

Report of Audit

on the

*Financial Statements
and Supplementary Schedules*

of the

Borough of Beachwood

in the

*County of Ocean
New Jersey*

for the

*Year Ended
December 31, 2021*

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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YEARS ENDED DECEMBER 31, 2021 AND 2020



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Beachwood
County of Ocean
Beachwood, New Jersey 08722

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

SUPLEE, CLOONEY & COMPANY

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's regulatory financial statements. The supplementary information, and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, and data listed in the table of contents, as required by the Division are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

SUPLEE, CLOONEY & COMPANY

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2022 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 31, 2022



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

The Honorable Mayor and Members
of the Borough Council
Borough of Beachwood
County of Ocean
Beachwood, New Jersey 08722

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

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

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

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

Compliance and Other Matters

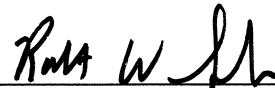
As part of obtaining reasonable assurance about whether the Borough's regulatory financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*. However, we also noted an instance of noncompliance which is discussed in Part II, General Comments and Recommendations Section of this report.

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 31, 2022

CURRENT FUND

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - CURRENT FUND

Exhibit A

REGULATORY BASIS

Sheet 1 of 2

DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash	A-4	\$ 5,344,829.58	\$ 4,960,899.69
Cash - Change Fund		500.00	500.00
Cash - Petty Cash		600.00	600.00
		<u>5,345,929.58</u>	<u>4,961,999.69</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	367,520.89	437,021.88
Tax Title Liens Receivable	A-8	121,604.13	130,356.73
Property Acquired for Taxes		285,731.00	285,731.00
Revenue Accounts Receivable	A-9	15,967.71	4,303.56
Interfunds:			
Animal Control Trust Fund	A-13	10,124.69	5,808.24
Other Trust Fund	A-13	19,833.56	20,718.36
General Capital Fund	A-13		8,846.85
Water Utility Operating Fund	A-13	4,700.08	4,700.08
Payroll Fund	A-13	1,965.00	1,983.74
		<u>827,447.06</u>	<u>899,470.44</u>
		<u>6,173,376.64</u>	<u>5,861,470.13</u>
<u>Grant Fund</u>			
Interfund - Current Fund	A-14	725,035.52	119,523.30
Grants Receivable	A-15	61,264.25	
		<u>786,299.77</u>	<u>119,523.30</u>
		<u>\$ 6,959,676.41</u>	<u>\$ 5,980,993.43</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - CURRENT FUND

Exhibit A

REGULATORY BASIS

Sheet 2 of 2

DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3,10	\$ 140,780.03	\$ 535,024.76
Reserve for Encumbrances	A-3,10	390,266.24	351,170.57
Due to PBA	A-4	4,327.50	
Due to Township of Berkeley	A-1,4	16,858.80	52,740.80
Due to Lienholder			9,285.89
Due State of New Jersey:			
Marriage License Fees	A-4	475.00	425.00
Chapter 20, P.L. 1971	A-6	14,828.56	15,166.88
Tax Overpayments	A-4,5	18,545.38	28,769.05
Prepaid Taxes	A-5,7	227,804.30	267,185.56
County Taxes Payable	A-11	12,022.60	16,857.93
Regional District School Tax Payable	A-12	2,180,288.51	2,164,354.02
Reserve for:			
Proceeds from Sale of Municipal Assets		61,780.00	61,780.00
Interfund - Grant Fund	A-14	725,035.52	119,523.30
		<u>3,793,012.44</u>	<u>3,622,283.76</u>
Reserve for Receivables and Other Assets		827,447.06	899,470.44
Fund Balance	A-1	1,552,917.14	1,339,715.93
		<u>6,173,376.64</u>	<u>5,861,470.13</u>
<u>Grant Fund</u>			
Appropriated Reserves	A-16	160,814.43	97,892.02
Reserve for Encumbrances	A-16	33,480.00	149.86
Unappropriated Reserves	A-17	592,005.34	21,481.42
		<u>786,299.77</u>	<u>119,523.30</u>
		<u>\$ 6,959,676.41</u>	<u>\$ 5,980,993.43</u>

There were Deferred School Taxes on December 31, 2021 and 2020 of \$2,190,697.00 (Schedule A-12).

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE **Sheet 1 of 2**

REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,300,000.00	\$ 1,567,513.75
Miscellaneous Revenue Anticipated	A-2	1,697,273.94	1,411,982.17
Receipts from Delinquent Taxes	A-2	441,307.41	344,360.66
Receipts from Current Taxes	A-2	20,646,138.03	20,213,486.28
Non-Budget Revenues	A-2	181,686.44	202,925.84
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	542,645.98	498,063.69
Interfund Loans Returned	A-13	5,433.94	
Accounts Payable Cancelled			3,416.96
Correct Due to Berkeley Township	A	4,050.40	
Statutory Excess in Animal Control Trust Fund	A-13	4,304.45	5,755.20
Total Income		<u>24,822,840.59</u>	<u>24,247,504.55</u>
<u>Expenditures</u>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		4,007,660.00	3,755,100.00
Other Expenses		3,665,857.00	3,829,941.00
Deferred Charges and Statutory Expenditures		1,173,539.00	1,043,950.00
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		32,400.00	60,000.00
Other Expenses		160,647.26	74,853.78
Capital Improvements		90,000.00	25,000.00
Municipal Debt Service		1,320,713.41	1,305,745.89
	A-3	<u>10,450,816.67</u>	<u>10,094,590.67</u>
Refund of Prior Year Revenues	A-4	7,416.84	7,780.62
County Taxes	A-11	3,729,953.87	3,768,391.43
Regional District School Taxes	A-12	9,121,452.00	9,033,915.00
Adjustment to Payroll Balances			19.72
Interfund Loans Advanced			11,672.36
Total Expenditures		<u>23,309,639.38</u>	<u>22,916,369.80</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE **Sheet 2 of 2**

REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2021</u>	<u>Year 2020</u>
Excess in Revenue		\$ 1,513,201.21	\$ 1,331,134.75
Fund Balance January 1	A	<u>1,339,715.93</u>	<u>1,576,094.93</u>
		2,852,917.14	2,907,229.68
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>1,300,000.00</u>	<u>1,567,513.75</u>
Fund Balance December 31	A	\$ <u><u>1,552,917.14</u></u>	\$ <u><u>1,339,715.93</u></u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
		\$	\$	\$	\$
Fund Balance Anticipated	A-1	\$ 1,300,000.00		\$ 1,300,000.00	
<u>Miscellaneous Revenues</u>					
Licenses					
Alcoholic Beverages	A-9	3,801.00		4,035.84	234.84
Fees and Permits	A-9	49,000.00		56,521.00	7,521.00
Fines and Costs					
Municipal Court	A-9	73,000.00		42,202.55	(30,797.45)
Interest and Costs on Taxes	A-5	60,000.00		104,288.07	44,288.07
Mercantile Licenses	A-9	7,000.00		8,415.00	1,415.00
State Aid:					
Energy Receipts Tax	A-9	664,673.00		664,673.00	
Special Items of Revenue:					
Other Special Items:					
General Capital Fund - Fund Balance	A-9	240,000.00		240,000.00	
Lease for Mobile Telephone Cell Site	A-9	200,000.00		244,036.32	44,036.32
Reserve for Debt Service	A-9	183,057.50		183,057.50	
Uniform Fire Safety Act	A-9	3,000.00		5,847.40	2,847.40
Federal and State Revenues Off-Set with Appropriations:					
Body Armor Grant	A-14	1,604.89		1,604.89	
Body Worn Cameras	A-14	52,988.00		52,988.00	
Clean Communities Program	A-14	21,481.42	22,858.71	44,340.13	
Drunk Driving Enforcement Fund	A-14	4,081.24		4,081.24	
Municipal Alliance on Alcoholism and Drug Abuse	A-14		8,783.00	8,783.00	
Safe and Secure Communities Program	A-14	32,400.00		32,400.00	
Total Miscellaneous Revenues	A-1	<u>1,596,087.05</u>	<u>31,641.71</u>	<u>1,697,273.94</u>	<u>69,545.18</u>
Receipts from Delinquent Taxes	A-1.7	400,000.00		441,307.41	41,307.41
Subtotal General Revenues		<u>3,296,087.05</u>	<u>31,641.71</u>	<u>3,438,581.35</u>	<u>110,852.59</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	8,094,683.12		8,762,587.05	667,903.93
Total General Revenues		<u>11,390,770.17</u>	<u>31,641.71</u>	<u>12,201,168.40</u>	<u>778,756.52</u>
Non-Budget Revenues	A-1.2			181,686.44	181,686.44
		\$ 11,390,770.17	\$ 31,641.71	\$ 12,382,854.84	\$ 960,442.96
Ref.		A-3	A-3		

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 2 of 2

YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,7	\$ 20,646,138.03
Allocated to:		
School and County Taxes	A-1	<u>12,851,405.87</u>
Balance for Support of Municipal Budget		
Appropriations		7,794,732.16
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>967,854.89</u>
Amount for Support of Municipal Budget		
Appropriations	A-2	<u>\$ 8,762,587.05</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-7	\$ 419,375.84
Tax Title Lien Collections	A-8	<u>21,931.57</u>
	A-1,2	<u>\$ 441,307.41</u>
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue not Anticipated:		
Revenue Accounts Receivable:		
Cable Television Franchise Fee	A-9	\$ 63,381.45
Administration Charge for Off Duty Police		\$ 18,596.00
Administration Fee (Ch. 20, P.L. 1971)		1,472.41
Beach Badges		5,060.00
Construction Department		38,515.80
Cost of Advertising		1,191.48
DMV Inspection Fees		1,740.00
Impound Yard Fees		8,220.00
Interest on Deposits		3,913.03
Other		4,666.38
Police Reports		3,407.10
Refunds		7,959.45
Refuse Containers		7,705.00
Road Opening Penalties		2,170.00
Sale of Municipal Assets		4,815.00
Shared Services - Borough of Pine Beach		<u>8,873.34</u>
	A-4	<u>118,304.99</u>
	A-2	<u>\$ 181,686.44</u>
Receipts	A-4	\$ 118,304.99
Revenue Accounts Receivable	A-9	<u>63,381.45</u>
		<u>\$ 181,686.44</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 1 of 7

YEAR ENDED DECEMBER 31, 2021

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>OPERATIONS WITHIN CAPS</u>					
<u>General Government Functions</u>					
Administrative and Executive	\$	\$	\$	\$	\$
Salaries and Wages	100.00				
Other Expenses	475.00				
Mayor and Council		123,000.00	122,596.24	403.76	
Salaries and Wages	123,000.00				
Other Expenses	2,375.00	875.00	869.53	5.47	
Municipal Clerk					
Salaries and Wages	85,000.00	81,200.00	80,857.71	342.29	
Other Expenses:					
Advertising and Public Relations	8,075.00	3,075.00	2,770.00	305.00	
Postage	14,000.00	10,500.00	10,250.00	250.00	
Miscellaneous Other Expenses	31,700.00	30,300.00	29,070.20	1,229.80	
Elections					
Other Expenses	3,800.00	1,800.00	1,569.65	230.35	
Financial Administration					
Salaries and Wages	83,000.00	87,740.00	87,660.73	79.27	
Other Expenses	43,795.00	43,795.00	43,520.28	274.72	
Audit Services					
Other Expenses	33,000.00	33,000.00	33,000.00		
Collection of Taxes					
Salaries and Wages	67,000.00	52,000.00	51,958.95	41.05	
Other Expenses:					
Miscellaneous Other Expenses	5,700.00	4,700.00	4,109.56	590.44	
Tax Sale Costs	1,425.00	1,425.00	834.20	590.80	
Liquidation of Tax Title Liens and Foreclosed Property					
Other Expenses	2,000.00				
Assessment of Taxes					
Salaries and Wages	27,000.00	26,700.00	26,420.87	279.13	
Other Expenses	2,066.00	2,066.00	2,066.00		

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 2 of 7

YEAR ENDED DECEMBER 31, 2021

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled	
	Budget			Paid or Charged	Reserved		
Legal Services and Costs	\$	96,000.00	\$	48,000.00	\$	4,830.15	\$
Other Expenses							
Engineering Services and Costs		55,000.00		68,310.00		68,306.75	3.25
Other Expenses							
Planning Board							
Salaries and Wages		17,000.00		14,800.00		14,686.84	113.16
Other Expenses		9,710.00		5,110.00		3,299.06	1,810.94
Environmental Commission							
Other Expenses		1,200.00		1,200.00		130.88	1,069.12
Insurance							
General Liability		138,500.00		152,500.00		151,646.23	853.77
Workers Compensation		138,000.00		134,113.00		134,112.10	.90
Employee Group Insurance		1,600,000.00		1,408,268.00		1,388,766.71	19,501.29
Unemployment Insurance		50.00		50.00			50.00
<u>Public Safety Functions</u>							
Police							
Salaries and Wages:							
Chiefs and Officers		2,200,000.00		2,347,150.00		2,325,303.54	21,846.46
Crossing Guards		30,000.00		17,000.00		16,714.32	285.68
Other Expenses:							
Police Vehicle Acquisition		45,000.00		45,000.00		44,235.59	764.41
Miscellaneous		100,300.00		110,300.00		101,617.10	8,682.90
Office of Emergency Management							
Salaries and Wages		5,200.00		5,750.00		5,738.20	11.80
Other Expenses		1,300.00		100.00			100.00
Aid to Volunteer Fire Companies							
Other Expenses		46,170.00		46,170.00		45,853.85	316.15
Aid to Volunteer Ambulance Companies							
Other Expenses		19,000.00		19,000.00		19,000.00	
Other Expenses - Training		5,000.00		5,000.00		4,970.42	29.58

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 3 of 7

YEAR ENDED DECEMBER 31, 2021

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
Municipal Court	\$	126,000.00	\$	119,000.00	\$	2,511.86
Salaries and Wages		7,500.00		5,300.00		105.53
Other Expenses						
Uniform Fire Safety Act						
Fire Official						
Salaries and Wages		21,000.00		19,000.00		731.92
Other Expenses		10,000.00		10,000.00		2,615.10
Fire Services Program						
Fire Hydrant Services		12,600.00		12,600.00		
P.E.O.S.H.A.		19,700.00		19,700.00		.51
Municipal Prosecutor						
Other Expenses		17,950.00		16,632.00		18.00
Public Works Functions						
Streets and Roads Maintenance						
Salaries and Wages		45,000.00		77,000.00		606.95
Other Expenses		24,600.00		17,600.00		2,213.43
Snow Removal						
Other Expenses		10,000.00		10,000.00		1,000.00
Other Public Works Functions						
Salaries and Wages		172,000.00		152,000.00		1,148.16
Other Expenses		9,500.00		10,700.00		32.02
Solid Waste Collection						
Salaries and Wages		355,000.00		379,000.00		55.63
Other Expenses		22,300.00		58,300.00		813.62
Recycling Program						
Salaries and Wages		148,000.00		132,000.00		2,378.65
Other Expenses		24,700.00		34,700.00		4,621.27
Buildings and Grounds						
Salaries and Wages		182,000.00		170,000.00		4,128.05
Other Expenses		73,900.00		133,900.00		3,851.68

