Dog Fund	Payroll Account	Trust Other	Total
Balance December 31, 2018	B	\$ 3,362.11	435.51	56,435.75	477,196.86	537,430.23
Increased by Receipts:						
Dog Licenses Fees	B, B-2		9,399.16			9,399.16
Interest	B-4	5.05				5.05
Payroll/Agency	B			21,819.31		21,819.31
Interfund - Current	A				18,979.61	18,979.61
Tax Title Liens	B-6				399,737.77	399,737.77
Performance Escrow	B-5				15,833.41	15,833.41
Various Reserves	B-11				15,440.96	15,440.96
Law Enforcement	B-9				2,359.69	2,359.69
Special Duty Police	B-10				365,965.89	365,965.89
Tax Premium	B-7				446,345.44	446,345.44
Total Receipts		5.05	9,399.16	21,819.31	1,264,662.77	1,295,886.29
Total Receipts and Balances		3,367.16	9,834.67	78,255.06	1,741,859.63	1,833,316.52
Decreased by Disbursements:						
Dog Licenses Fees	B		9,409.22			9,409.22
Performance Escrow	B-5				26,566.66	26,566.66
Tax Title Lien	B-6				399,793.85	399,793.85
Various Reserves	B-11				11,210.75	11,210.75
Special Duty Police	B-10				346,188.72	346,188.72
Tax Premium	B-7				384,141.12	384,141.12
Total Disbursements		-	9,409.22	-	1,167,901.10	1,177,310.32
Balance December 31, 2019	B	\$ 3,367.16	425.45	78,255.06	573,958.53	656,006.20

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit B-2

TRUST FUND

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2018	B	\$ (3,145.52)
Increased by:		
Deferred Charge - 2019 Budget	A-3	<u>3,145.52</u>
		-
Decreased by:		
Expenditures Made in Current	B-3	<u>5,090.66</u>
Balance December 31, 2019	B	<u><u>\$ (5,090.66)</u></u>

SCHEDULE OF INTERFUND - CURRENT

Exhibit B-3

DOG TRUST

	<u>Ref.</u>	
Balance December 31, 2018	B	\$ 2,127.63
Increased by:		
Expenditures Made in Current	A	<u>13,134.00</u>
		15,261.63
Decreased by:		
Turned Over to Current	B-1, B-2	<u>11,145.52</u>
Balance December 31, 2019	B	<u><u>\$ 4,116.11</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit B-4

SCHEDULE OF RESERVE FOR UNEMPLOYMENT INSURANCE

	<u>Ref.</u>		
Balance December 31, 2018	B		\$ 29,482.02
Increased by:			
Interest	B-1	5.05	
2019 Sewer Budget		1,000.00	
2019 Current Budget	A-3	<u>5,000.00</u>	
			<u>6,005.05</u>
			35,487.07
Decreased by:			
Payments Made in Current Fund	B		<u>1,483.15</u>
Balance December 31, 2019	B		<u>\$ 34,003.92</u>

SCHEDULE OF RESERVE FOR PERFORMANCE ESCROW

Exhibit B-5

	<u>Ref.</u>		
Balance December 31, 2018	B		\$ 169,917.34
Increased by:			
Receipts	B-1		<u>15,833.41</u>
			185,750.75
Decreased by:			
Disbursements	B-1		<u>26,566.66</u>
Balance December 31, 2019	B		<u>\$ 159,184.09</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**Exhibit B-6****SCHEDULE OF RESERVE FOR TAX TITLE LIENS**

	<u>Ref.</u>	
Balance December 31, 2018	B	\$ 8,509.42
Increased by:		
Receipts	B-1	399,737.77
		<u>408,247.19</u>
Decreased by:		
Disbursements	B-1	399,793.85
		<u>399,793.85</u>
Balance December 31, 2019	B	<u>\$ 8,453.34</u>

SCHEDULE OF RESERVE FOR TAX SALE PREMIUM**Exhibit B-7**

	<u>Ref.</u>	
Balance December 31, 2018	B	\$ 175,520.07
Increased by:		
Receipts	B-1	446,345.44
		<u>621,865.51</u>
Decreased by:		
Disbursements	B-1	384,141.12
		<u>384,141.12</u>
Balance December 31, 2019	B	<u>\$ 237,724.39</u>

