

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY**

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2019**

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY**

TABLE OF CONTENTS

Year ended December 31, 2019

	<u>EXHIBIT</u>	<u>PAGE</u>
PART I		
Independent Auditor's Report		1
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 <i>Government Auditing Standards</i>		5
Financial Statements – Regulatory Basis:		
<u>Current Fund:</u>		
Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis	A	9
Statements of Operations and Changes in Fund Balance – Regulatory Basis	A-1	11
Statement of Revenues – Regulatory Basis	A-2	12
Statement of Expenditures – Regulatory Basis	A-3	14
<u>Trust Fund:</u>		
Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis	B	18
<u>General Capital Fund:</u>		
Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis	C	19
Statement of Fund Balance	C-1	20
<u>Water-Sewer Utility Fund:</u>		
Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis	D	21
Statements of Operations and Change in Operating Fund Balance - Regulatory Basis	D-1	23
Statement of Capital Surplus – Regulatory Basis	D-2	23
Statement of Revenues - Regulatory Accounting Basis	D-3	24
Statement of Expenditures - Regulatory Accounting Basis	D-4	25
<u>General Fixed Assets Account Group:</u>		
Balance Sheet - Regulatory Basis	E	26
<u>Payroll Fund</u>		
Balance Sheet - Regulatory Basis	F	27
<u>Notes to Financial Statements</u>		31

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY**

TABLE OF CONTENTS

Year ended December 31, 2019

	<u>EXHIBIT</u>	<u>PAGE</u>
<u>Current Fund:</u>		
Schedule of Cash - Treasurer	A-4	81
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5	82
Schedule of Tax Title Liens	A-6	83
Schedule of Revenue Accounts Receivable	A-7	83
Schedule of 2018 Appropriation Reserves	A-8	84
Schedule of School Tax Payable	A-9	87
Schedule of County Taxes Payable	A-10	88
Schedule of Miscellaneous Reserves	A-11	88
Schedule of Prepaid Taxes	A-12	89
Schedule of Accounts Payable	A-13	90
Schedule of Due From/(To) State of New Jersey	A-14	91
Schedule of Tax Overpayments	A-15	92
Schedule of Interfunds	A-16	93
Schedule of Grants Receivable	A-17	94
Schedule of Reserves for Grants - Appropriated	A-18	95
Schedule of Reserves for Grants - Unappropriated	A-19	96
<u>Trust Fund:</u>		
Schedule of Cash - Treasurer	B-1	99
Schedule of Due/(From) State For Dog Registration Fees	B-2	100
Schedule of Reserve for Dog Fund Expenditures	B-3	100
Schedule of Reserve for Municipal Open Space	B-4	101
Schedule of Interfund Receivable - Current Fund	B-5	101
Schedule of Various Reserves	B-6	102
Length of Service Awards Program ("LOSAP") - Schedule of Investments	B-7	103
<u>General Capital Fund:</u>		
Schedule of General Capital Cash	C-2	107
Analysis of General Capital Cash	C-3	108
Schedule of Deferred Charges - Funded	C-4	109
Schedule of Deferred Charges To Future Taxation - Unfunded	C-5	110
Schedule of Capital Improvement Fund	C-6	111
Schedule of Bond Anticipation Notes	C-7	112
Schedule of Improvement Authorizations	C-8	113
Schedule of General Serial Bonds	C-9	114
Schedule of Green Trust Loan Program	C-10	115
Schedule of Grants Receivable	C-11	116
Schedule of Bonds and Notes Authorized but not Issued	C-12	117