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 4 of 7

YEAR ENDED DECEMBER 31, 2021

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Equipment Maintenance	\$	\$ 90,000.00	\$	\$ 91,702.39	\$
Salaries and Wages		71,500.00		113,500.00	
Other Expenses					
P.E.O.S.H.A.					
Public Works					
Other Expenses		1,000.00			
<u>Health and Human Services</u>					
Animal Control Services					
Other Expenses		11,000.00		8,500.00	
<u>Park and Recreation Functions</u>					
Board of Recreation Commissioners					
Other Expenses		4,000.00		4,000.00	
Maintenance of Parks and Playgrounds					
Other Expenses		3,000.00		6,761.34	138.66
Lifeguards and Special Officers					
Salaries and Wages		14,000.00		8,216.19	3.81
Other Expenses		500.00			
Beach Maintenance					
Other Expenses		3,100.00		2,342.46	57.54
<u>Education Functions</u>					
Participation in Free County Library					
Other Expenses		5,000.00			5,000.00
<u>Other Common Operating Functions</u>					
Celebration of Public Events					
Other Expenses		500.00		350.00	
<u>Solid Waste Disposal Costs</u>					
Disposal Costs					
Other Expenses		535,500.00		535,163.34	33,336.66

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 5 of 7

YEAR ENDED DECEMBER 31, 2021

**Uniform Construction Code - Appropriations Offset by
Dedicated Revenues (N.J.A.C. 5:23-4.17)**

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget	Budget		Paid or Charged	Reserved	
Code Enforcement and Zoning Officer	\$	\$	\$	\$	\$	\$
Salaries and Wages		55,000.00	50,900.00	50,702.67	197.33	
Other Expenses		13,900.00	12,600.00	12,095.07	504.93	
Construction Official		55,000.00	53,200.00	52,957.64	242.36	
Salaries and Wages		1,900.00	1,900.00	1,064.00	836.00	
Other Expenses						
<u>Unclassified</u>						
Utilities:						
Electricity		120,000.00	95,500.00	95,446.44	53.56	
Street Lighting		75,000.00	58,000.00	57,856.48	143.52	
Telephone and Telegraph		38,000.00	38,000.00	37,982.90	17.10	
Natural Gas		33,000.00	28,600.00	28,283.70	316.30	
Gasoline, Diesel Fuel and Oil		175,000.00	183,000.00	182,146.04	853.96	
Cell Telephones		24,000.00	20,000.00	19,915.86	84.14	
Sick Leave Trust		15,000.00	15,000.00	15,000.00		
Total Operations within Caps		<u>7,667,591.00</u>	<u>7,673,517.00</u>	<u>7,539,709.50</u>	<u>133,807.50</u>	
Detail:						
Salaries and Wages		3,900,300.00	4,007,660.00	3,971,955.07	35,704.93	
Other Expenses		3,767,291.00	3,665,857.00	3,567,754.43	98,102.57	

STATUTORY EXPENDITURES WITHIN CAPS

Contribution to:						
Public Employees Retirement System		213,465.00	214,160.00	214,142.07	17.93	
Social Security System		315,000.00	310,000.00	307,891.88	2,108.12	
Police and Fireman's Retirement System		648,000.00	648,049.00	648,048.30	.70	
Defined Contribution Retirement System		3,000.00	1,330.00	1,285.97	44.03	
Total Statutory Expenditures within Caps		<u>1,179,465.00</u>	<u>1,173,539.00</u>	<u>1,171,368.22</u>	<u>2,170.78</u>	
Total Appropriations within Caps		<u>\$ 8,847,056.00</u>	<u>\$ 8,847,056.00</u>	<u>\$ 8,711,077.72</u>	<u>\$ 135,978.28</u>	<u>\$</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 7

YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<u>OPERATIONS EXCLUDED FROM CAPS</u>					
LOSAP					
Other Expenses	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$	\$
Disposal Costs (P.L. 2007, Ch 311)					
Other Expenses	1,850.00	1,850.00	1,850.00		
<u>Public and Private Programs Offset by Revenues</u>					
Matching Funds for Grants	7,000.00	4,801.75		4,801.75	
Body Armor Fund	1,604.89	1,604.89	1,604.89		
Body Worn Cameras	52,988.00	52,988.00	52,988.00		
Clean Communities Program	21,481.42	44,340.13	44,340.13		
Drunk Driving Enforcement Fund	4,081.24	4,081.24	4,081.24		
Municipal Alliance Grant		10,981.25	10,981.25		
Safe and Secure Communities Program	32,400.00	32,400.00	32,400.00		
Total Operations excluded from Caps	<u>161,405.55</u>	<u>193,047.26</u>	<u>188,245.51</u>	<u>4,801.75</u>	
Detail:					
Salaries and Wages	32,400.00	32,400.00	32,400.00		
Other Expenses	129,005.55	160,647.26	155,845.51	4,801.75	
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>					
Capital Improvement Fund	90,000.00	90,000.00	90,000.00		
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>					
Payment of Bond Principal	735,000.00	735,000.00	735,000.00		
Payment of Bond Anticipation Notes and Capital Notes	229,000.00	229,000.00	229,000.00		
Interest on Bonds	120,000.00	120,000.00	117,062.50		2,937.50
Interest on Notes	211,440.00	211,440.00	211,439.98		.02
New Jersey Economic Development Authority Municipal Infrastructure Fund Loan Principal	10,000.00	10,000.00	10,000.00		

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 7 of 7

YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
New Jersey Economic Development Authority (Continued)					
Municipal Infrastructure Trust Loan					
Principal	\$ 11,013.73	\$ 11,013.73	\$ 11,013.73	\$	\$ 802.80
Interest	8,000.00	8,000.00	7,197.20		3,740.32
Total Municipal Debt Service excluded from Caps	<u>1,324,453.73</u>	<u>1,324,453.73</u>	<u>1,320,713.41</u>		<u>3,740.32</u>
Total General Appropriations excluded from Caps	<u>1,575,859.28</u>	<u>1,607,500.99</u>	<u>1,598,958.92</u>	<u>4,801.75</u>	<u>3,740.32</u>
Subtotal General Appropriations	10,422,915.28	10,454,556.99	10,310,036.64	140,780.03	3,740.32
Reserve for Uncollected Taxes	<u>967,854.89</u>	<u>967,854.89</u>	<u>967,854.89</u>		
Total General Appropriations	<u>\$ 11,390,770.17</u>	<u>\$ 11,422,411.88</u>	<u>\$ 11,277,891.53</u>	<u>\$ 140,780.03</u>	<u>\$ 3,740.32</u>
<u>Ref.</u>		A-1	A-3	A	A-1
Budget		\$ 11,390,770.17			
Appropriation by 40A:4-87		<u>31,641.71</u>			
		<u>\$ 11,422,411.88</u>			
Disbursements			\$ 9,773,374.89		
Reserve for:					
Uncollected Taxes			967,854.89		
Encumbrances			390,266.24		
Interfunds:					
Grant Fund			<u>146,395.51</u>		
			<u>\$ 11,277,891.53</u>		

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

TRUST FUND

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - TRUST FUNDS

Exhibit B

REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ <u>21,087.09</u>	\$ <u>17,246.04</u>
<u>Other Trust</u>			
Cash	B-1	2,005,926.14	1,613,513.43
Grants Receivable	B-4	<u>6,482.01</u>	<u>22,639.97</u>
		<u>2,012,408.15</u>	<u>1,636,153.40</u>
		\$ <u><u>2,033,495.24</u></u>	\$ <u><u>1,653,399.44</u></u>
<u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Due State of New Jersey	B-2	\$	\$ 2.40
Reserve for Expenditures	B-3	10,962.40	11,435.40
Interfund - Current Fund	B-6	<u>10,124.69</u>	<u>5,808.24</u>
		<u>21,087.09</u>	<u>17,246.04</u>
<u>Other Trust</u>			
Miscellaneous Reserves	B-5	1,992,574.59	1,615,435.04
Interfund - Current Fund	B-6	<u>19,833.56</u>	<u>20,718.36</u>
		<u>2,012,408.15</u>	<u>1,636,153.40</u>
		\$ <u><u>2,033,495.24</u></u>	\$ <u><u>1,653,399.44</u></u>

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

GENERAL CAPITAL FUND

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - GENERAL CAPITAL FUND

Exhibit C

REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	C-2	\$ 1,766,252.46	\$ 3,453,257.48
NJEIT Loan Receivable	C-3	101,905.00	101,905.00
Deferred Charges to Future Taxation:			
Funded	C-4	2,660,387.62	3,416,401.35
Unfunded	C-5	<u>12,803,716.00</u>	<u>11,009,216.00</u>
		<u>\$ 17,332,261.08</u>	<u>\$ 17,980,779.83</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-6	\$ 24,269.75	\$ 40,769.75
Interfunds:			
Current Fund	C-7		8,846.85
Water Utility Capital Fund	C-7		347,551.60
Improvement Authorizations:			
Funded	C-8	239,893.62	239,893.62
Unfunded	C-8	3,121,587.21	2,421,062.51
Reserve for Encumbrances	C-8	853,792.97	505,657.05
Serial Bonds	C-9	2,390,000.00	3,125,000.00
NJEIT Loan Payable:			
Trust Loan	C-10	155,000.00	165,000.00
Fund Loan	C-11	115,387.62	126,401.35
Bond Anticipation Notes	C-12	10,343,000.00	10,572,000.00
Reserve for Retirement of Debt	C-2		183,057.50
Fund Balance	C-1	<u>89,329.91</u>	<u>245,539.60</u>
		<u>\$ 17,332,261.08</u>	<u>\$ 17,980,779.83</u>

There were bonds and notes authorized but not issued on December 31, 2021 of \$2,460,716.00 for general improvements (Schedule C-13) and on December 31, 2020 of \$437,216.00 for general improvements.

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-1

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 245,539.60
Increased by:		
Premium on Sale of Notes	C-2	<u>83,790.31</u>
		329,329.91
Decreased by:		
Fund Balance Anticipated in Current Fund	C-2	<u>240,000.00</u>
Balance December 31, 2021	C	<u><u>\$ 89,329.91</u></u>

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

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WATER UTILITY FUND

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - WATER UTILITY FUND

Exhibit D

REGULATORY BASIS

Sheet 1 of 2

DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	\$ 977,731.01	\$ 853,844.79
Cash - Change Fund		200.00	200.00
		<u>977,931.01</u>	<u>854,044.79</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	330,162.95	309,802.25
Other Receivables:			
Interfund - Water Utility Capital Fund	D-5		170,000.00
Total Operating Fund		<u>1,308,093.96</u>	<u>1,333,847.04</u>
Capital Fund:			
Cash	D-5	509,260.95	269,346.23
Fixed Capital	D-8	13,410,998.87	13,406,097.09
Fixed Capital Authorized and Uncompleted	D-9	4,000,000.00	3,500,000.00
Interfund - General Capital Fund	D-13		347,551.60
Total Capital Fund		<u>17,920,259.82</u>	<u>17,522,994.92</u>
		<u>\$ 19,228,353.78</u>	<u>\$ 18,856,841.96</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4,10	\$ 27,482.73	\$ 77,397.23
Reserve for Encumbrances	D-4,10	121,669.11	111,655.56
Interfund - Current Fund	D-5	4,700.08	4,700.08
Prepaid Rents	D-5,7	97,806.31	54,394.25
Accrued Interest on Bonds, Loans and Notes	D-11	73,107.09	109,964.27
		<u>324,765.32</u>	<u>358,111.39</u>
Reserve for Receivables		330,162.95	309,802.25
Fund Balance	D-1	653,165.69	665,933.40
Total Operating Fund		<u>1,308,093.96</u>	<u>1,333,847.04</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - WATER UTILITY FUND

Exhibit D

REGULATORY BASIS

Sheet 2 of 2

DECEMBER 31, 2021 AND 2020

<u>Liabilities, Reserves and Fund Balance (Continued)</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Capital Fund:			
Capital Improvement Fund	D-12	\$ 30,550.00	\$ 27,650.00
Interfund - Water Utility Operating Fund	D-5		170,000.00
Improvement Authorizations:			
Unfunded	D-14	637,031.63	449,284.38
Reserve for Encumbrances	D-14	171,324.69	268,327.07
Reserve for Amortization	D-15	9,339,417.43	9,017,972.70
Deferred Reserve for Amortization	D-16	223,748.00	164,748.00
Serial Bonds	D-17	1,135,000.00	1,250,000.00
N.J. Environmental Infrastructure:			
Trust Loan	D-18	805,701.13	905,900.79
Fund Loan	D-19	394,497.89	495,841.18
Bond Anticipation Notes	D-20	4,983,000.00	4,567,000.00
Fund Balance	D-2	199,989.05	206,270.80
Total Capital Fund		<u>17,920,259.82</u>	<u>17,522,994.92</u>
		<u>\$ 19,228,353.78</u>	<u>\$ 18,856,841.96</u>

There were bonds and notes authorized but not issued on December 31, 2021 of \$529,634.42 for utility improvements (Schedule D-21) and on December 31, 2020 of \$504,634.42 for utility improvements.