SCHEDULE OF RESERVE FOR NATIONAL NIGHT OUT**Exhibit B-8**

	<u>Ref.</u>	
Balance December 31, 2018 and 2019	B	<u>\$ 48.44</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit B-9

SCHEDULE OF RESERVEFOR LAW ENFORCEMENT TRUST

	<u>Ref.</u>	
Balance December 31, 2018	B	\$ 898.83
Increased by:		
Receipts	B-1	<u>2,359.69</u>
Balance December 31, 2019	B	<u>\$ 3,258.52</u>

SCHEDULE OF SPECIAL DUTY POLICE

Exhibit B-10

	<u>Ref.</u>	
Balance December 31, 2018	B	\$ 106,395.42
Increased by:		
Receipts	B-1	<u>365,965.89</u>
		472,361.31
Decreased by:		
Disbursements	B-1	<u>346,188.72</u>
Balance December 31, 2019	B	<u>\$ 126,172.59</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

SCHEDULE OF RESERVE FOR VARIOUS RESERVES

	Ref.	Fire Safety	Public Defender	POAA	Police Forfeitures	Union Beach Day	Abandoned Homes	Compensated Balances	Police Dare	Snow Removal	Total
Balance December 31, 2018	B	\$ 19,711.00	24,789.00	1,364.00	1,243.32	9,512.70	138,843.29	85,989.44	928.16	26,312.27	308,693.18
Increased by:											
Receipts	B, B-1	1,775.80	3,200.00	172.00		6,816.24			1,977.22	1,499.70	15,440.96
		21,486.80	27,989.00	1,536.00	1,243.32	16,328.94	138,843.29	85,989.44	2,905.38	27,811.97	324,134.14
Decreased By:											
Disbursements	B, B-1	555.00				9,210.61	435.00		1,010.14		11,210.75
Balance December 31, 2019	B	\$ 20,931.80	27,989.00	1,536.00	1,243.32	7,118.33	138,408.29	85,989.44	1,895.24	27,811.97	312,923.39