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY**

TABLE OF CONTENTS

Year ended December 31, 2019

	<u>EXHIBIT</u>	<u>PAGE</u>
<u>Water-Sewer Utility Fund:</u>		
Schedule of Utility Cash – Treasurer	D-5	121
Analysis of Cash - Water-Sewer Utility Capital Fund	D-6	122
Schedule of Consumer Accounts Receivable	D-7	123
Schedule of 2018 Appropriation Reserves	D-8	123
Schedule of Accrued Interest on Bonds and Notes	D-9	124
Schedule of Rent Overpayments	D-10	125
Schedule of Prepaid Rents	D-11	126
Schedule of Water-Sewer Interfunds	D-12	127
Schedule of Capital Improvement Fund	D-13	127
Schedule of Fixed Capital Authorized and Uncompleted	D-14	128
Schedule of Fixed Capital	D-15	129
Schedule of Deferred Reserve for Amortization	D-16	130
Schedule of Reserve for Amortization	D-17	130
Schedule of Improvement Authorizations	D-18	131
Schedule of Serial Bonds Payable	D-19	132
Schedule of N.J. Environmental Infrastructure Trust Loan	D-20	133
Schedule of N.J. Environmental Infrastructure Fund Loan	D-21	134
Schedule of Bond Anticipation Notes Payable	D-22	135
Schedule of Bonds and Notes Authorized But Not Issued	D-23	136
 <u>Payroll Fund:</u>		
Schedule of Payroll Fund Cash	F-1	139
Schedule of Payroll Taxes Payable	F-2	139
 <u>Comments and Recommendations:</u>		
Part II		
Schedule of Financial Statement Findings		
Government Auditing Standards		143
Summary Schedule of Prior Year Audit Findings and		
Questioned Costs as Prepared by Management		144
Part III		
Officials in Office		147
Contracts and Agreements Required to be Advertised by (N.J.S.A.40A:11-4)		149
Collection of Interest on Delinquent Taxes and Assessments		150
Appreciation		151

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Council
Borough of Point Pleasant,
Point Pleasant, New Jersey

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Point Pleasant as of December 31, 2019 and 2018, and the related statements of operations and changes in in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As discussed in Note 1 to the financial statements, the Borough prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough, as of December 31, 2019 and 2018, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2019 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 24, 2020 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 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 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 the Borough's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Toms River, New Jersey
September 24, 2020

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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**

Honorable Mayor and Members
of the Council
Borough of Point Pleasant
Point Pleasant, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Point Pleasant, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated September 24, 2020. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Toms River, New Jersey
September 24, 2020

BASIC FINANCIAL STATEMENTS

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	2019	2018
Current Fund:			
Cash:			
Treasurer	A-4	\$ 20,800,193	\$ 20,325,596
Change Fund	A	550	550
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-14	16,173	15,095
Total Current Fund		20,816,916	20,341,241
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-5	420,003	446,996
Tax Title Liens Receivable	A-6	1,222	2,823
Revenue Accounts Receivable	A-7	8,156	6,772
Property Acquired for Taxes Assessed Valuation	A	488,900	-
Due From Interfunds:			
State & Federal Grant Fund	A-16	25,788	2
Animal Control Trust	A-16	15,588	6,081
Other Trust	A-16	10	13
Total Receivables & Other Assets With Full Reserves		959,667	462,687
Deferred Charges:			
Community Disaster Loan Program	A	2,504,059	4,113,315
Total Deferred Charges		2,504,059	4,113,315
Total Current Fund, Receivables, Other Assets With Full Reserves & Deferred Charges		24,280,642	24,917,243
State & Federal Grants:			
Cash	A-4	25,952	10,129
Grants Receivable	A-17	595,202	506,664
Total State & Federal Grants		621,154	516,793
Total Assets		\$ 24,901,796	\$ 25,434,036

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2019	2018
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-8	\$ 930,895	\$ 669,880
Reserve for Encumbrances	A-3	552,634	529,625
Accounts Payable	A-13	19,167	61,952
Tax Overpayments	A-15	53,794	21,396
Prepaid Taxes	A-12	661,968	681,408
County Tax Payable	A-10	49,101	54,260
Community Disaster Loan Payable	A	2,504,059	4,113,315
Local District School Tax Payable	A-9	11,917,621	11,204,872
Miscellaneous Reserves:			
Reserve For Superstorm Sandy	A-11	17,158	2,457
Reserve For Tax Appeal	A-11	300,000	300,000
Sale of Municipal Assets	A-11	888,205	1,153,205
Sale of Liquor License	A-11	-	255,001
Due to State of NJ - Marriage License Fees	A-11	864	589
Due to State of NJ - DCA Training Fees	A-11	8,304	6,451
Subtotal		17,903,770	19,054,411
Reserve for Receivables & Other Assets	A	959,667	462,687
Fund Balance	A-1	5,417,205	5,400,145
Total Current Fund		24,280,642	24,917,243
State & Federal Grants:			
Reserve for Grants Appropriated	A-18	522,303	482,935
Reserve for Grants Unappropriated	A-19	25,835	-
Reserve for Encumbrances	A-18	16,903	3,528
Due to Current Fund	A-16	25,788	2
Due to Trust Fund	B	30,325	30,328
Total State & Federal Grants		621,154	516,793
Total Liabilities, Reserves & Fund Balance		\$ 24,901,796	\$ 25,434,036