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

REGULATORY BASIS

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	D-3	\$ 300,000.00	\$ 250,000.00
Water Rents	D-3	1,835,001.06	1,854,087.61
Fire Hydrant Services	D-3	12,600.00	12,600.00
Capital Fund - Fund Balance	D-3	47,551.60	170,000.00
Miscellaneous Revenue Anticipated	D-3	60,486.04	52,904.10
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	104,629.13	151,668.49
Total Income		<u>2,360,267.83</u>	<u>2,491,260.20</u>
<u>Expenditures</u>			
Operating	D-4	1,427,100.00	1,377,100.00
Capital Improvements	D-4	7,900.00	7,900.00
Debt Service	D-4	528,935.54	627,979.67
Deferred Charges and Statutory Expenditures	D-4	109,100.00	103,100.00
Total Expenditures		<u>2,073,035.54</u>	<u>2,116,079.67</u>
Excess in Revenue		287,232.29	375,180.53
Fund Balance January 1	D	665,933.40	540,752.87
		<u>953,165.69</u>	<u>915,933.40</u>
Decreased by:			
Utilization by Water Operating Budget	D-1	300,000.00	250,000.00
Fund Balance December 31	D	<u>\$ 653,165.69</u>	<u>\$ 665,933.40</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-2

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 206,270.80
Increased by:		
Premium on Sale of Notes	D-5	<u>41,269.85</u>
		247,540.65
Decreased by:		
Fund Balance Anticipated in Operating Fund	D-5	<u>47,551.60</u>
Balance December 31, 2021	D	<u>\$ 199,989.05</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-3

STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 300,000.00	\$ 300,000.00	\$
Miscellaneous	D-1,3	38,500.00	60,486.04	21,986.04
Fire Hydrant Service	D-1,5	12,600.00	12,600.00	
Rents	D-1,7	1,744,448.40	1,835,001.06	90,552.66
Special Items of Revenue:				
Capital Fund - Fund Balance	D-1,5	47,551.60	47,551.60	
		<u>1,843,100.00</u>	<u>1,955,638.70</u>	<u>112,538.70</u>
		\$ <u>2,143,100.00</u>	\$ <u>2,255,638.70</u>	\$ <u>112,538.70</u>

Ref. D-4

Analysis of Miscellaneous Revenue

Fire Protection Services		\$ 1,466.50
Connection Fees		55,400.00
Miscellaneous Other		2,500.00
Interest on Deposits		506.40
Interest on Delinquent Accounts		<u>613.14</u>
	D-3,5	\$ <u>60,486.04</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Operating					
Salaries and Wages	\$ 700,000.00	\$ 600,000.00	\$ 590,506.59	\$ 9,493.41	\$
Other Expenses	727,100.00	827,100.00	821,652.49	5,447.51	
Capital Improvements					
Capital Improvement Fund	2,900.00	2,900.00	2,900.00		
Capital Outlay	5,000.00	5,000.00	4,901.78	98.22	
Debt Service					
Payment of Bond Principal	115,000.00	115,000.00	115,000.00		
Payment of Bond Anticipation Notes	59,000.00	59,000.00	59,000.00		
Interest on Bonds	59,000.00	59,000.00	55,538.83		3,461.17
Interest on Notes	100,000.00	100,000.00	56,909.87		43,090.13
Infrastructure Loans:					
Principal	213,000.00	213,000.00	201,542.95		11,457.05
Interest	53,000.00	53,000.00	40,943.89		12,056.11
Deferred Charges and Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	54,000.00	54,000.00	53,366.00	634.00	
Social Security System	55,000.00	55,000.00	43,290.41	11,709.59	
Unemployment Compensation Insurance	100.00	100.00	100.00		
	<u>\$ 2,143,100.00</u>	<u>\$ 2,143,100.00</u>	<u>\$ 2,045,552.81</u>	<u>\$ 27,482.73</u>	<u>\$ 70,064.46</u>
Ref.	D-3	D-1		D	D-1
Reserve for Encumbrances			\$ 121,669.11		
Disbursements			1,770,491.11		
Accrued Interest on Bonds, Loans and Notes			<u>153,392.59</u>		
			<u>\$ 2,045,552.81</u>		

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

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PAYROLL FUND

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - PAYROLL FUND

Exhibit G

REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash	G-1	\$ <u>3,126.75</u>	\$ <u>3,892.37</u>
<u>Liabilities</u>			
Interfunds:			
Current Fund	G-2	\$ 1,965.00	\$ 1,983.74
Payroll Deductions Payable	G-2	<u>1,161.75</u>	<u>1,908.63</u>
		\$ <u>3,126.75</u>	\$ <u>3,892.37</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit H

REGULATORY BASIS

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
General Fixed Assets:		
Land	\$ 20,288,400.00	\$ 20,288,400.00
Buildings	3,438,607.63	3,438,607.63
Improvements - Other than Buildings	1,683,948.30	1,683,948.30
Machinery and Equipment	<u>7,897,356.01</u>	<u>7,665,007.51</u>
	<u>\$ 33,308,311.94</u>	<u>\$ 33,075,963.44</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 33,308,311.94</u>	<u>\$ 33,075,963.44</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Borough of Beachwood, County of Ocean, New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the regional board of education, first aid organization or volunteer fire companies which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The financial statements of the Beachwood Sewerage Authority are reported separately.

B. Descriptions of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by 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 ("GAAP"):

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

Animal Control Trust Fund - animal control license revenues and expenditures.

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

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Water Utility Operating Fund - revenues and expenditures necessary to operate a municipally-owned water supply system from user fees.

Water Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water capital facilities, other than those acquired through the Water Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

Payroll Fund - receipt and disbursement for payroll costs and payroll taxes.

General Fixed Assets Account Group - used to account for fixed assets used in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

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

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

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

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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 respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2021 is set forth in 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 at its market value.

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

Interfunds - advances in 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.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - In accordance with the New Jersey Administrative Code, as promulgated by the Division, which differs in certain respects from GAAP, the Borough has developed a fixed assets accounting and reporting system.

Fixed assets used 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.

GAAP does not require utilization of a general fixed asset account group.

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.

Utility Fixed Assets - Accounting for utility fund “fixed capital” remains unchanged.

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

Property and equipment of the Water Utility Fund are not depreciated. Principal payments for Water Utility debt are recorded as expenditures in the Water Utility Statement of Operations.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

During 2021 and 2020 the following changes occurred in the fixed assets of the Borough:

	Balance	Expended	Balance
	Jan. 1, 2021	from	Dec. 31, 2021
	Jan. 1, 2021	Current or	Dec. 31, 2021
	Jan. 1, 2021	Capital Fund	Dec. 31, 2021
General Fixed Assets Account Group:			
Land	\$ 20,288,400	\$	\$ 20,288,400
Buildings	3,438,608		3,438,608
Improvements - Other than Buildings	1,683,948		1,683,948
Machinery and Equipment	7,665,007	232,349	7,897,356
Water Utility Fund:			
Fixed Capital	13,406,097	4,902	13,410,999
Fixed Capital Authorized and Uncompleted	3,500,000	500,000	4,000,000
	<u>\$ 49,982,060</u>	<u>\$ 737,251</u>	<u>\$ 50,719,311</u>

	Balance	Expended	Balance
	Jan. 1, 2020	from	Dec. 31, 2020
	Jan. 1, 2020	Current or	Dec. 31, 2020
	Jan. 1, 2020	Capital Fund	Dec. 31, 2020
General Fixed Assets Account Group:			
Land	\$ 20,288,400	\$	\$ 20,288,400
Buildings	3,438,608		3,438,608
Improvements - Other than Buildings	1,683,948		1,683,948
Machinery and Equipment	6,534,826	1,130,181	7,665,007
Water Utility Fund:			
Fixed Capital	13,401,304	4,793	13,406,097
Fixed Capital Authorized and Uncompleted	3,000,000	500,000	3,500,000
	<u>\$ 48,347,086</u>	<u>\$ 1,634,974</u>	<u>\$ 49,982,060</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Impact of Recently Issued Accounting Principles

Recent Accounting Pronouncements

The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. There are no recent GASB pronouncements that would have a significant impact on the Borough's financial statements.

E. Financial Statements

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

F. Budgets and Budgetary Accounting

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

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

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.

At year-end the carrying amount of the Borough's deposits was \$10,628,214 and the bank balance amount was \$10,659,626. Of this amount \$250,000 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered the \$10,282,613. An amount of \$127,013 was on deposit in the name of various developers for escrow and is insured by federal depository insurance or uninsured depending on the deposits of the individual developer in the depository.

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. 1977, c. 281; or

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

- (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, 2021.

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.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

D. Credit Risk Categories

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2021</u>	<u>2020</u>
Insured:		
FDIC	\$ 250,000	\$ 250,000
GUDPA	10,282,613	11,163,907
Escrow Deposits	<u>127,013</u>	<u>112,391</u>
	\$ <u>10,659,626</u>	\$ <u>11,526,298</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. The Borough is generally not exposed to credit risk, custodial credit risk, concentration of credit risk and interest rate risk for its investments, nor is it exposed to foreign currency risk for its deposit and investments.

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 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 if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. 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.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt

The Borough's long-term debt is summarized as follows:

General Capital Fund

Serial Bonds

3.50% to 5.00% General Improvement Refunding Bonds issued

February 6, 2020, installment maturities to April 1, 2024

\$ 2,390,000

The bonds mature serially to 2024. Aggregate debt service requirements are as follows:

	<u>General Capital</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 765,000	\$ 92,725
2023	795,000	61,375
2024	<u>830,000</u>	<u>20,750</u>
Total	\$ <u>2,390,000</u>	\$ <u>174,850</u>

New Jersey Environmental Infrastructure Program

The Borough has two loans with the New Jersey Environmental Infrastructure Program to fund stormwater outflows. The first loan from the New Jersey Environmental Infrastructure Fund amounting to \$209,261 is payable semi-annually until 2034 with no interest. The second loan from the New Jersey Environmental Infrastructure Trust amounting to \$200,000 is payable semi-annually until 2034 with interest from 4% to 5%. A portion of the fund loan of \$27,791 was cancelled in 2017.

*	<u>Year</u>	<u>Infrastructure Fund</u>		<u>Infrastructure Trust</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2022	\$ 11,013	\$ -0-	\$ 10,000	\$ 6,700
	2023	11,014	-0-	10,000	6,200
	2024	11,014	-0-	10,000	5,700
	2025	11,014	-0-	10,000	5,200
	2026	11,014	-0-	10,000	4,700
	2027-31	55,069	-0-	60,000	16,800
	2032-34	<u>5,250</u>	<u>-0-</u>	<u>45,000</u>	<u>3,600</u>
	Total	\$ <u>115,388</u>	\$ <u>None</u>	\$ <u>155,000</u>	\$ <u>48,900</u>

* The amounts reflected above may be offset by income credits.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Water Utility Capital Fund

Serial Bonds

3.50% to 5.00% Water Utility Refunding Bonds issued February 6, 2020,
installment maturities to April 1, 2029

\$ 1,135,000

The bonds mature serially to the year 2029. Aggregate debt service requirements are as follows:

	<u>Utility Capital</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 120,000	\$ 52,550
2023	125,000	47,625
2024	130,000	41,250
2025	140,000	34,500
2026	145,000	27,375
2027-29	<u>475,000</u>	<u>36,375</u>
Total	\$ <u>1,135,000</u>	\$ <u>239,675</u>

New Jersey Environmental Infrastructure Program

The Borough has four loans with the New Jersey Environmental Infrastructure Program to fund water system improvements. The first loan from the New Jersey Environmental Infrastructure Fund amounting to \$292,644 is payable semi-annually until 2024 with no interest. The second loan from the New Jersey Environmental Infrastructure Trust amounting to \$290,000 is payable semi-annually until 2024 with interest from 4% to 5%. The third and fourth loans were issued during 2008. The Trust and Fund Loans are payable semi-annually until 2028 with interest from 5% to 5.5% for the Trust Loan and no interest for the Fund Loan. The aggregate debt service requirements are as follows:

* <u>Year</u>	<u>Infrastructure Fund</u>		<u>Infrastructure Trust</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 100,414	\$ -0-	\$ 103,744	\$ 38,115
2023	93,741	-0-	117,236	32,928
2024	84,676	-0-	125,721	27,249
2025	84,243	-0-	107,000	21,190
2026	31,424	-0-	112,000	17,600
2027-28	<u> </u>	<u>-0-</u>	<u>240,000</u>	<u>14,440</u>
Total	\$ <u>394,498</u>	\$ <u>None</u>	\$ <u>805,701</u>	\$ <u>151,522</u>

* The amounts reflected above may be offset by income credits.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 3. DEBT (CONTINUED)

B. Short-Term Debt

On December 31, 2021 the Borough's outstanding Bond Anticipation Notes were as follows:

General Capital Fund

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>	<u>Interest Rate</u>
2010-09	Various Drainage Improvements and Roadway Repairs	\$ 571,460.00	1.00%
2010-11	Various Capital Improvements	113,841.00	1.00%
2011-05	Various Capital Improvements	224,746.00	1.00%
2012-05	Various Capital Improvements	562,250.00	1.00%
2013-01	Repairs Due to Hurricane Sandy	165,750.00	1.00%
2013-08	Various Capital Improvements	570,000.00	1.00%
2014-05	Various Capital Improvements	635,000.00	1.00%
2014-06, 2014-11	Improvements to Mayo Park and Construction of a Recreation Center	1,006,024.00	1.00%
2015-09	Various Capital Improvements	1,596,292.00	1.00%
2015-09	Various Capital Improvements	864,137.00	1.00%
2016-09	Various Capital Improvements	700,000.00	1.00%
2017-04	Various Capital Improvements	616,500.00	1.00%
2018-02	Acquisition of Real Property	228,000.00	1.00%
2018-07	Various Capital Improvements	1,078,250.00	1.00%
2019-08	Various Capital Improvements	1,410,750.00	1.00%
		<u>\$ 10,343,000.00</u>	

Water Utility Capital Fund

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>	<u>Interest Rate</u>
2010-10	Well Number 5 and Related Improvements	\$ 1,106,928.00	1.00%
2012-06	Water Utility Improvements	599,820.00	1.00%
2013-07	Water Utility Improvements	435,895.00	1.00%
2014-04	Water Utility Improvements	448,716.00	1.00%
2015-08	Water Utility Improvements	449,976.00	1.00%
2016-10	Water Utility Improvements	474,358.00	1.00%
2017-05	Water Utility Improvements	292,307.00	1.00%
2018-06	Water Utility Improvements	400,000.00	1.00%
2019-03	Water Utility Improvements	300,000.00	1.00%
2020-05	Water Utility Improvements	475,000.00	1.00%
		<u>\$ 4,983,000.00</u>	

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 3. DEBT (CONTINUED)

C. Bonds and Notes Authorized but not Issued

At December 31 the Borough had authorized but not issued bonds and notes as follows:

	<u>2021</u>	<u>2020</u>
General Capital Fund	\$ 2,460,716	\$ 437,216
Water Utility Capital Fund	529,634	504,634

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2021 was 1.604%. The Borough's remaining borrowing power is 1.896%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

E. Summary of Debt Service

During 2021 and 2020 the following changes occurred in the outstanding debt of the Borough:

	<u>Balance</u> <u>Jan. 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Due within</u> <u>One Year</u>
General Debt:					
Serial Bonds	\$ 3,125,000	\$	\$ 735,000	\$ 2,390,000	\$ 765,000
Bond Anticipation Notes	10,572,000		229,000	10,343,000	10,343,000
Loans Payable	291,401		21,014	270,387	21,014
Water Utility Fund Debt:					
Serial Bonds	1,250,000		115,000	1,135,000	120,000
Bond Anticipation Notes	4,567,000	475,000	59,000	4,983,000	4,983,000
Loans Payable	1,401,742		201,543	1,200,199	204,158
	<u>\$ 21,207,143</u>	<u>\$ 475,000</u>	<u>\$ 1,360,557</u>	<u>\$ 20,321,586</u>	

	<u>Balance</u> <u>Jan. 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Due within</u> <u>One Year</u>
General Debt:					
Serial Bonds	\$ 4,048,000	\$ 3,135,000	\$ 4,058,000	\$ 3,125,000	\$ 735,000
Bond Anticipation Notes	9,633,000	1,410,750	471,750	10,572,000	10,572,000
Loans Payable	312,415		21,014	291,401	21,014
Water Utility Fund Debt:					
Serial Bonds	1,560,000	1,250,000	1,560,000	1,250,000	115,000
Bond Anticipation Notes	4,357,000	300,000	90,000	4,567,000	4,567,000
Loans Payable	1,599,582		197,840	1,401,742	201,543
	<u>\$ 21,509,997</u>	<u>\$ 6,095,750</u>	<u>\$ 6,398,604</u>	<u>\$ 21,207,143</u>	

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 4. COMPENSATED ABSENCES

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 estimated current cost of such unpaid compensation approximates \$608,354 and \$785,506 at December 31, 2021 and 2020, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. The Borough had in reserve, in its' Sick Leave Trust, \$15,231 and \$16,335 at December 31, 2021 and 2020 respectively, to partially fund this liability. In addition, \$15,000 was budgeted in the 2022 budget.