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL CASH

Exhibit C-2

	<u>Ref.</u>		
Balance December 31, 2018	C		\$ 562,218.98
Increased by:			
Interfund Current	C-3	198,536.00	
Grants Receivable	C-9	538,636.00	
Capital Improvement Fund	C-3	71,650.00	
Interfund Sewer Capital	D	310,969.98	
Refund Accounts Payable		844.95	
Other		1,511,450.10	
Bond Anticipation Notes	C-5	<u>2,426,174.00</u>	
			<u>5,058,261.03</u>
			5,620,480.01
Decreased by:			
Cash Held to Pay Notes	C-3	75,000.00	
Green Acres		125,000.00	
Other		750,000.00	
Current Fund	C	1,144,943.51	
Improvement Authorizations	C-6	<u>2,714,724.06</u>	
			<u>4,809,667.57</u>
Balance December 31, 2019	C		<u>\$ 810,812.44</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	Balance Dec. 31, 2018		Receipts	Disbursements		Transfers		Balance Dec. 31, 2019
	\$			From	To	From	To	
Fund Balance	39,121.34							121.34
Capital Improvement Fund	24,529.70		71,650.00	39,000.00	96,150.00			29.70
Department of Transportation 2008-117	(40,000.00)							(40,000.00)
Open Spaces	(25,000.00)							(25,000.00)
Department of Transportation 2019-267	(12,864.66)		262,500.00		350,000.00			(87,500.00)
Department of Transportation 2017-248	(52,500.00)		52,500.00					
Department of Transportation 2018-267	(173,636.00)		173,636.00					(12,864.66)
CDBG Grant St James Ave.	150,000.00		1,511,450.10					
Other								
Open Space Grant-Monmouth County	(50,000.00)		50,000.00		125,000.00			1,661,450.10
Open Space-2015-221	(4,400.00)							(125,000.00)
Open Space-2017-248	(4,400.00)							(4,400.00)
Cash on Hand for Green Acres	125,000.00			125,000.00				
Reserve for Debt Service	75,133.93			75,000.00				133.93
Interfund Current	(603,529.07)			1,100,183.52	179,759.99			(1,883,472.58)
Interfund Sewer Capital	(310,969.98)		310,969.98					
Reserve for FEM/A	773,939.05			750,000.00				23,939.05
Reserve for Debt Service - CDI					135,000.00			135,000.00
Accounts Payable	17,801.71		844.95					18,646.66
Improvement Authorizations:								
805 Various Improvements	4,023.80							4,023.80
823 Various Improvements	36.78							36.78
2003-22 Various Improvements	620.35							620.35
2004-37 Various Improvements	10,545.70							10,545.70
Department of Transportation-2003-22	(63,750.00)							(63,750.00)
2005-58 A-D Various Improvements	(800.00)							(800.00)
2006-77 Various Improvements	(750.00)							(750.00)
CDBG Grant	(6,000.00)							(6,000.00)
2009-135 Various Improvements	7,720.03							7,720.03
2010-154 Various Improvements	210.00							210.00
2012-190 Various Improvements	61,002.28							61,002.28
2015-221A Scholer Park	(99,453.42)							(99,453.42)
2015-221B West Street	4,837.92							4,837.92
2015-221C Isabelle Ave.	25.54							25.54
2015-221D Central Ave.	923.14							923.14
2016-230B Johnson Ave.	150.55							150.55
2016-230F Scott Air Packs	222.10							222.10
2016-238 Scholar Park Hockey Rink	9,368.79							9,368.79
2017-248 Harrison Ave	11,772.49							11,772.49
2017-248 Bayview & Ocean	4,454.43							4,454.43
2017-248 Park-Columbia & Union	789.09							789.09
2017-248 Scholer Park Phase VII	36.51							36.51
2017-252 Addition to Municipal Building	(962,534.29)		1,397,000.01	1,289,819.58				977,646.13
2018-267 Improvements to Arlington & Newark	(470,226.51)			1,843.46				33,930.03
2018-267 St. James Avenue	2,187,686.46			221,251.33	1,952,981.00			33,454.13
2018-267 Banks Street	(109,095.46)			171.48				45,733.06
2018-267 State Street	(78,923.54)			3,355.14				2,731.32
2018-270 Ash Street	116,700.22			2,307.76				1,373.46
2019-277 Ocean Ave				529,378.48	645,019.00			69,121.52
2019-277 Lights Helen Hayes Field				370,600.00				32,197.87
2019-277 Campbell Street				75,059.84				36,940.16
2019-281 Municipal Building				141,850.00				141,850.00
2019-282 Easements				221,234.86				(171,234.86)
					50,000.00			
	\$ 562,218.98		5,052,501.04	4,803,907.58	3,193,909.99			810,812.44

Ref.

C

C-2

C-2

C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-4

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Description	Balance	Authorized	Decreased	Balance
		Dec. 31, 2018	2019		Dec. 31, 2019
2002-02	Various Improvements	\$ 450.00			450.00
2004-37	Various Improvements	750.00			750.00
2005-58	Various Improvements	800.00			800.00
2008-117	Various Improvements	2,250.00			2,250.00
2009-135	Various Improvements	246,300.00		10,100.00	236,200.00
2009-135	Various Improvements	167,590.00		7,515.00	160,075.00
2011-175	Various Improvements	242,694.00		9,200.00	233,494.00
2012-185	Various Improvements	225,825.00		14,000.00	211,825.00
2012-190	Various Improvements	88,238.00		7,004.00	81,234.00
2013-194	Shore Protection	69,465.00		12,939.00	56,526.00
2013-194	Scholar Park-Phase IV	88,482.00		46,518.00	41,964.00
2013-195	Scholar Park	164,200.00		23,900.00	140,300.00
2013-195	Shore Front	1,088,582.00		13,600.00	1,074,982.00
2014-203	7th Street	237,350.00			237,350.00
2014-203	Harrison and Orange Streets	378,900.00		10,500.00	368,400.00
2014-203	Spruce Street	225,300.00			225,300.00
2015-221	Reconstruction of Streets	726,750.00		18,700.00	708,050.00
2016-230	Various Improvements	1,109,082.00		26,700.00	1,082,382.00
2017-248	Various Improvements	581,300.00			581,300.00
2017-252	Various Improvements	3,230,000.00			3,230,000.00
2018-267	Various Improvements	532,345.00			532,345.00
2019-277	Various Improvements		606,100.00		606,100.00
2019-281	Various Improvements		270,750.00		270,750.00
2019-282	Various Improvements		950,000.00		950,000.00
	Cash on Hand			50,000.00	(50,000.00)
		<u>\$ 9,406,653.00</u>	<u>1,826,850.00</u>	<u>250,676.00</u>	<u>10,982,827.00</u>

Ref.