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

	2019	2018
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 2,650,000	\$ 2,400,000
Miscellaneous Revenue Anticipated	3,734,469	3,664,229
Receipts From Delinquent Taxes & Tax Title Liens	439,706	485,471
Receipts From Current Taxes	67,332,107	64,816,135
Nonbudget Revenue	449,936	365,254
Other Credits to Income:		
Interfunds Liquidated	6,084	368,119
Cancellation of Grants	-	7,781
Cancellation of Overpayments	-	18,505
Cancellation of Accounts Payable	61,593	11,648
Unexpended Balance of Appropriation Reserves	734,162	957,879
Total	75,408,057	73,095,021
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	8,387,003	7,386,755
Other Expenses	6,068,068	6,458,522
Deferred Charges & Statutory Expenditures	2,093,489	2,018,113
Excluded From "CAPS":		
Operations:		
Other Expenses	804,702	945,598
Capital Improvements	100,000	100,000
Municipal Debt Service	2,369,947	2,220,723
County Taxes	14,604,638	14,005,661
Due County for Added & Omitted Taxes	49,101	54,260
Local District School Tax	38,130,665	36,507,165
Municipal Open Space Tax	66,459	65,156
Interfunds Advanced	41,374	-
Tax Appeal Refund	22,116	10,294
Refund of Prior Year Revenues	3,435	941
Total Expenditures	72,740,997	69,773,188
Excess/Deficit in Revenue	2,667,060	3,321,833
Fund Balance January 1	5,400,145	4,478,312
Total	8,067,205	7,800,145
Decreased by: Utilization as Anticipated Revenue	2,650,000	2,400,000
Fund Balance December 31	\$ 5,417,205	\$ 5,400,145

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 2,650,000	\$ -	\$ 2,650,000	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	13,000	-	15,378	2,378
Fees & Permits:				
Uniform Construction Code Fees	400,000	-	629,243	229,243
Other	45,000	-	13,450	(31,550)
Fines & Costs:				
Municipal Court	150,000	-	120,571	(29,429)
Interest & Costs on Taxes	140,000	-	123,306	(16,694)
Interest on Investments & Deposits	185,000	-	422,720	237,720
Energy Receipts Tax	1,226,819	-	1,227,576	757
Consolidated Municipal Property				
Tax Relief Act	757	-	-	(757)
Interlocal Agreement				
Police Department Patrol of Schools	198,000	-	56,386	(141,614)
Clean Communities Program	-	44,043	44,043	-
DOT Grants	-	396,462	396,462	-
Drunk Driving Enforcement	-	6,203	6,203	-
Drive Sober or Get Pulled Over	-	5,500	5,500	-
CDBG - Handicapped Improvement 2019	-	35,000	35,000	-
CDBG - Handicapped Improvement 2017	-	32,000	32,000	-
Alcohol Education & Rehabilitation Fund	-	1,688	1,688	-
Recycling Tonnage Grant	25,451	-	25,451	-
Bullet Proof Vest	-	9,160	9,160	-
Body Armor	3,503	3,270	6,773	-
Distracted Driving Crackdown	-	5,500	5,500	-
Click it or Ticket	-	5,500	5,500	-
Cops in Shops	2,640	-	2,640	-
Senior Service County Grant	17,918	12,000	29,918	-
Sale of Liquor License	255,001	-	255,001	-
Sale of Municipal Assets	265,000	-	265,000	-
Total Miscellaneous Revenues	2,928,089	556,326	3,734,469	250,054
Receipts From Delinquent Taxes	400,000	-	439,706	39,706
Subtotal General Revenues	5,978,089	556,326	6,824,175	289,760
Local Tax for Municipal Purposes	14,794,720	-	15,822,206	1,027,486
Budget Totals	20,772,809	556,326	22,646,381	1,317,246
Nonbudget Revenues	-	-	449,936	449,936
Total	\$ 20,772,809	\$ 556,326	\$ 23,096,317	\$ 1,767,182