NOTE 5. FUND BALANCES APPROPRIATED

The fund balances at December 31 which have been appropriated and included as anticipated revenue in the introduced municipal budget for the year ending December 31 of the succeeding years are as follows:

	<u>2021</u>	<u>2020</u>
Current Fund	\$ 453,725	\$ 1,300,000
Water Utility Fund	496,350	300,000

NOTE 6. TAXES AND WATER RENTS COLLECTED IN ADVANCE

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

	<u>Balance December 31</u>	
	<u>2021</u>	<u>2020</u>
Prepaid Taxes	\$ 227,804	\$ 267,186
Prepaid Water Rents	97,806	54,394

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Regional 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 (the "Collector") on or before May 13th.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONTINUED)

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

NOTE 8. SCHOOL TAXES

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

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

	<u>Regional District School Tax</u>	
	<u>Balance December 31</u>	
	<u>2021</u>	<u>2020</u>
Balance of Tax	\$ 4,370,986	\$ 4,355,051
Deferred	<u>2,190,697</u>	<u>2,190,697</u>
Tax Payable	\$ <u>2,180,289</u>	\$ <u>2,164,354</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 9. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Borough pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Borough has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 36,624	\$ 725,036
Grant Fund	725,036	
Animal Control Trust Fund		10,125
Other Trust Fund		19,834
Water Utility Operating Fund		4,700
Payroll Fund		1,965
	<u>\$ 761,660</u>	<u>\$ 761,660</u>

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

NOTE 11. CONTINGENT LIABILITIES

State and Federal Financial Assistance

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2021, the Borough estimates that no material liabilities will result from such audits.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 11. CONTINGENT LIABILITIES (CONTINUED)

Pending Litigation

There are actions which have been instituted against the Borough which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Borough.

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's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

The Borough officials believe that 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 12. SERVICE CONTRACT - SEWERAGE AUTHORITY

The Borough adopted an ordinance dated September 6, 1972, providing for a service contract between the Borough and the Beachwood Sewerage Authority (the "Authority"), which, among other things, obligates the Borough to pay to the Authority such sums of money as may be necessary to provide for deficits which result from failure of the Authority to provide adequate revenues from the operations of the Authority.

The Authority has been self-sustaining since its inception resulting in no payments having ever been made by the Borough to the Authority to cover operating deficits.

NOTE 13. LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer fire department. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member shall be \$750 per year of active fire department service, commencing with the year 2003.

Appropriations - Appropriations for the purpose of funding the Borough's LOSAP shall be included as a separate line item in the Borough's budget, commencing with the year 2003.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 13. LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) - UNAUDITED
(CONTINUED)

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member’s performance of active voluntary services in the fire department organization. Annual contributions shall only be made by the Borough, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each fire department organization shall provide to the Borough Administrator or Borough Clerk, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as each January 1 thereafter. The Plan Administrator shall forward said certified list to the Borough Council for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Borough Council as to such active member’s eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the fire department organization as an active volunteer member. Any active volunteer member who terminates service with the fire department organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Borough perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 14. DEFERRED COMPENSATION

The Borough has instituted a Deferred Compensation Plan (“Plan”) pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Borough has engaged a private contractor to administer the Plan.

NOTE 15. PENSION OBLIGATIONS

The pension information presented in this notes is based upon the latest information provided by the State of New Jersey, Division of Pensions and Benefits.

A. Public Employees’ Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the 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.

<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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Plan Description (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 before reaching age 62 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.

Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 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.

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020 and 2019, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2013 and will be adjusted by the rate of return on the actuarial value of assts. Borough contributions to PERS amounted to \$247,180 for 2020.

Components of Net Pension Liability - At June 30, 2020, the Borough's proportionate share of the PERS net pension liability is valued to be \$3,977,620. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Borough's proportion measured as of June 30, 2020, was .02439%, which was a decrease of .00102% from its proportion measured as of June 30, 2019.

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

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Actuarial Valuation Date (including roll forward)	July 1, 2020	July 1, 2020
Deferred Outflows of Resources	\$ 626,498	\$ 954,055
Deferred Inflows of Resources	2,373,282	2,373,660
Net Pension Liability	3,977,620	4,578,785
Borough's Portion of the Plan's Total Net Pension Liability	0.02439%	0.02541%

For the year ended December 31, 2021, the Borough had an allocated pension benefit of \$7,154.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2020 measurement date is a credit of \$7,154. This credit is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$247,180 to the plan in 2020.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 72,426	\$ 14,067
Changes of assumptions	129,038	1,665,467
Net difference between projected and actual earnings on pension plan investments	135,958	
Changes in proportion	<u>289,076</u>	<u>693,748</u>
	\$ <u>626,498</u>	\$ <u>2,373,282</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense as follows:

<u>Year Ending December 31</u>	<u>PERS</u>
2021	\$ (580,053)
2022	(535,978)
2023	(340,980)
2024	(186,092)
2025	<u>(103,681)</u>
	\$ <u>(1,746,784)</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2020 measurement date is a credit of \$7,154. This credit is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$247,180 to the plan in 2020.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 72,426	\$ 14,067
Changes of assumptions	129,038	1,665,467
Net difference between projected and actual earnings on pension plan investments	135,958	
Changes in proportion	<u>289,076</u>	<u>693,748</u>
	\$ <u>626,498</u>	\$ <u>2,373,282</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense as follows:

<u>Year Ending December 31</u>	<u>PERS</u>
2021	\$ (580,053)
2022	(535,978)
2023	(340,980)
2024	(186,092)
2025	<u>(103,681)</u>
	\$ <u>(1,746,784)</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Differences between projected and actual investment earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	-
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

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>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Age
Thereafter	3.00 - 7.00% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010
Period of Actuarial Experience Study upon which Actuarial Assumptions were based	July 1, 2014 - June 30, 2018

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return (Continued)

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Municipal bond rates of 3.50% as of June 30, 2019 and 2.21% as of June 30, 2020 were used in the development of the blended GASB discount rate after the plan's fiduciary net position was no longer sufficient to make future benefit payments, when applicable. As selected by the State Treasurer, the rates are based on the Bond Buyer GO 20-Bond Municipal Bond Index. Based on the long-term rate of return of 7.00% and the municipal bond rate of 3.50% as of June 30, 2019 and the long-term rate of return of 7.00% and the municipal bond rate of 2.21% as of June 30, 2020, the blended GASB discount rates are 6.85% as of June 30, 2019 and 7.00% as of June 30, 2020. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (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 were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>Decrease (6.00%)</u>	<u>Discount (7.00%)</u>	<u>Increase (8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 5,007,160	\$ 3,977,620	\$ 3,104,027

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

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

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

The following represent membership tiers for PFRS:

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

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. 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 PFRS amounted to \$546,568 for 2020.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At June 30, 2020, the Borough's proportionate share of the PFRS net pension liability is valued to be \$7,492,548. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Borough's proportion measured as of June 30, 2020, was .05799%, which was an increase of .00388% from its proportion measured as of June 30, 2019.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

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

Net Pension Liability and Pension Expense (Continued)

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

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Actuarial Valuation Date (including roll forward)	July 1, 2020	July 1, 2019
Deferred Outflows of Resources	\$ 1,884,091	\$ 1,525,426
Deferred Inflows of Resources	2,052,225	2,302,106
Net Pension Liability	7,492,548	6,621,849
Borough's Portion of the Plan's Total Net Pension Liability	0.05799%	0.05411%

Pension Expense and Deferred Outflows/Inflows of Resources - Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2020 measurement date was \$909,954. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$546,568 to the plan in 2020.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 75,538	\$ 26,890
Changes of assumptions	18,855	2,008,707
Net difference between projected and actual earnings on pension plan investments	439,323	
Changes in proportion	1,350,375	16,628
	\$ <u>1,884,091</u>	\$ <u>2,052,225</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

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

Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense as follows:

<u>Year Ending December 31</u>	<u>PFRS</u>		
2021	\$ (434,127)		
2022	(206,258)		
2023	74,185		
2024	194,005		
2025	204,061		
	<u>\$ (168,134)</u>		
		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience			
Year of Pension Plan Deferral:			
June 30, 2014	-		-
June 30, 2015	-		5.53
June 30, 2016	-		5.58
June 30, 2017	5.59		-
June 30, 2018	5.73		-
June 30, 2019	-		5.92
June 30, 2020	5.90		-
Changes of Assumptions			
Year of Pension Plan Deferral:			
June 30, 2014	6.17		-
June 30, 2015	5.53		-
June 30, 2016	5.58		-
June 30, 2017	-		5.59
June 30, 2018	-		5.73
June 30, 2019	-		5.92
June 30, 2020	-		5.90

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

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

Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual investment earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	-
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

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

Special Funding Situation (Continued)

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$1,045,603 as of December 31, 2020. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2020 was .05799%, which was an increase of .00388% from its proportion measured as of June 30, 2019, which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 7,492,548
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>1,162,809</u>
Total Net Pension Liability	<u>\$ 8,655,357</u>

At December 31, 2020, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2020, measurement date was \$1,162,809.

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

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

Actuarial Assumptions (continued)

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25 - 15.25
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010
Period of Actuarial Experience Study upon which Actuarial Assumptions were based	July 1, 2013 - June 30, 2018

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

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

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

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%
	<u>100.00%</u>	

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Municipal bond rates of 3.50% as of June 30, 2019 and 2.21% as of June 30, 2020 were used in the development of the blended GASB discount rate after the Plan's fiduciary net position was no longer sufficient to make future benefit payments, when applicable. As selected by the State Treasurer, the rates are based on the Bond Buyer GO 20-Bond Municipal Bond Index. Based on the long-term rate of return of 7.00% and the municipal bond rate of 3.50% as of June 30, 2019 and the long-term rate of return of 7.00% and the municipal bond rate of 2.21% as of June 30, 2020, the blended GASB discount rates are 6.85% as of June 30, 2019 and 7.00% as of June 30, 2020. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>Decrease</u> <u>(6.00%)</u>	<u>Discount</u> <u>(7.00%)</u>	<u>Increase</u> <u>(8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 9,963,547	\$ 7,492,548	\$ 5,440,195

C. Defined Contribution Retirement Program (DCRP)

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.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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

NOTE 15. PENSION OBLIGATIONS (CONTINUED)

C. Defined Contribution Retirement Program (DCRP) (Continued)

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.

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

NOTE 16. ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - GASB 75

Special Funding Situation

The Borough, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

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 non-employer 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.

At June 30, 2020 and 2019, the State's proportionate share of the Net OPEB liability attributable to the Borough for the special funding situation is \$5,621,038.00 and \$4,819,145.00 respectively.

NOTE 16. ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Special Funding Situation (Continued)

At June 30, 2020, the Borough's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

Borough's proportionate share of the Net OPEB Liability	\$0
State of New Jersey's proportionate share of Net OPEB Liability associated with the Borough	<u>5,621,038</u>
	<u><u>\$5,621,038</u></u>

OPEB Plan Fiduciary Net Position

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

NOTE 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through August 31, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that except for the items set forth below, there are no other subsequent events that need to be disclosed.

DEBT AUTHORIZED

The Borough adopted the following capital ordinances as of August 31, 2022:

<u>PROJECT</u>	<u>AMOUNT OF DEBT PROPOSED</u>
<u>General Capital Fund:</u>	
2022-01 Improvements and Repairs to the Beachwood Marina	\$237,500

DEBT ISSUED

On August 30, 2022, the Borough issued \$5,599,000 General Obligation Bonds Series 2022 consisting of:

\$3,052,000 General Improvement Bonds, Series 2022A
\$2,547,000 Water Utility Bonds, Series 2022B

These Bonds were issued to permanently fund projects that were temporarily financed through the issuance of Bond Anticipation Notes.

NOTE 17. SUBSEQUENT EVENTS (CONTINUED)

DEBT ISSUED (CONTINUED)

On August 30, 2022, the Borough issued \$935,000 Bond Anticipation Notes Series 2022C to temporarily finance Ordinance 2021-13.

BOROUGH OF BEACHWOOD

PART II

SUPPLEMENTARY DATA

OFFICIALS IN OFFICE AND SURETY BONDS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - CURRENT FUND

	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 1,300,000.00	5.24%	\$ 1,567,513.75	6.46%
Miscellaneous - From Other Than Local				
Property Tax Levies	2,435,395.15	9.81%	2,122,124.14	8.75%
Collection of Delinquent Taxes and				
Tax Title Liens	441,307.41	1.78%	344,360.66	1.42%
Collection of Current Tax Levy	<u>20,646,138.03</u>	<u>83.17%</u>	<u>20,213,486.28</u>	<u>83.36%</u>
Total Income	<u>24,822,840.59</u>	<u>100.00%</u>	<u>24,247,484.83</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures	10,450,816.67	44.83%	10,094,590.67	44.05%
County Taxes	3,729,953.87	16.00%	3,768,391.43	16.44%
Regional School District Taxes	9,121,452.00	39.13%	9,033,915.00	39.42%
Other Expenditures	<u>7,416.84</u>	<u>0.03%</u>	<u>19,452.98</u>	<u>0.08%</u>
Total Expenditures	<u>23,309,639.38</u>	<u>100.00%</u>	<u>22,916,350.08</u>	<u>100.00%</u>
Excess in Revenue	1,513,201.21		1,331,134.75	
Fund Balance, January 1	<u>1,339,715.93</u>		<u>1,576,094.93</u>	
	2,852,917.14		2,907,229.68	
Decreased by:				
Utilized as Anticipated Revenue	<u>1,300,000.00</u>		<u>1,567,513.75</u>	
Fund Balance, December 31	<u>\$ 1,552,917.14</u>		<u>\$ 1,339,715.93</u>	

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - WATER UTILITY FUND

	2021		2020	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 300,000.00	12.71%	\$ 250,000.00	10.04%
Collection of Water Rents	1,835,001.06	77.75%	1,854,087.61	74.42%
Miscellaneous From Other Than Water Rents	225,266.77	9.54%	387,172.59	15.54%
	<u>2,360,267.83</u>	<u>100.00%</u>	<u>2,491,260.20</u>	<u>100.00%</u>
<u>Expenditures</u>				
Operating	1,427,100.00	68.84%	1,377,100.00	65.08%
Capital Improvements	7,900.00	0.38%	7,900.00	0.37%
Debt Service	528,935.54	25.52%	627,979.67	29.68%
Deferred Charges and Regulatory Expenditures	109,100.00	5.26%	103,100.00	4.87%
	<u>2,073,035.54</u>	<u>100.00%</u>	<u>2,116,079.67</u>	<u>100.00%</u>
Excess in Revenue	287,232.29		375,180.53	
Fund Balance, January 1	<u>665,933.40</u>		<u>540,752.87</u>	
	953,165.69		915,933.40	
Decreased by:				
Utilized by Water Utility Operating Budget	<u>300,000.00</u>		<u>250,000.00</u>	
Fund Balance, December 31	<u>\$ 653,165.69</u>		<u>\$ 665,933.40</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