C

C-6

C-3

C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-5

SCHEDULE OF BOND ANTICIPATION NOTES

	Original Amount Issued	Original Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Issued	Paid	Balance Dec. 31, 2019
Various Improvements	\$ 529,150.00	7/11/08	2/21/20	3.25%	\$ 95,350.00		95,350.00	-
Various Improvements	330,600.00	7/10/09	2/21/20	3.25%	259,900.00		10,100.00	249,800.00
Various Improvements	238,450.00	7/9/10	2/21/20	3.25%	193,360.00		7,515.00	185,845.00
Various Improvements	294,524.00	11/3/11	2/21/20	3.25%	257,724.00		9,200.00	248,524.00
Various Improvements	495,425.00	6/29/12	2/21/20	3.25%	264,425.00	161,000.00		425,425.00
Various Improvements	109,250.00	3/8/13	2/21/20	3.25%	88,238.00		7,004.00	81,234.00
Various Improvements	1,349,000.00	6/13/13	2/21/20	3.25%	976,604.00		112,939.00	863,665.00
Various Improvements	312,600.00	6/13/13	2/21/20	3.25%	206,625.00		46,518.00	160,107.00
Various Improvements	930,450.00	12/31/14	2/21/20	3.25%	882,650.00		23,900.00	858,750.00
Various Improvements	726,750.00	11/12/15	11/2/20	2.00%	726,750.00		18,700.00	708,050.00
Various Improvements	1,037,832.00	1/9/16	11/2/20	2.00%	1,037,832.00		26,700.00	1,011,132.00
Various Improvements	581,300.00	11/7/17	11/2/20	2.00%	581,300.00			581,300.00
Various Improvements	71,250.00	1/9/18	11/2/20	2.00%	71,250.00		3,750.00	67,500.00
Various Improvements	3,230,000.00	2/26/18	11/2/20	2.00%	1,300,000.00	1,500,000.00		2,800,000.00
Various Improvements	532,345.00	11/6/18	11/2/20	2.00%	532,345.00			532,345.00
Various Improvements	606,100.00	11/4/19	11/2/20	2.00%		606,100.00		606,100.00
Various Improvements	270,750.00	11/4/19	11/2/20	2.00%		270,750.00		270,750.00
Various Improvements	300,000.00	11/4/19	11/2/20	2.00%		300,000.00		300,000.00
Cash on Hand							50,000.00	(50,000.00)
					\$ 7,474,353.00	2,676,850.00	361,676.00	9,900,527.00

Ref.