Tax Rate	<u>2021</u> \$ <u>2.566</u>	<u>2020</u> \$ <u>2.531</u>	<u>2019</u> \$ <u>2.415</u>
Apportionment of Tax Rate			
Municipal	.992	.958	.897
County	.456	.462	.457
Regional School District	1.118	1.111	1.061
Assessed Valuation			
2021	\$ 816,015,346		
2020		\$ 813,057,151	
2019			\$ 810,066,912

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2021	\$ 21,006,436	\$ 20,646,138	98.28%
2020	20,670,685	20,213,486	97.78%
2019	19,616,759	19,237,871	98.06%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ 121,604	\$ 367,521	\$ 489,125	2.33%
2020	130,357	437,022	567,379	2.74%
2019	124,483	343,814	468,297	2.39%

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 in the year of acquisition, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 285,731
2020	285,731
2019	285,731

COMPARISON OF WATER UTILITY RENTS

<u>Year</u>	<u>Rents</u>	<u>Prior Year Delinquents</u>	<u>Collections</u>
2021	\$ 1,855,362	\$ 309,802	\$ 1,835,001
2020	1,926,980	236,910	1,854,088
2019	1,747,211	200,024	1,710,325

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>		
2021	\$ 1,552,917	\$ 453,725
2020	1,339,716	1,300,000
2019	1,576,095	1,567,514
2018	1,878,559	1,800,000
2017	1,848,930	1,800,000
<u>Water Utility Operating Fund</u>		
2021	\$ 653,166	\$ 496,350
2020	665,933	300,000
2019	540,753	250,000
2018	654,961	290,526
2017	754,593	380,467

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 13,003,388	\$ 13,988,401	\$ 13,993,415
Water Utility:			
Bonds, Notes and Loans	<u>7,318,199</u>	<u>7,218,742</u>	<u>7,516,582</u>
	20,321,587	21,207,143	21,509,997
Less:			
Funds Temporarily Held to Pay Bonds:			
General Capital Fund		183,058	525,068
Net Debt Issued	<u>20,321,587</u>	<u>21,024,085</u>	<u>20,984,929</u>
<u>Authorized and not Issued</u>			
General:			
Bonds, Notes and Loans	2,460,716	437,216	1,847,966
Water Utility:			
Bonds, Notes and Loans	<u>529,634</u>	<u>504,634</u>	<u>329,634</u>
	<u>2,990,350</u>	<u>941,850</u>	<u>2,177,600</u>
Net Bonds and Notes Issued and Authorized but not Issued	\$ <u>23,311,937</u>	\$ <u>21,965,935</u>	\$ <u>23,162,529</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 1.604%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 9,253,334	\$ 9,253,334	\$
Water Utility Debt	7,847,833	7,847,833	
General Debt	<u>15,464,104</u>		<u>15,464,104</u>
	\$ <u>32,565,271</u>	\$ <u>17,101,167</u>	\$ <u>15,464,104</u>

Net Debt \$15,464,104 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$964,217,772 = 1.604%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 33,747,622
Net Debt	<u>15,464,104</u>
Remaining Borrowing Power	\$ <u>18,283,518</u>

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

Cash Receipts from Fees, Rents or Other		
Charges for Year		\$ 2,208,087
Deductions:		
Operating and Maintenance Cost	\$ 1,536,200	
Debt Service per Water Account	<u>528,936</u>	
Total Deductions		<u>2,065,136</u>
Excess in Revenue		\$ <u>142,951</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2021:

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Ronald F. Roma, Jr.	Mayor	
William J. Cairns	Council President	
Beverly Clayton	Councilwoman	
Gregory Feeney	Councilman	
Steven Komsa	Councilman	
Gerald W. La Crosse	Councilman	
Edward Zakar	Councilman	
Kathryn Hutchinson	Borough Clerk, Deputy Treasurer and Assessment Search Officer	*
John V. Mauder	Chief Financial Officer	*
Elizabeth Sarantinoudis	Deputy Borough Clerk, Treasurer	*
Wendy Prior	Tax Collector	*
Donna LeMore	Accounting Clerk, Water Accounts Clerk	*
Damian G. Murray	Magistrate	*
Sandra Brodbeck	Court Administrator from 12/15/21	*
Linda L. Applegate	Court Administrator to 10/25/21	*

* There was a Statutory Position Bond in the amount of \$1,000,000 (\$1,000 deductible) carried by the Municipal Excess Liability Joint Insurance Fund.

There was a "Public Employees' Dishonesty Blanket Bond" in the amount of \$50,000 (\$2,500 deductible) for Borough employees carried by the Ocean County Municipal Joint Insurance Fund.

There was a "Public Employees' Dishonesty Blanket Bond" in the amount of \$950,000 for Borough employees carried by the Municipal Excess Liability Joint Insurance Fund.

There was a "Public Officials Bond" in the amount of \$1,000,000 carried by the Municipal Excess Liability Joint Insurance Fund.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

Balance December 31, 2020		\$ 4,960,899.69
Increased by Receipts:		
Tax Collector	\$ 21,105,755.61	
State of New Jersey (Ch. 20, P.L. 1971)	73,620.28	
Revenue Accounts Receivable	1,512,170.06	
Interfunds:		
Grant Fund	653,456.93	
Other	34,552.40	
Due to State:		
Marriage Licenses	1,875.00	
Due for Performance of Ceremony	500.00	
Due to PBA	6,732.50	
Due to Lienholder	2,417.39	
Due to Beachwood Sewer Authority	18,457.87	
Due to Township of Berkeley	164,486.20	
Miscellaneous Revenue not Anticipated	118,304.99	
		<u>23,692,329.23</u>
		<u>28,653,228.92</u>
Decreased by Disbursements:		
Budget Appropriations	9,773,374.89	
Appropriation Reserves	343,549.35	
Refund of Prior Year Revenue	7,416.84	
County Taxes Payable	3,734,789.20	
Regional School District Tax	9,105,517.51	
Interfunds:		
Grant Fund	50,142.96	
Other	24,814.01	
Tax Overpayments	37,585.63	
Due to State:		
Marriage Licenses	1,825.00	
Due for Performance of Ceremony	500.00	
Due to PBA	2,405.00	
Due to Lienholder	11,703.28	
Due to Beachwood Sewer Authority	18,457.87	
Due to Township of Berkeley	196,317.80	
		<u>23,308,399.34</u>
Balance December 31, 2021		\$ <u><u>5,344,829.58</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-5

SCHEDULE OF CURRENT CASH - TAX COLLECTOR

Increased by Receipts:			
Taxes Receivable	\$ 20,691,851.65		
Tax Title Liens	21,931.57		
Tax Overpayments	59,880.02		
Prepaid Taxes	227,804.30		
Interest and Costs on Taxes	104,288.07		
			\$ 21,105,755.61
Decreased by Disbursements:			
Turnover to Treasurer			\$ <u>21,105,755.61</u>

SCHEDULE OF DUE FROM STATE OF NEW JERSEY

(CHAPTER 20, P.L. 1971)

Exhibit A-6

Balance December 31, 2020 - (Due To)			\$ (15,166.88)
Increased by:			
2021 Senior Citizens and Veterans Exemptions per Tax Duplicate	\$ 72,500.00		
2021 Deductions Disallowed by Tax Collector	(2,791.40)		
2021 Deductions Allowed by Tax Collector	4,250.00		
			<u>73,958.60</u>
			58,791.72
Decreased by:			
Receipts			<u>73,620.28</u>
Balance December 31, 2021 - (Due To)			\$ <u>(14,828.56)</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-7

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2020	2021 Levy	2020	2021	Due from State	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2021
2008	\$ 1,764.10				\$			\$ 1,764.10
2009	1,824.83							1,824.83
2010	3,033.45							3,033.45
2019	512.18			512.18				
2020	429,887.32			418,863.66			7,615.78	3,407.88
2021	437,021.88	21,007,254.96	267,185.56	419,375.84	73,958.60	13,178.97	(9,552.67)	10,030.26
		<u>21,007,254.96</u>	<u>267,185.56</u>	<u>20,304,993.87</u>	<u>73,958.60</u>	<u>13,178.97</u>	<u>(9,552.67)</u>	<u>357,490.63</u>
		\$ 21,007,254.96	\$ 267,185.56	\$ 20,724,369.71	\$ 73,958.60	\$ 13,178.97	\$ (1,936.89)	\$ 367,520.89
Levy		\$ 21,006,435.90						
Other Charges (6% Penalty)		<u>819.06</u>						
		\$ 21,007,254.96						
Cash Receipts				\$ 20,691,851.65				
Tax Overpayments Applied				<u>32,518.06</u>				
				\$ 20,724,369.71				
Analysis of 2021 Property Tax Yield and Tax Levy								
Tax Yield:								
General Purpose Tax						\$ 20,938,953.80		
Added and Omitted Taxes						<u>67,482.10</u>		\$ 21,006,435.90
Tax Levy:								
Regional District School Tax (Abstract)								
County Taxes:								
County Tax (Abstract)				\$ 3,110,151.18				
County Library Tax (Abstract)				339,316.80				
County Health Tax (Abstract)				156,053.91				
County Open Space Tax (Abstract)				112,409.38				
Due County for Added and Omitted Taxes				<u>12,022.60</u>				
Total County Taxes						3,729,953.87		
Local Tax for Municipal Purposes				8,094,683.12				
Add: Additional Tax Levied				<u>60,346.91</u>				
						<u>8,155,030.03</u>		\$ 21,006,435.90

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-8

SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2020	\$ 130,356.73
Increased by:	
Transfers from Taxes Receivable	<u>13,178.97</u>
	143,535.70
Decreased by:	
Receipts	<u>21,931.57</u>
Balance December 31, 2021	\$ <u><u>121,604.13</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance Dec. 31, 2020</u>	<u>Accrued in 2021</u>	<u>Collected by Treasurer</u>	<u>Balance Dec. 31, 2021</u>
Licenses:	\$	\$	\$	\$
Alcoholic Beverages		4,035.84	4,035.84	
Fees and Permits		56,521.00	56,521.00	
Fines and Costs:				
Municipal Court	4,303.56	53,866.70	42,202.55	15,967.71
Mercantile Licenses		8,415.00	8,415.00	
State Aid:				
Energy Receipts Tax		664,673.00	664,673.00	
Other Special Items:				
General Capital Fund - Fund Balance		240,000.00	240,000.00	
Lease for Mobile Telephone Cell Site		244,036.32	244,036.32	
Reserve for Debt Service		183,057.50	183,057.50	
Uniform Fire Safety Act		5,847.40	5,847.40	
Miscellaneous:				
Cable Television Franchise Fee		63,381.45	63,381.45	
	<u>\$ 4,303.56</u>	<u>\$ 1,523,834.21</u>	<u>\$ 1,512,170.06</u>	<u>\$ 15,967.71</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 1 of 5

	<u>Balance Dec. 31, 2020</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>OPERATIONS WITHIN CAPS</u>					
Administrative and Executive					
Salaries and Wages	\$ 100.00		\$ 100.00		\$ 100.00
Other Expenses	415.00	60.00	475.00	215.00	260.00
Mayor and Council					
Other Expenses	752.00	888.00	1,640.00	888.00	752.00
Municipal Clerk					
Salaries and Wages	103.26		103.26		103.26
Other Expenses:					
Advertising and Public Relations	1,730.00	6,115.00	7,845.00	2,610.40	5,234.60
Postage	800.00		800.00		800.00
Miscellaneous Other Expenses	2,799.91	3,929.15	6,729.06	4,005.15	2,723.91
Elections					
Other Expenses	800.00		800.00		800.00
Financial Administration					
Salaries and Wages	12,951.70		12,951.70		12,951.70
Other Expenses	12,119.96	3,941.96	16,061.92	3,873.97	12,187.95
Audit Services					
Other Expenses		33,000.00	33,000.00	32,825.00	175.00
Collection of Taxes					
Salaries and Wages	23,985.15		23,985.15		23,985.15
Other Expenses:					
Miscellaneous Other Expenses	4,088.46	185.64	4,274.10	185.64	4,088.46
Tax Sale Costs	601.60		601.60		601.60
Liquidation of Tax Title Liens and Foreclosed Property					
Other Expenses	2,000.00		2,000.00		2,000.00
Assessment of Taxes					
Salaries and Wages	223.08		223.08		223.08
Other Expenses	166.00	1,900.00	2,066.00	1,900.00	166.00
Legal Services and Costs					
Other Expenses	35,330.25	20,000.00	55,330.25	20,009.07	35,321.18

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 2 of 5

<u>OPERATIONS WITHIN CAPS (CONTINUED)</u>	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
<u>Engineering Services and Costs</u>	<u>Dec. 31, 2020</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
Other Expenses	\$ 3,016.00	\$ 7,068.00	\$ 10,084.00	\$ 6,597.00	\$ 3,487.00
Planning Board					
Salaries and Wages	2,933.95		2,933.95		2,933.95
Other Expenses	6,464.60	790.80	7,255.40	790.80	6,464.60
Environmental Commission					
Other Expenses	1,200.00		1,200.00		1,200.00
Insurance					
General Liability	40,379.12	27,991.81	68,370.93	35,984.32	32,386.61
Workers Compensation	4,939.10		4,939.10		4,939.10
Employee Group Insurance	121,187.23	17,581.67	138,768.90	14,148.04	124,620.86
Unemployment Insurance	50.00		50.00		50.00
Police					
Salaries and Wages:					
Chiefs and Officers	58,884.14		58,884.14	13,884.00	45,000.14
Crossing Guards	22,328.77		22,328.77		22,328.77
Other Expenses:					
Police Vehicle Acquisition					
Miscellaneous	2,852.27	45,000.00	45,000.00	44,875.40	124.60
Office of Emergency Management		25,853.55	28,705.82	27,890.24	815.58
Salaries and Wages	650.71		650.71		650.71
Other Expenses	139.32	1,160.68	1,300.00	934.85	365.15
Aid to Volunteer Fire Companies					
Other Expenses	148.73	5,324.01	5,472.74	5,299.75	172.99
Aid to Volunteer Ambulance Companies					
Other Expenses	201.17	3,917.35	4,118.52	2,899.25	1,219.27
Other Expenses - Training	804.55	3,945.45	4,750.00	3,946.45	803.55
Municipal Court					
Salaries and Wages	6,026.01		6,026.01		6,026.01
Other Expenses	1,875.42	146.00	2,021.42	146.00	1,875.42

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 3 of 5

OPERATIONS WITHIN CAPS (CONTINUED)

	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2020</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
Uniform Fire Safety Act					
Fire Official					
Salaries and Wages	\$ 3,180.80	\$	\$ 3,180.80		\$ 3,180.80
Other Expenses	1,343.14	2,683.97	4,027.11	2,683.57	1,343.54
Fire Services Program					
P.E.O.S.H.A.	1.04	3,377.00	3,378.04	3,252.00	126.04
Municipal Prosecutor					
Other Expenses	1,318.00	1,386.00	2,704.00	1,386.00	1,318.00
Streets and Roads Maintenance					
Salaries and Wages	13,967.96	2,679.91	13,967.96	2,222.62	13,967.96
Other Expenses	4,502.82		7,182.73		4,960.11
Snow Removal					
Other Expenses	5,500.00	4,500.00	10,000.00	4,231.25	5,768.75
Other Public Works Functions					
Salaries and Wages	9,843.85		9,843.85		9,843.85
Other Expenses	2,988.67	4,904.72	7,893.39	2,667.96	5,225.43
Solid Waste Collection					
Salaries and Wages	3,135.61		3,135.61		3,135.61
Other Expenses	2,192.06	11,633.17	13,825.23	13,103.49	721.74
Recycling Program					
Salaries and Wages	1,465.63		1,465.63		1,465.63
Other Expenses	798.68	2,198.58	2,997.26	1,950.65	1,046.61
Buildings and Grounds					
Salaries and Wages	1,906.98		1,906.98		1,906.98
Other Expenses	2,127.64	10,216.42	12,344.06	8,248.42	4,095.64
Equipment Maintenance					
Salaries and Wages	2,871.11		2,871.11		2,871.11
Other Expenses	1,026.01	7,115.18	8,141.19	5,299.09	2,842.10
P.E.O.S.H.A.					
Public Works					
Other Expenses	1,000.00		1,000.00		1,000.00

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 4 of 5

OPERATIONS WITHIN CAPS (CONTINUED)

	<u>Balance Dec. 31, 2020</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Animal Control Services					
Other Expenses	\$ 3,042.72	\$ 989.90	\$ 4,032.62	\$ 989.90	\$ 3,042.72
Board of Recreation Commissioners					
Other Expenses		72.50	72.50	72.50	
Maintenance of Parks and Playgrounds					
Other Expenses	857.22		857.22	505.97	351.25
Lifeguards and Special Officers					
Salaries and Wages	181.16		181.16		181.16
Other Expenses	400.00		400.00		400.00
Beach Maintenance					
Other Expenses	2,192.00		2,192.00		2,192.00
Participation in Free County Library					
Other Expenses	2,600.75		2,600.75		2,600.75
Celebration of Public Events					
Other Expenses	400.00		400.00		400.00
Disposal Costs					
Other Expenses	1,862.92	1,000.00	2,862.92	1,006.80	1,856.12
Code Enforcement and Zoning Officer					
Salaries and Wages	4,466.11		4,466.11		4,466.11
Other Expenses	337.01	7,800.00	8,137.01	7,800.00	337.01
Construction Official					
Salaries and Wages	1,410.14		1,410.14		1,410.14
Other Expenses	1,051.01		1,051.01		1,051.01
Utilities:					
Electricity	11,522.21	8,827.46	20,349.67	7,260.54	13,089.13
Street Lighting	17,229.88	4,091.17	21,321.05	3,638.82	17,682.23
Telephone and Telegraph	4,183.87	5,113.83	9,297.70	5,731.52	3,566.18
Natural Gas	8,635.60	4,271.76	12,907.36	4,271.76	8,635.60
Gasoline, Diesel Fuel and Oil	18,884.53	16,000.00	34,884.53	13,851.10	21,033.43
Cell Telephones	1,242.16	3,509.93	4,752.09	2,795.26	1,956.83
Total Operations within Caps	\$ 512,716.75	\$ 311,170.57	\$ 823,887.32	\$ 316,877.55	\$ 507,009.77

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 5 of 5

STATUTORY EXPENDITURES WITHIN CAPS

Contribution to:

	<u>Balance Dec. 31, 2020</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Public Employees Retirement System	\$ 791.13	\$	\$ 791.13	\$	\$ 791.13
Social Security System	14,282.18		14,282.18		14,282.18
Police and Fireman's Retirement System	133.61		133.61		133.61
Defined Contribution Retirement System	101.09		101.09		101.09
Total Statutory Expenditures within Caps	<u>15,308.01</u>		<u>15,308.01</u>		<u>15,308.01</u>
Total Appropriations within Caps	<u>528,024.76</u>	<u>311,170.57</u>	<u>839,195.33</u>	<u>316,877.55</u>	<u>522,317.78</u>

OPERATIONS EXCLUDED FROM CAPS

LOSAP					
Other Expenses		40,000.00	40,000.00	26,671.80	13,328.20
Matching Funds for Grants	7,000.00		7,000.00		7,000.00
Total Operations excluded from Caps	<u>7,000.00</u>	<u>40,000.00</u>	<u>47,000.00</u>	<u>26,671.80</u>	<u>20,328.20</u>
Total General Appropriations	<u>\$ 535,024.76</u>	<u>\$ 351,170.57</u>	<u>\$ 886,195.33</u>	<u>\$ 343,549.35</u>	<u>\$ 542,645.98</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-11

SCHEDULE OF COUNTY TAXES PAYABLE

Balance December 31, 2020		\$ 16,857.93
Increased by:		
County Tax	\$ 3,110,151.18	
County Library Tax	339,316.80	
County Health Tax	156,053.91	
County Open Space Tax	112,409.38	
	<u>3,717,931.27</u>	
Added and Omitted Taxes	12,022.60	
		<u>3,729,953.87</u>
		<u>3,746,811.80</u>
Decreased by:		
Payments		<u>3,734,789.20</u>
Balance December 31, 2021		\$ <u><u>12,022.60</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-12

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

Balance December 31, 2020:			
School Tax Payable	\$ 2,164,354.02		
School Tax Deferred	<u>2,190,697.00</u>		
		\$ 4,355,051.02	
Increased by:			
Levy - School Year July 1, 2021 to June 30, 2022		<u>9,121,452.00</u>	
		<u>13,476,503.02</u>	
Decreased by:			
Payments		<u>9,105,517.51</u>	
Balance December 31, 2021:			
School Tax Payable	2,180,288.51		
School Tax Deferred	<u>2,190,697.00</u>		
		\$ <u><u>4,370,985.51</u></u>	

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-13

SCHEDULE OF INTERFUNDS

	<u>Total (Memo Only)</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>General Capital Fund</u>	<u>Water Utility Operating Fund</u>	<u>Payroll Fund</u>
Balance December 31, 2020 - Due From/(Due To)	\$ 42,057.27	\$ 5,808.24	\$ 20,718.36	\$ 8,846.85	\$ 4,700.08	\$ 1,983.74
Increased by:						
Disbursements	24,814.01	694.00	15,273.16	8,846.85		
Statutory Excess in Animal Control Trust Fund	4,304.45	4,304.45				
Total Increases	<u>29,118.46</u>	<u>4,998.45</u>	<u>15,273.16</u>	<u>8,846.85</u>		
Total Increases and Balances	<u>71,175.73</u>	<u>10,806.69</u>	<u>35,991.52</u>	<u>17,693.70</u>	<u>4,700.08</u>	<u>1,983.74</u>
Decreased by:						
Receipts	34,552.40	682.00	16,157.96	17,693.70		18.74
Total Decreases	<u>34,552.40</u>	<u>682.00</u>	<u>16,157.96</u>	<u>17,693.70</u>		<u>18.74</u>
Balance December 31, 2021 - Due From/(Due To)	\$ 36,623.33	\$ 10,124.69	\$ 19,833.56	\$	\$ 4,700.08	\$ 1,965.00

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-14

SCHEDULE OF INTERFUNDS

GRANT FUND

Balance December 31, 2020 - (Due From)		\$ (119,523.30)
Increased by:		
Disbursements in Current Fund - Appropriated Reserves	\$ 50,142.96	
2021 Budget Revenues Realized	<u>144,197.26</u>	
		<u>194,340.22</u>
Decreased by:		<u>74,816.92</u>
Receipts in Current Fund - Grants Receivable	61,451.59	
Receipts in Current Fund - Unappropriated Reserves	<u>592,005.34</u>	
	<u>653,456.93</u>	
2021 Budget Appropriations	<u>146,395.51</u>	
		<u>799,852.44</u>
Balance December 31, 2021 - (Due From)		\$ <u><u>(725,035.52)</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GRANT FUND

Exhibit A-15

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	<u>Grant</u>	<u>2021 Budget Revenue</u>	<u>Realized</u>	<u>Balance Dec. 31, 2021</u>
2021 Grants:				
	Body Armor Grant	\$ 1,604.89	\$ 1,604.89	\$
	Body Worn Cameras	52,988.00		52,988.00
	Clean Communities Program	44,340.13	44,340.13	
	Drunk Driving Enforcement Fund	4,081.24	4,081.24	
	Municipal Alliance	8,783.00	506.75	8,276.25
	Safe and Secure Communities Program	<u>32,400.00</u>	<u>32,400.00</u>	
		<u>\$ 144,197.26</u>	<u>\$ 82,933.01</u>	<u>\$ 61,264.25</u>
Receipts			\$ 61,451.59	
Unappropriated Reserves Applied			<u>21,481.42</u>	
			<u>\$ 82,933.01</u>	

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GRANT FUND

Exhibit A-16

SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	<u>Balance Dec. 31, 2020</u>	<u>Transfer from 2021 Budget Appropriations</u>	<u>Reserve for Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2021</u>
2021 Grants:					
Body Armor Grant	\$	1,604.89	\$	\$	1,604.89
Body Worn Cameras		52,988.00		30,360.00	22,628.00
Clean Communities Program		44,340.13			44,340.13
Drunk Driving Enforcement Fund		4,081.24		6,838.95	4,081.24
Municipal Alliance		10,981.25		32,400.00	4,142.30
Safe and Secure Communities Program		32,400.00			
2020 Grants:					
Body Armor Grant	2,178.69				2,178.69
Clean Communities Program	23,825.09				23,825.09
2019 Grants:					
Body Armor Grant	2,137.98			1,426.82	711.16
Drunk Driving Enforcement Fund	4,864.46			1,676.85	3,187.61
2018 Grants:					
Clean Communities Program	21,345.60				21,345.60
2017 Grants:					
Body Armor Grant	1,272.04			1,272.04	
Clean Communities Program	22,392.41		149.86		22,542.27
2016 Grants:					
Clean Communities Program	18,000.22			9,648.30	8,351.92
Combined Grants:					
Alcohol Education and Rehabilitation Fund	<u>1,875.53</u>				<u>1,875.53</u>
	\$	<u>97,892.02</u>	\$	<u>83,622.96</u>	\$ <u>160,814.43</u>
Disbursements				\$ 50,142.96	
Reserve for Encumbrances				<u>33,480.00</u>	
					\$ <u>83,622.96</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GRANT FUND

Exhibit A-17

SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	<u>Balance Dec. 31, 2020</u>	<u>Receipts</u>	<u>Application to Grants Receivable</u>	<u>Balance Dec. 31, 2021</u>
American Rescue Plan Act Clean Communities Program	\$ 21,481.42	\$ 592,005.34	\$ 21,481.42	\$ 592,005.34
	<u>\$ 21,481.42</u>	<u>\$ 592,005.34</u>	<u>\$ 21,481.42</u>	<u>\$ 592,005.34</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

TRUST FUNDS

Exhibit B-1

SCHEDULE OF CASH - TREASURER

	<u>Animal Control Trust</u>	<u>Other Trust</u>
Balance December 31, 2020	\$ 17,246.04	\$ 1,613,513.43
Increased by Receipts:		
Due State of New Jersey	\$ 1,102.80	\$
Animal License Fees	4,889.20	
Grants Receivable		16,157.96
Miscellaneous Reserves		840,892.28
Interfund - Current Fund	<u>694.00</u>	<u>15,273.16</u>
	<u>6,686.00</u>	<u>872,323.40</u>
	<u>23,932.04</u>	<u>2,485,836.83</u>
Decreased by Disbursements:		
Due State of New Jersey	1,105.20	
Animal Control Fund Expenditures	1,057.75	
Miscellaneous Reserves		463,752.73
Interfund - Current Fund	<u>682.00</u>	<u>16,157.96</u>
	<u>2,844.95</u>	<u>479,910.69</u>
Balance December 31, 2021	<u>\$ 21,087.09</u>	<u>\$ 2,005,926.14</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

ANIMAL CONTROL TRUST FUND

Exhibit B-2

SCHEDULE OF DUE STATE OF NEW JERSEY

Balance December 31, 2020		\$	2.40
Increased by:			
2021 State License Fees			<u>1,102.80</u>
			1,105.20
Decreased by:			
Fees Paid to State		\$	<u><u>1,105.20</u></u>

SCHEDULE OF RESERVE FOR EXPENDITURES

Exhibit B-3

Balance December 31, 2020		\$	11,435.40
Increased by:			
2021 Animal License Fees			<u>4,889.20</u>
			16,324.60
Decreased by:			
Expenditures Under R.S. 4:19-15.11	\$	1,057.75	
Statutory Excess Due Current Fund		<u>4,304.45</u>	
			<u>5,362.20</u>
Balance December 31, 2021		\$	<u><u>10,962.40</u></u>

Animal License Fees Collected

<u>Year</u>	<u>Amount</u>
2019	\$ <u>5,669.00</u>
2020	<u>5,293.40</u>
	\$ <u><u>10,962.40</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

OTHER TRUST FUND

Exhibit B-4

SCHEDULE OF GRANTS RECEIVABLE

	<u>Total (Memo Only)</u>	<u>Municipal Alliance</u>	<u>Community Development Block Grant</u>
Balance December 31, 2020	\$ 22,639.97	\$ 11,814.97	\$ 10,825.00
Decreased by:			
Receipts	<u>16,157.96</u>	<u>5,332.96</u>	<u>10,825.00</u>
Balance December 31, 2021	<u><u>\$ 6,482.01</u></u>	<u><u>\$ 6,482.01</u></u>	<u><u>\$</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