C

C-12

C-4

C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Balance Dec. 31, 2018		2019 Authorizations	Expended	Balance Dec. 31, 2019	
		Funded	Unfunded			Funded	Unfunded
805E	Acquisition of Land Block 29 Lot 5	-	4,023.80				4,023.80
823	Reconstruction of Various Streets		36.78				36.78
2003-22D	Improvements to Firefighters Park		0.77				0.77
2003-22J	Acquisition of Street Sweeper		159.79				159.79
2003-22K	Acquisition of First Aid Vehicle		459.79				459.79
2004-37A	Reconstruction of Bayview Ave.		7.02				7.02
2004-37D	Replacement of Roof Borough Hall		10,768.00				10,768.00
2004-37F	Reconstruction of Columbia Ave.		520.68				520.68
2009-135D	Various Improvements to Municipal Building		7,720.03				7,720.03
2010-134C	Parking Meters - Purchase & Installation		210.00				210.00
2012-190	Public Works Roof		17,280.00				17,280.00
2012-190	Emergency Management Vehicle	500.00	9,500.00			500.00	9,500.00
2012-190	Computers & Software		28,485.00				28,485.00
2012-190	Police Software and Hand Scanners		5,237.28				5,237.28
2015-221A	Rehabilitation of Scholer Park		546.58				546.58
2015-221B	Reconstruction of West Street		4,837.92				4,837.92
2015-221C	Reconstruction of Isabelle Ave.		25.54				25.54
2015-221D	Reconstruction of Central Ave.		923.14				923.14
2016-230B	Road Improvements-Johnson Avenue		150.55				150.55
2016-230F	Acquisition of Scott Air Packs-Fire Co.		222.10				222.10
2016-238	Impvts to Scholer Park Hockey Rink		9,368.79				9,368.79
2017-248	Reconstruction Harrison Ave.		11,772.49				11,772.49
2017-248	Reconstruction of Bayview & Ocean Aves		4,454.43				4,454.43
2017-248	Construction of a Park-Columbia Union Ave.		789.09				789.09
2017-252	Improvements to Scholer Park Phase VII		36.51				36.51
2018-267	Municipal Building Addition		2,267,465.71		1,289,819.58		977,646.13
2018-267	Improvements to Arlington & Newark		35,773.49		1,843.46		33,930.03
2018-267	St. James Street		254,705.46		221,251.35		33,454.13
2018-267	Banks Street		45,904.54		171.48		45,733.06
2018-270	State Street		6,076.46		3,355.14		2,721.32
2018-277	Ash Street		3,681.22		2,307.76		1,373.46
2019-277	Ocean Avenue			598,500.00	529,378.48		69,121.52
2019-277	Lights at Heien Hayes Field			402,500.00	370,302.13		32,197.87
2019-277	Campbell Street Improvements			112,000.00	75,059.84		36,940.16
2019-281	Municipal Building Impvts			1,785,000.00			270,750.00
2019-282	Acquisition of Easements			1,000,000.00	221,234.86		778,765.14
		\$ 500.00	2,731,142.96	3,898,000.00	2,714,724.06	1,514,250.00	2,400,168.90

Ref.	C	C	C-3	C	C
Capital Improvement Fund					
Reserve For FEMA					
Department of Transportation					
Monmouth County Open Space Grant					
Deferred Charges to Future Taxation - Unfunded					
	\$ 96,150.00				
	186,357.67				
	350,000.00				
	175,000.00				
	3,090,492.33				
	\$ 3,898,000.00				

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-7

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance	
			Date	Amount		Dec. 31, 2018	Dec. 31, 2019
General Improvements	7/8/11	\$ 2,319,000.00	7/1/20-22	\$ 160,000.00	3.00%	\$ 1,410,000.00	1,260,000.00
			7/1/23	170,000.00	3.50%		
			7/1/24-26	200,000.00	4.00%		
General Improvements	2/15/2015	2,059,000.00	2/15/20-21	115,000.00	2.00%	1,754,000.00	1,639,000.00
			2/15/22-24	125,000.00			
			2/15/2025	130,000.00			
			2/15/2026	140,000.00			
			2/15/27-29	195,000.00	2.50%		
			2/15/2030	199,000.00	3.00%		
						<u>\$ 3,164,000.00</u>	<u>2,899,000.00</u>

Ref. C A-3 C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTHGENERAL CAPITAL FUND

Exhibit C-8

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2018	<u>Ref.</u> C	\$ 24,529.70
Increased by:		
2019 Appropriations	C-11	<u>71,650.00</u>
		96,179.70
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-6	<u>96,150.00</u>
Balance December 31, 2019	C	<u><u>\$ 29.70</u></u>

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF GRANTS RECEIVABLE

	Balance			Balance
	Dec. 31, 2018	Added	Receipts	Dec. 31, 2019
Ord. #2008-117 - Department of Transportation	\$ 40,000.00			40,000.00
Ord. #2003-22 - Department of Transportation	63,750.00			63,750.00
Ord. #2012-185 - Open Space	25,000.00			25,000.00
Ord. #2013-194 - CDBG	6,000.00			6,000.00
Ord # 2017-248 - Department of Transportation	12,864.66			12,864.66
Ord # 2015-21 - Open Space	50,000.00		50,000.00	-
Ord # 2017-248 - Open Space	4,400.00			4,400.00
Ord # 2018-267 - Department of Transportation	52,500.00		52,500.00	-
Ord # 2018-267 - CDBG	173,636.00		173,636.00	-
Ord # 2019-277-Department of Transportation		350,000.00	262,500.00	87,500.00
Ord#-2019-277 - Open Space		125,000.00		125,000.00
	<u>\$ 428,150.66</u>	<u>475,000.00</u>	<u>538,636.00</u>	<u>364,514.66</u>
	C		C-2	C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-10