OTHER TRUST FUND

Exhibit B-5

SCHEDULE OF MISCELLANEOUS RESERVES

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Affordable Housing	\$ 296,114.68	\$ 61,734.38		\$ 357,849.06
Community Center and Mayo Park Complex Maintenance	12,560.59	66,447.49	38,781.23	40,226.85
Community Development Block Grant	10,825.00		10,825.00	
Deposit on Rental of Community Center and Mayo Park	11,422.90	56,200.19	44,050.19	23,572.90
Developers' Escrow Funds	112,390.94	33,646.39	19,024.25	127,013.08
Disposal of Forfeited Property	5,234.38			5,234.38
Donations for:				
Developer's Contribution for Detention Basins	10,010.00			10,010.00
Fireworks on the Toms River	100,583.38	2,934.33	27,523.17	75,994.54
Police	10,000.00	4,575.00	5,000.00	9,575.00
Tree Purchases	2,054.05		454.00	1,600.05
Law Enforcement Trust	2,528.51			2,528.51
Municipal Alliance	14,294.07	4,611.95	9,579.76	9,326.26
Parking Offenses Adjudication Act	479.04		179.88	299.16
Premiums Received at Tax Sale	315,700.00	340,700.00	112,000.00	544,400.00
Public Defender	922.66	400.73	1,269.60	53.79
Recreation Commission	17,716.17	16,456.41	9,122.65	25,049.93
Recycling Trust	214,090.76	25,929.19	1,015.00	239,004.95
Riverfront Trust	141,540.84	48,521.25	31,226.23	158,835.86
Sick Leave Trust	16,334.58	15,000.00	16,103.28	15,231.30
Storm Trust	37,790.36	15,928.00	319.89	53,398.47
Third Party Tax Title Lien Redemption	6,748.89	133,451.69	133,451.69	6,748.89
Unemployment Compensation	271,831.25	14,040.80	3,826.91	282,045.14
Uniform Fire Safety Act Penalties	4,261.99	314.48		4,576.47
	<u>\$ 1,615,435.04</u>	<u>\$ 840,892.28</u>	<u>\$ 463,752.73</u>	<u>\$ 1,992,574.59</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

OTHER TRUST FUND

Exhibit B-6

SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Total (Memo Only)</u>	<u>Animal Control Trust</u>	<u>Other Trust</u>
Balance December 31, 2020 - Due To	\$ (26,526.60)	\$ (5,808.24)	\$ (20,718.36)
Increased by:			
Statutory Excess in Reserve for Dog Fund Expenditures	4,304.45	4,304.45	
Receipts	<u>15,967.16</u>	<u>694.00</u>	<u>15,273.16</u>
Total Increases	<u>20,271.61</u>	<u>4,998.45</u>	<u>15,273.16</u>
Total Increases and Balances	<u>(46,798.21)</u>	<u>(10,806.69)</u>	<u>(35,991.52)</u>
Decreased by:			
Disbursements	<u>16,839.96</u>	<u>682.00</u>	<u>16,157.96</u>
Balance December 31, 2021 - Due To	<u>\$ (29,958.25)</u>	<u>\$ (10,124.69)</u>	<u>\$ (19,833.56)</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH - TREASURER

Balance December 31, 2020		\$ 3,453,257.48
Increased by Receipts:		
Premium on Sale of Notes	\$ 83,790.31	
Capital Improvement Fund	90,000.00	
Interfunds	<u>8,846.85</u>	
		<u>182,637.16</u>
		3,635,894.64
Decreased by Disbursements:		
Anticipated in Current Fund:		
Fund Balance	240,000.00	
Reserve for Retirement of Debt	183,057.50	
Interfunds	365,245.30	
Improvement Authorizations	<u>1,081,339.38</u>	
		<u>1,869,642.18</u>
Balance December 31, 2021		\$ <u><u>1,766,252.46</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-3

ANALYSIS OF CAPITAL CASH

	Balance Dec. 31, 2020	Receipts		Disbursements		Transfers		Balance Dec. 31, 2021
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 245,539.60	\$	\$ 83,790.31	\$	\$	\$	\$	\$ 89,329.91
Reserve for Retirement of Debt	183,057.50			240,000.00				24,269.75
Capital Improvement Fund	40,769.75	90,000.00		183,057.50		106,500.00		(101,905.00)
NJEIT Loan Receivable	(101,905.00)							
Interfunds:								
Current Fund	8,846.85		8,846.85					
Water Utility Capital Fund	347,551.60			17,693.70				
Reserve for Encumbrances	505,657.05			347,551.60				
Improvement Authorizations:							853,792.97	853,792.97
Ordinance								
Number								
2004-08, 2005-09	41,085.25							41,085.25
2011-10, 2013-11	5,290.57							5,290.57
2012-08, 2013-01	38,542.48							38,542.48
2013-08	87,690.85							87,690.85
2014-03	166,906.57							166,906.57
2014-05	19,296.92			37,742.50		15,399.50	53,142.00	19,296.92
2014-06,								
2014-11	17,622.27					1,960.00	1,960.00	17,622.27
2014-09	295.23			1,185.00		980.00	2,165.00	295.23
2015-09	290,998.77			125,505.50		5,054.49	5,559.99	165,998.77
2016-09	288,131.65			106,241.21		4,915.14	792.14	177,767.44
2017-03								
2017-04	4,638.92			119,954.11		2,064.65	122,018.76	4,638.92
2018-02	502.31					1,130.50	1,130.50	502.31
2018-04	26,316.00							26,316.00
2018-07	374,781.19			214,143.61		166,144.43	148,309.51	142,802.66
2019-08	861,641.15			176,071.71		18,160.94	170,579.15	837,987.65
2021-13				300,495.74		637,983.32	106,500.00	(831,979.06)
	\$ 3,453,257.48	\$ 90,000.00	\$ 92,637.16	\$ 1,081,339.38	\$ 788,302.80	\$ 1,465,950.02	\$ 1,465,950.02	\$ 1,766,252.46

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE

TAXATION - FUNDED

Balance December 31, 2020		\$ 3,416,401.35
Decreased by:		
Improvement Costs Funded by:		
Serial Bonds	\$ 735,000.00	
Trust Loan	10,000.00	
Fund Loan	<u>11,013.73</u>	
		<u>756,013.73</u>
Balance December 31, 2021		\$ <u><u>2,660,387.62</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2021	Analysis of Balance December 31, 2021		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2010-09	Various Drainage Improvements and Roadway Repairs	\$ 588,268.00	\$	\$ 16,808.00	\$ 571,460.00	\$	\$	\$
2010-11	Various Capital Improvements	122,672.00		8,831.00	113,841.00			
2011-05	Various Capital Improvements	233,000.00		8,254.00	224,746.00			
2012-05	Various Capital Improvements	601,000.00		38,750.00	562,250.00			
2012-08,								
2013-01	Repairs Due to Hurricane Sandy	165,750.00			165,750.00			
2013-08	Various Capital Improvements	570,000.00			570,000.00			
2014-03	Relocation of Two Stormwater Outflows	312,216.00			312,216.00			312,216.00
2014-05	Various Capital Improvements	635,000.00			635,000.00			
2014-06,	Improvements to Mayo Park and Construction of a Recreation Center	1,034,768.00		28,744.00	1,006,024.00			
2014-11	Various Capital Improvements	2,553,792.00		93,363.00	2,460,429.00			
2015-09	Various Capital Improvements	700,000.00			700,000.00			
2016-09	Various Capital Improvements	125,000.00			125,000.00			
2017-03	Refunding Ordinance	650,750.00		34,250.00	616,500.00			125,000.00
2017-04	Various Capital Improvements	228,000.00			228,000.00			
2018-02	Acquisition of Real Property	1,078,250.00			1,078,250.00			
2018-07	Various Capital Improvements	1,410,750.00			1,410,750.00			
2019-08	Various Capital Improvements		2,023,500.00		2,023,500.00		831,979.06	1,191,520.94
2021-13								
		\$ 11,009,216.00	\$ 2,023,500.00	\$ 229,000.00	\$ 12,803,716.00	\$ 10,343,000.00	\$ 831,979.06	\$ 1,628,736.94

Improvement Authorizations Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance Number	Improvement Description	Amount
2012-08,		
2013-01	Repairs Due to Hurricane Sandy	\$ 38,542.48
2013-08	Various Capital Improvements	87,690.85
2014-05	Various Capital Improvements	19,296.92
2014-06,	Improvements to Mayo Park and Construction of a Recreation Center	17,622.27
2014-11		
2015-09	Various Capital Improvements	165,998.77
2016-09	Various Capital Improvements	177,767.44
2017-04	Various Capital Improvements	4,638.92
2018-02	Acquisition of Real Property	502.31
2018-07	Various Capital Improvements	142,802.66
2019-08	Various Capital Improvements	837,987.65
		<u>1,492,850.27</u>
		\$ <u>1,628,736.94</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2020	\$ 40,769.75
Increased by:	
2021 Budget Appropriation	<u>90,000.00</u>
	130,769.75
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>106,500.00</u>
Balance December 31, 2021	<u><u>\$ 24,269.75</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF INTERFUNDS

	<u>Total (Memo Only)</u>	<u>Current Fund</u>	<u>Water Capital Fund</u>
Balance December 31, 2020 - Due From/(Due To)	\$ (356,398.45)	\$ (8,846.85)	\$ (347,551.60)
Increased by:			
Disbursements	<u>365,245.30</u> 8,846.85	<u>17,693.70</u> 8,846.85	<u>347,551.60</u>
Decreased by:			
Receipts	<u>\$ 8,846.85</u>	<u>\$ 8,846.85</u>	<u>\$</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

Exhibit C-9

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2021</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bond	2/06/2020	3,125,000.00	4/01/2022	\$ 765,000.00	3.00%			
			4/01/2023	795,000.00	5.00%			
			4/01/2024	830,000.00	5.00%	\$ 3,125,000.00	\$ 735,000.00	\$ 2,390,000.00

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

Exhibit C-11

GENERAL CAPITAL FUND

SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE FUND LOAN

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding</u>		<u>Interest Rates</u>	<u>Balance Dec. 31, 2020</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
			<u>Year</u>	<u>Amount</u>				
Stormwater Outflows	2015	\$ 209,261.00	2022-31	\$ 11,013.73	0.00%	\$ 126,401.35	\$ 11,013.73	\$ 115,387.62
			2032	5,250.32	0.00%			

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-12

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
2010-09	Various Drainage Improvements and Roadway Repairs	3/11/2014	3/03/2021	3/03/2022	1.00%	\$ 588,268.00	\$ 16,808.00	\$ 571,460.00
2010-11	Various Capital Improvements	3/12/2012	3/03/2021	3/03/2022	1.00%	122,672.00	8,831.00	113,841.00
2011-05	Various Capital Improvements	3/12/2012	3/03/2021	3/03/2022	1.00%	233,000.00	8,254.00	224,746.00
2012-05	Various Capital Improvements	3/11/2013	3/03/2021	3/03/2022	1.00%	601,000.00	38,750.00	562,250.00
2013-01	Repairs Due to Hurricane Sandy	3/11/2014	3/03/2021	3/03/2022	1.00%	165,750.00		165,750.00
2013-08	Various Capital Improvements	3/11/2014	3/03/2021	3/03/2022	1.00%	570,000.00		570,000.00
2014-05	Various Capital Improvements	3/09/2015	3/03/2021	3/03/2022	1.00%	635,000.00		635,000.00
2014-06,	Improvements to Mayo Park and							
2014-11	Construction of a Recreation Center	3/09/2015	3/03/2021	3/03/2022	1.00%	1,034,768.00	28,744.00	1,006,024.00
2015-09	Various Capital Improvements	3/08/2016	3/03/2021	3/03/2022	1.00%	1,689,655.00	93,363.00	1,596,292.00
2015-09	Various Capital Improvements	3/07/2017	3/03/2021	3/03/2022	1.00%	864,137.00		864,137.00
2016-09	Various Capital Improvements	3/07/2017	3/03/2021	3/03/2022	1.00%	700,000.00		700,000.00
2017-04	Various Capital Improvements	3/06/2018	3/03/2021	3/03/2022	1.00%	650,750.00	34,250.00	616,500.00
2018-02	Acquisition of Real Property	3/05/2019	3/03/2021	3/03/2022	1.00%	228,000.00		228,000.00
2018-07	Various Capital Improvements	3/05/2019	3/03/2021	3/03/2022	1.00%	1,078,250.00		1,078,250.00
2019-08	Various Capital Improvements	3/04/2020	3/03/2021	3/03/2022	1.00%	1,410,750.00		1,410,750.00
						<u>\$ 10,572,000.00</u>	<u>\$ 229,000.00</u>	<u>\$ 10,343,000.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-13

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>
2014-03	Relocation of Two Stormwater Outflows	\$ 312,216.00
2017-03	Refunding Ordinance	125,000.00
2021-13	Various Capital Improvements	<u>2,023,500.00</u>
		<u>\$ 2,460,716.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY FUND

Exhibit D-5

SCHEDULE OF WATER UTILITY CASH

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2020	\$ 853,844.79	\$ 269,346.23
Increased by Receipts:		
Consumer Accounts Receivable	\$ 1,780,606.81	
Fire Hydrant Service	12,600.00	
Capital Fund - Fund Balance	47,551.60	
Miscellaneous Revenue	60,486.04	
Prepaid Rents	97,806.31	
Premium on Sale of Notes		41,269.85
Capital Improvement Fund	170,000.00	2,900.00
Interfunds		347,551.60
Bond Anticipation Notes		<u>475,000.00</u>
	<u>2,169,050.76</u>	<u>866,721.45</u>
	<u>3,022,895.55</u>	<u>1,136,067.68</u>
Decreased by Disbursements:		
Budget Appropriations	1,770,491.11	
Appropriation Reserves	84,423.66	
Accrued Interest on Bonds, Loans and Notes	190,249.77	
Interfunds		170,000.00
Fund Balance Anticipated in Operating Fund		47,551.60
Improvement Authorizations		<u>409,255.13</u>
	<u>2,045,164.54</u>	<u>626,806.73</u>
Balance December 31, 2021	<u>\$ 977,731.01</u>	<u>\$ 509,260.95</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-6

ANALYSIS OF CASH

Fund Balance Capital Improvement Fund Reserve for Encumbrances Interfunds: General Capital Fund Water Utility Operating Fund	Balance Dec. 31, 2020	Receipts		Disbursements		Transfers		Balance Dec. 31, 2021
		Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	
	\$ 206,270.80	\$ 2,900.00	\$	\$ 41,269.85	\$	\$	\$	\$ 199,989.05
	27,650.00							30,550.00
	268,327.07					268,327.07	171,324.69	171,324.69
	(347,551.60)			347,551.60				
Water Utility Operating Fund	170,000.00				170,000.00			
Improvement Authorizations:								
Ordinance Number	Improvement Description							
2006-14,	Construction of Storage Tank and Related							(29,634.42)
2008-07	Equipment							7,366.08
2013-07	Water Utility Improvements					2,052.91	2,052.91	2,199.68
2014-04	Water Utility Improvements							657.96
2015-08	Water Utility Improvements							93.22
2016-10	Water Utility Improvements				535.00			424.20
2017-05	Water Utility Improvements				119,310.50			34,819.90
2018-06	Water Utility Improvements				124,929.39			18.75
2019-03	Water Utility Improvements		475,000.00		164,480.24			26,262.00
2020-05	Water Utility Improvements					89,961.41	104,638.15	100,009.74
		\$ 2,900.00	\$ 475,000.00	\$ 388,821.45	\$ 409,255.13	\$ 439,651.76	\$ 439,651.76	\$ 509,260.95

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-7

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2020		\$	<u>309,802.25</u>
Increased by:			
2021 Water Rents (Net)			<u>1,855,361.76</u>
			<u>2,165,164.01</u>
Decreased by:			
Prepaid Rents	\$	54,394.25	
Collections		<u>1,780,606.81</u>	
			<u>1,835,001.06</u>
Balance December 31, 2021		\$	<u><u>330,162.95</u></u>

WATER UTILITY OPERATING FUND

SCHEDULE OF FIXED CAPITAL

Exhibit D-8

			<u>Balance</u>
			<u>Dec. 31, 2021</u>
Distribution System		\$	5,979,971.68
Hydrant Repairs			9,694.74
Storage Tank			2,938,374.42
Wells, Treatment Plant and Pumping Stations			<u>4,482,958.03</u>
		\$	<u><u>13,410,998.87</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-9

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	Ordinance		<u>Balance Dec. 31, 2021</u>
	<u>Number</u>	<u>Amount</u>	
Water Utility Improvements	2013-07	\$ 500,000.00	\$ 500,000.00
Water Utility Improvements	2014-04	500,000.00	500,000.00
Water Utility Improvements	2015-08	500,000.00	500,000.00
Water Utility Improvements	2016-10	500,000.00	500,000.00
Water Utility Improvements	2017-05	300,000.00	300,000.00
Water Utility Improvements	2018-06	400,000.00	400,000.00
Water Utility Improvements	2019-03	300,000.00	300,000.00
Water Utility Improvements	2020-05	500,000.00	500,000.00
Water Utility Improvements	2021-14	500,000.00	500,000.00
			<u>\$ 4,000,000.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-10

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2020</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 148.58	\$	\$ 148.58	\$	\$ 148.58
Other Expenses	73,436.18	111,655.56	185,091.74	84,423.66	100,668.08
Capital Improvements:					
Capital Outlay	207.04		207.04		207.04
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	248.39		248.39		248.39
Social Security System	3,257.04		3,257.04		3,257.04
Unemployment Compensation Insurance	100.00		100.00		100.00
	<u>\$ 77,397.23</u>	<u>\$ 111,655.56</u>	<u>\$ 189,052.79</u>	<u>\$ 84,423.66</u>	<u>\$ 104,629.13</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-11

SCHEDULE OF ACCRUED INTEREST ON BONDS, LOANS AND NOTES

Balance December 31, 2020	\$ 109,964.27
Increased by Receipts:	
Budget Appropriations	<u>153,392.59</u>
	263,356.86
Decreased by:	
Disbursements	<u>190,249.77</u>
Balance December 31, 2021	\$ <u><u>73,107.09</u></u>

WATER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Exhibit D-12

Balance December 31, 2020	\$ 27,650.00
Increased by:	
2021 Budget Appropriation	<u>2,900.00</u>
Balance December 31, 2021	\$ <u><u>30,550.00</u></u>

WATER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUND - GENERAL CAPITAL FUND

Exhibit D-13

Balance December 31, 2020 - Due From	\$ 347,551.60
Decreased by:	
Receipts	<u><u>347,551.60</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-14

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2020 Unfunded	2021 Authorizations Deferred Charges to Future Revenue	Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2021 Unfunded
2013-07	Water Utility Improvements	8/21/2013	\$ 500,000.00	\$ 7,366.08	\$	\$ 2,052.91	\$ 2,052.91	\$ 7,366.08
2014-04	Water Utility Improvements	6/18/2014	500,000.00	2,199.68				2,199.68
2015-08	Water Utility Improvements	10/07/2015	500,000.00	657.96				657.96
2016-10	Water Utility Improvements	9/21/2016	500,000.00	93.22		3,663.61	3,663.61	93.22
2017-05	Water Utility Improvements	10/04/2017	300,000.00	424.20		1,328.75	1,328.75	424.20
2018-06	Water Utility Improvements	10/03/2018	400,000.00	93,730.00		34,819.90	128,531.15	18.75
2019-03	Water Utility Improvements	4/03/2019	300,000.00	95,000.00		121,823.75	190,561.75	26,262.00
2020-05	Water Utility Improvements	10/07/2020	500,000.00	249,813.24		104,638.15	254,441.65	100,009.74
2021-14	Water Utility Improvements	10/06/2021	500,000.00		500,000.00			500,000.00
				\$ 449,284.38	\$ 500,000.00	\$ 268,327.07	\$ 580,579.82	\$ 637,031.63

Disbursements \$ 409,255.13
 Reserve for Encumbrances 171,324.69

\$ 580,579.82

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-15

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance December 31, 2020		\$ 9,017,972.70
Increased by:		
Capital Outlay:		
By Operating Budget	\$ 4,901.78	
Paid by Operating Budget:		
Serial Bonds	115,000.00	
Environmental Infrastructure Trust Loan	100,199.66	
Environmental Infrastructure Fund Loan	<u>101,343.29</u>	
		<u>321,444.73</u>
Balance December 31, 2021		<u>\$ 9,339,417.43</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Exhibit D-16

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2021</u>
Water Utility Improvements	2013-07	\$ 64,105.00
Water Utility Improvements	2014-04	51,284.00
Water Utility Improvements	2015-08	50,024.00
Water Utility Improvements	2016-10	25,642.00
Water Utility Improvements	2017-05	7,693.00
Water Utility Improvements	2020-05	<u>25,000.00</u>
		<u>\$ 223,748.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-17

SCHEDULE OF WATER UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2021</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds	2/06/2020	\$ 1,250,000.00	4/01/2022	\$ 120,000.00	3.00%			
			4/01/2023	125,000.00	5.00%			
			4/01/2024	130,000.00	5.00%			
			4/01/2025	140,000.00	5.00%			
			4/01/2026	145,000.00	5.00%			
			4/01/2027	150,000.00	5.00%			
			4/01/2028	160,000.00	5.00%			
			4/01/2029	165,000.00	5.00%			
						\$ 1,250,000.00	\$ 115,000.00	\$ 1,135,000.00

Paid by Budget Appropriation:
Reserve for Amortization

\$ 115,000.00
\$ 115,000.00

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-18

SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding December 31, 2021</u>		<u>Interest Rates</u>	<u>Balance</u>	
			<u>Year</u>	<u>Amount</u>		<u>Dec. 31, 2020</u>	<u>Dec. 31, 2021</u>
Water System	2004	\$ 290,000.00	2022	\$ 8,744.33	5.00%		
			2023	18,236.16	5.00%		
			2024	22,720.64	5.00%	\$ 58,900.79	\$ 49,701.13
Water System	2008	1,700,000.00	2022	95,000.00	5.50%		
			2023	99,000.00	5.50%		
			2024	103,000.00	5.00%		
			2025	107,000.00	5.00%		
			2026	112,000.00	5.00%		
			2027	120,000.00	5.00%		
	2028	120,000.00	5.00%		847,000.00	756,000.00	
						<u>\$ 905,900.79</u>	<u>\$ 805,701.13</u>

Paid by Budget Appropriation:
Reserve for Amortization

\$ 100,199.66

\$ 100,199.66

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-19

SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE FUND LOAN

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding December 31, 2021</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
			<u>Year</u>				
Water System	2004	\$ 292,644.00	2022				
			2023	0.00%	\$ 38,464.90	\$ 15,323.45	\$ 23,141.45
Water System	2008	1,503,700.00	2022				
			2023				
			2024				
			2025				
			2026	0.00%	457,376.28	86,019.84	371,356.44
					\$ 495,841.18	\$ 101,343.29	\$ 394,497.89

Paid by Budget Appropriation:
Reserve for Amortization

\$ 101,343.29
\$ 101,343.29

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-20

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
2010-10	Well Number 5 and Related Improvements	3/12/2012	3/03/2021	3/03/2022	1.00%	\$ 1,106,928.00	\$	\$	\$ 1,106,928.00
2012-06	Water Utility Improvements	3/11/2013	3/03/2021	3/03/2022	1.00%	599,820.00			599,820.00
2013-07	Water Utility Improvements	3/11/2014	3/03/2021	3/03/2022	1.00%	448,716.00		12,821.00	435,895.00
2014-04	Water Utility Improvements	3/09/2015	3/03/2021	3/03/2022	1.00%	461,537.00		12,821.00	448,716.00
2015-08	Water Utility Improvements	3/07/2017	3/03/2021	3/03/2022	1.00%	462,820.00		12,844.00	449,976.00
2016-10	Water Utility Improvements	3/07/2017	3/03/2021	3/03/2022	1.00%	487,179.00		12,821.00	474,358.00
2017-05	Water Utility Improvements	3/06/2018	3/03/2021	3/03/2022	1.00%	300,000.00		7,693.00	292,307.00
2018-06	Water Utility Improvements	3/05/2019	3/03/2021	3/03/2022	1.00%	400,000.00			400,000.00
2019-03	Water Utility Improvements	3/04/2020	3/03/2021	3/03/2022	1.00%	300,000.00			300,000.00
2020-05	Water Utility Improvements	3/03/2021	3/03/2021	3/03/2022	1.00%		475,000.00		475,000.00
						<u>\$ 4,567,000.00</u>	<u>\$ 475,000.00</u>	<u>\$ 59,000.00</u>	<u>\$ 4,983,000.00</u>

Paid by Budget Appropriation:
Deferred Reserve for Amortization

\$ 59,000.00

\$ 59,000.00

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-21

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>
2006-14, 2008-07 2021-14	Construction of Storage Tank and Related Equipment Water Utility Improvements	\$ 29,634.42 <u>500,000.00</u>
		<u>\$ 529,634.42</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

PAYROLL FUND

Exhibit G-1

SCHEDULE OF CASH - TREASURER

Balance December 31, 2020		\$	3,892.37
Increased by Receipts:			
Deposits for Net Pay	\$ 2,987,011.76		
Payroll Deductions	<u>3,188,014.16</u>		
			<u>6,175,025.92</u>
			<u>6,178,918.29</u>
Decreased by Disbursements:			
Net Pay	2,987,011.76		
Payroll Deductions Payable	<u>3,188,761.04</u>		
			<u>6,175,791.54</u>
Balance December 31, 2021		\$	<u><u>3,126.75</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

PAYROLL FUND

Exhibit G-2

ANALYSIS OF CASH

	<u>Balance Dec. 31, 2020</u>	<u>Increased by Payroll Deductions</u>	<u>Decreased by Payments</u>	<u>Balance Dec. 31, 2021</u>
Federal Taxes	\$	\$ 1,198,941.07	\$ 1,198,941.07	\$
Garnishee		33,744.06	33,744.06	
Deferred Compensation and Insurance		85,907.00	85,907.00	
Health Benefits		258,755.43	258,755.43	
N.J. Gross Income Tax		168,674.79	168,674.79	
Net Pay		2,987,011.76	2,987,011.76	
Police and Firemen's Retirement System	289.11	908,938.93	908,945.10	282.94
Public Employees' Retirement System	1,619.52	445,178.83	445,966.50	831.85
Defined Retirement		3,044.02	2,997.06	46.96
State Unemployment and Disability		57,856.03	57,856.03	
Union Dues		26,974.00	26,974.00	
	<u>1,908.63</u>	<u>6,175,025.92</u>	<u>6,175,772.80</u>	<u>1,161.75</u>
Other:				
Interfund - Current Fund	<u>1,983.74</u>		<u>18.74</u>	<u>1,965.00</u>
	<u>\$ 3,892.37</u>	<u>\$ 6,175,025.92</u>	<u>\$ 6,175,791.54</u>	<u>\$ 3,126.75</u>

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BOROUGH OF BEACHWOOD

PART II

GENERAL COMMENTS

FOLLOW-UP OF PRIOR YEAR FINDINGS

FINDINGS/RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

GENERAL COMMENTS

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

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

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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

Reconstruction of Various Roads
Reconstruction of Various Roads
Water Main Replacement
Iron Removal System

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S.A. 40:11-5:

Attorney (General and Labor)
Auditor
Bond Counsel
Consulting
Engineering Services (Multiple Purposes)
Fee Accountant
Financial Advisor
Municipal Planner

GENERAL COMMENTS (CONTINUED)

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-5) (CONTINUED)

Municipal Prosecutor
Police Department Accreditation
Public Defender
Website Design and Development

CHANGE ORDERS PURSUANT TO N.J.A.C. 5:30-11.9 ET SEQ.

Shore Protection Project

CONTRACTS OR AGREEMENTS NOT REQUIRED TO BE ADVERTISED
ADVERTISED PER N.J.S.A. 40A:11-6.1

N.J.S.A. 40A:11-6.1 states "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c.198 (C.40A11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor."

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by the statute.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

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

BE IT RESOLVED by the Mayor and Council of Beachwood that the rate of interest to be charged on delinquent taxes and assessments is to be 8% on the first \$1,500.00 and 18% on any amount thereafter. Any amount sold on tax sale is to be charged the entire 18% for the full amount.

BE IT FURTHER RESOLVED that the rate of interest on delinquent water bills is to be 18% per state statute.

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS (CONTINUED)

BE IT FURTHER RESOLVED that the grace period allowed for payment of interest shall not exceed 10 calendar days of the due date and thereafter. The interest shall be charged from the date due to the date paid.

BE IT RESOLVED by the Mayor and Council of the Borough of Beachwood, County of Ocean and State of New Jersey, that in accordance with the amendment to N.J.S.A. 54:4-67, the Tax Collector is hereby authorized to charge an additional penalty of 6% for any delinquency that remains in arrears past December 31, 2020 that is in excess of \$10,000.00.

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

TAX TITLE LIENS

The last tax sale was held on December 10, 2021 and was complete.

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

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

<u>YEAR</u>	<u>NUMBER</u>
2021	22
2020	30
2019	30
2018	32
2017	32

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2021 Taxes	50
Delinquent Taxes	50
Payment of Water Utility Rents	50
Delinquent Water Utility Rents	25

GENERAL COMMENTS (CONTINUED)

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES (CONTINUED)

The results of the test are not yet known, but a separate report will be issued if any irregularities are developed. For those verification notices which were not returned by taxpayers, we examined subsequent cash collections as an alternative procedure where possible.

MISCELLANEOUS

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Chief Financial Officer, as well as with independent lists made part of this audit.

A report summarizing collections of Dog License Fees and remittance of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Individual payments of the Local, Regional and/or Consolidated School District Taxes by the municipality were confirmed as received by the Secretaries of the Boards of Education for year 2021.

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

FOLLOW-UP OF PRIOR YEAR FINDINGS

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

There were no, (0) findings identified in the 2020 audit of the Borough.

CURRENT YEAR FINDINGS

21-01 Finding - The Analysis of Utility Capital Fund Cash includes cash deficits for ordinances over 5 years old.

Criteria - Upon authorization of utility capital projects, the Borough establishes deferred charges for the cost of the utility capital projects to be raised by future taxation and/or

CURRENT YEAR FINDINGS (CONTINUED)

Criteria (Continued) - established water rates. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of water capital projects. According to N.J.S. 40A:2-4, the Borough may levy taxes on all taxable property within its jurisdiction, or in this case, set water rates accordingly, to repay its debt. The Borough raises the debt requirements for its debt in its current budget and/or utility budget as funds are raised thereby reducing the deferred charges.

OTHER COMMENTS

None.

RECOMMENDATIONS

- 1.) That the utility capital cash deficit over five years old for ordinance 2006-14/2008-07 be raised in the upcoming 2023 budget cycle.