GENERAL CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance</u>	
		<u>Date</u>	<u>Amount</u>		<u>Dec. 31, 2018</u>	<u>Dec. 31, 2019</u>
8/1/01	\$ 600,000.00	8/1/20	\$ 40,825.19	5.25%	\$ 74,212.58	40,825.19
				Ref.	C	C
					A-3	
				Budget Appropriation		\$ 33,387.39

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTHGENERAL CAPITAL FUND

Exhibit C-11

SCHEDULE OF INTERFUND - CURRENT FUND

Balance December 31, 2018 - Due From	<u>Ref.</u> C		\$ 603,529.07
Increased by:			
Transfers		\$ 179,759.99	
Disbursements		<u>1,100,183.52</u>	
	C-3		<u>1,279,943.51</u>
Balance December 31, 2019 - Due From	C		<u>\$ 1,883,472.58</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-12

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

Purpose	Ordinance Number	Balance	2019	Bond	Balance
		Dec. 31, 2018	Authorizations	Anticipation Notes Issued	Dec. 31, 2019
Various Improvements	2004-37	\$ 750.00			750.00
Various Improvements	2005-58	800.00			800.00
Various Improvements	2006-77	750.00			750.00
Various Improvements	2017-252	1,397,655.00		1,397,000.00	655.00
Various Improvements	2018-270	532,345.00		532,000.00	345.00
Various Improvements	2019-277		606,100.00	606,000.00	100.00
Various Improvements	2019-281		270,750.00	141,850.00	128,900.00
Various Improvements	2019-282		950,000.00		950,000.00
		<u>\$ 1,932,300.00</u>	<u>1,826,850.00</u>	<u>2,676,850.00</u>	<u>1,082,300.00</u>

Ref. C C-6 C-5 C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-13

GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES LOAN

Date of Issue	Original Amount	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2018	Adjustment	Paid	Balance Dec. 31, 2019
		Date	Amount					
11/10/05	\$ 500,000.00	2/16/18 to 2/16/25	Various	2.00%	\$ 202,152.94		27,183.78	174,969.16
6/18/07	250,000.00	3/21/18 to 3/21/26	Various	2.00%	112,592.69	49.89	14,053.08	98,489.72
9/7/07	220,000.00	7/01/18 to 7/01/27	Various	2.00%	112,166.63		11,494.15	100,672.48
9/3/08	144,075.80	9/03/18 to 6/05/28	Various	2.00%	77,164.71		7,452.88	69,711.83
5/6/08	86,250.00	10/25/18 to 10/25/18	Various	2.00%	42,162.80		4,910.65	37,252.15
12/31/15	480,250.00	12/31/18 to 12/31/35	Various	2.00%	428,580.71	0.10	21,398.32	407,182.29
					\$ 974,820.48	49.99	86,492.86	888,277.63
				Ref.	C		C-11	C

SEWER UTILITY FUND

Exhibit D-4

SCHEDULE OF CASH

	<u>Ref.</u>		
Balance December 31, 2018	D		\$ 1,619,518.75
Increased by:			
Sewer Charges Receivable	D-2	1,221,159.16	
Sewer Overpayments	D	4,042.28	
Miscellaneous Revenue Not Anticipated	D-2	28,171.45	
Prepaid Sewer Rents	D	<u>113,499.89</u>	
			<u>1,366,872.78</u>
			<u>2,986,391.53</u>
Decreased by:			
2019 Appropriations	D-3	1,080,635.17	
Accrued Interest	D-3	20,256.08	
Accounts Payable	D-7	968.06	
Payments to Current Fund	D	<u>410,000.00</u>	
			<u>1,511,859.31</u>
Balance December 31, 2019	D		<u>\$ 1,474,532.22</u>

SCHEDULE OF RESERVE FOR AMORTIZATION

Exhibit D-5

	<u>Ref.</u>		
Balance December 31, 2018	D		\$ 571,948.48
Increased by:			
Loans Paid by Budget	D-3	\$ 37,205.45	
Bond Anticipation Notes Paid	D-11	<u>75,000.00</u>	
			<u>112,205.45</u>
Balance December 31, 2019	D		<u>\$ 684,153.93</u>

SEWER UTILITY FUND

Exhibit D-6

SCHEDULE OF SEWER RENTS RECEIVABLE

Balance December 31, 2018	<u>Ref.</u> D		\$ 135,450.69
Increased by:			
Rents Levied			<u>1,343,310.79</u>
			1,478,761.48
Decreased by:			
Receipts - Sewer Account	D-2		<u>1,326,536.02</u>
Balance December 31, 2019	D		<u><u>\$ 152,225.46</u></u>

SCHEDULE OF APPROPRIATION RESERVES

Exhibit D-7

Balance December 31, 2018	<u>Ref.</u> D		\$ <u>113,756.95</u>
Decreased by:			
2019 Appropriations	D	\$ 50,662.50	
Lapsed	D-1	<u>63,094.45</u>	
			<u><u>\$ 113,756.95</u></u>

SEWER OPERATING UTILITY FUND

Exhibit D-8

SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2018	D	\$ 2,709,295.48
Increased by:		
Transfer from Fixed Capital Authorized not Completed	D	<u>258,308.48</u>
Balance December 31, 2019	D	<u>\$ 2,967,603.96</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Exhibit D-9

	<u>Ref.</u>	
Balance December 31, 2018	D	\$ 160,000.00
Increased by:		
Budget Appropriation	D-3	<u>5,000.00</u>
		165,000.00
Decreased by:		
Improvement Authorizations		<u>160,000.00</u>
Balance December 31, 2019	D	<u>\$ 5,000.00</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit D-10

SEWER UTILITY FUND

SCHEDULE OF U.S.D.A. LOAN

<u>Description</u>	<u>Date of Issue</u>	<u>Original Amount Issued</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2018</u>	<u>Paid</u>	<u>Balance Dec. 31, 2019</u>
Improvements to Sewer System	7/17/02	\$ 2,022,000.00	1/17/20	\$ 38,993.70	4.75%	\$ 1,613,877.02	37,205.45	1,576,671.57
			1/17/21	40,867.89				
			1/17/22	42,832.17				
			1/17/23	44,890.90				
			1/17/24	47,048.50				
			1/17/25	49,309.84				
			1/17/26	51,679.87				
			1/17/27	54,163.81				
			1/17/28	56,767.10				
			1/17/29	59,495.60				
			1/17/30	62,355.20				
			1/17/31	65,352.25				
			1/17/32	68,493.30				
			1/17/33	71,785.41				
			1/17/34	75,235.72				
			1/17/35	78,851.84				
			1/17/36	82,641.79				
			1/17/37	86,613.89				
			1/17/38	90,776.90				
			1/17/39	95,140.01				
			1/17/40	99,712.82				
			1/17/41	104,505.42				
			1/17/42	108,442.23				
						<u>\$ 1,613,877.02</u>	<u>37,205.45</u>	<u>1,576,671.57</u>

Ref.

D

D-3

D

SEWER UTILITY FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Description</u>	<u>Original Amount Issued</u>	<u>Original Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>		<u>Paid by Budget</u>	<u>Balance Dec. 31, 2019</u>
					<u>Dec. 31, 2018</u>	<u>Dec. 31, 2019</u>		
Various Capital Improvements	\$ 600,000.00	2/26/18	2/21/20	3.25%	\$ 600,000.00			600,000.00
Various Capital Improvements	285,000.00	11/3/12	2/25/19	3.25%	212,500.00		75,000.00	137,500.00
					\$ 812,500.00		75,000.00	737,500.00
			Ref.		D		D-3	D

SEWER CAPITAL UTILITY FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>Ord. #</u>	<u>Description</u>	<u>Balance</u>		<u>2019</u>		<u>Balance</u>		
		<u>Dec. 31, 2018</u>	<u>Unfunded</u>	<u>Authorizations</u>	<u>Expended</u>	<u>Dec. 31, 2019</u>	<u>Funded</u>	<u>Unfunded</u>
1017-253	Improvements to Sewer System	\$ 289,030.02			116,504.23			172,525.79
1019-276	Improvements to Sewer System			160,000.00	141,804.25		18,195.75	
1019-283	Improvements to Sewer System			315,000.00				315,000.00
		<u>\$ 289,030.02</u>		<u>475,000.00</u>	<u>258,308.48</u>		<u>18,195.75</u>	<u>487,525.79</u>
	Ref.	D					D	D

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit E-1

PUBLIC ASSISTANCE FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION

PER N.J.S.A. 40A:5-5

	<u>Ref.</u>	
Balance December 31, 2018	E	\$ 9,579.95
Increased by:		
Interest		<u>14.36</u>
Balance December 31, 2019	E	<u>\$ 9,594.31</u>

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2019

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

89.

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

Telecopier:
(732) 280-8888
e-mail:
rah@monmouth.com

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

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

Honorable Mayor and Members
of the Borough Council
Borough of Union Beach
County of Monmouth
Union Beach, New Jersey 07735

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated September 18, 2020, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Internal Control Over Financial Reporting (Continued)

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

Compliance and Other Matters

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

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

Robert A. Hulsart and Company
Independent Auditors

September 18, 2020

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

PART IV

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

GENERAL COMMENTS

Scope of Audit

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

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

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

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

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any 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 after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate amount set forth in, or the amount calculated by the governor pursuant to Section 3 of P.L. 1971, c.198 (c.40A:11-2), except by contract or agreement". The amount set forth pursuant to the above statute was \$12,800 effective July 1, 1999. Effective July 1, 2015, the public contracts law was amended to change to the bid threshold to \$ \$40,000.00 if there is a certified purchasing agent. Effective January 1, 2015 if there was no Qualified Purchasing Agent the bid threshold remained at \$17,500.00 and \$2,625.00 for quotes. The quote threshold was increased to \$6,000.00 with a certified purchasing agent.

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

There were miscellaneous purchases through state contracts.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contract or agreements for "Professional Services" per N.J.S. 40A:11-4.

A test of quotes for purchases in excess of \$6,000.00 was made with no exceptions noted.

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 would not reasonably be ascertained. Disbursements were reviewed; however, to determine whether any clear-cut violations existed.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on April 10, 1980, adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Union Beach that the RATE OF INTEREST to be CHARGED for the Non-Payment of Taxes or Assessments shall be EIGHT (8) PERCENT (%), per Annum on the first \$1,500.00 of delinquency and EIGHTEEN (18) PERCENT (%), per Annum on any amount in excess of \$1,500.00, to be calculated from the date the taxes are payable until the date of actual payment: and

BE IT FURTHER RESOLVED, the pursuant the N.J.S.A. 54:5-32 the maximum interest rate required for redemption of the Tax Sale Certificates shall be EIGHTEEN (18) PERCENT (%), per Annum; and

BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 54:5-34, the rate of interest for those Tax Sale Certificates for which there shall be no other purchaser and which are therefore struck off to the Borough of Union Beach, shall be 18% per Annum.

It is noted that a ten-day "grace period" is allowed in accordance with the provisions of the 1980 resolution.

On March 20, 1997 the governing body adopted a resolution authorizing the tax collector to charge 6% year end penalty on all properties with a delinquency in excess of \$10,000.00.

Delinquent Taxes and Tax Title Liens

A tax sale was held on March 15, 2019 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2019	1
2018	1
2017	1

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Delinquent Taxes	10
Delinquent Sewer Charges	12

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

Foreclosed Property

The foreclosed property is the total from exempt property, so marked, appearing in the tax duplicate.

Certification of Funds Available

The Chief Financial Officer certified that funds are available for award of contracts by issuing a purchase order. Other expenditures over \$1,000.00 are authorized by the Mayor and Council at public meetings after informal review by the Chief Financial Officer as to the availability of funds.

Follow-Up on Prior Year Findings

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

None reported in 2018.

RECOMMENDATIONS

None

Appreciation

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

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