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 67,332,107
Less: Allocated for School, County Taxes & Open Space Taxes	<u>52,850,863</u>
Total Allocation of Current Tax Collections	14,481,244
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>1,340,962</u>
Total Amount for Support of Municipal Budget Appropriation	<u>\$ 15,822,206</u>
Delinquent Property Taxes Receivable	<u>439,706</u>
Total Receipts From Delinquent Taxes	<u>\$ 439,706</u>
Planning Board	\$ 8,700
Zoning Board	7,930
Public Health Service	<u>26,781</u>
Total Other Fees & Permits	<u>\$ 43,411</u>

ANALYSIS OF NONBUDGET REVENUES

Recycling	\$ 24,392
Miscellaneous Licenses	5,100
Boat Ramp Fees	1,945
DMV Fees	2,063
Cell Tower Rental	54,747
Cable TV Fees	77,599
Grading and Drainage	49,450
Refund of Prior Year Expenditures	4,461
Firearms	760
Police Reports	2,762
Hurricane Sandy Reimbursement	161,747
Beach Tags	11,905
Miscellaneous Other	<u>53,005</u>
Nonbudget Revenue	<u>\$ 449,936</u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"						
General Government Functions:						
General Administration:						
Salaries and Wages	\$ 101,715	\$ 101,715	\$ 100,350	\$ -	\$ 1,365	\$ -
Other Expenses	76,600	76,600	58,424	4,169	14,007	-
Mayor & Council:						
Salaries and Wages	40,200	40,200	40,200	-	-	-
Municipal Clerk:						
Salaries and Wages	100,931	100,931	99,999	-	932	-
Other Expenses	19,725	19,725	12,631	1,621	5,473	-
Elections	2,500	2,500	2,350	-	150	-
Financial Administration						
(Treasury):						
Salaries and Wages	132,643	132,643	128,547	-	4,096	-
Other Expenses	11,450	11,450	1,003	5,143	5,304	-
Audit Services:						
Annual Audit	31,000	31,000	26,347	700	3,953	-
Revenue Administration						
(Tax Collector):						
Salaries and Wages	96,276	96,276	95,931	-	345	-
Other Expenses	20,020	20,020	9,780	7,460	2,780	-
Tax Assessor:						
Salaries and Wages	168,908	168,908	168,907	-	1	-
Other Expenses	6,010	6,010	2,657	3,923	30	-
Cost of Tax Appeals	3,000	3,000	1,500	1,500	-	-
Legal Services:						
Other Expenses	200,000	200,000	147,948	49,352	2,700	-
Engineering Services & Costs:						
Other Expenses	80,000	80,000	40,925	30,075	9,000	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	8,500	8,500	8,500	-	-	-
Other Expenses	20,600	20,600	17,712	2,106	782	-
Zoning Board of Adjustment:						
Salaries and Wages	8,500	8,500	8,500	-	-	-
Other Expenses	12,100	12,100	1,727	9,086	1,287	-
Code Enforcement						
Salaries & Wages	143,101	143,101	142,072	-	1,029	-
Other Expenses	17,150	17,150	1,557	2,250	13,343	-
Code Enforcement & Admin:						
Uniform Const. Code						
Salaries & Wages	401,566	395,466	363,097	-	32,369	-
Other Expenses	186,140	186,140	72,237	276	113,627	-
Insurance:						
Health Insurance						
Other Expenses	1,776,700	1,776,700	1,465,677	2,439	308,584	-
Health Insurance Waiver						
Liability Insurance						
Other Expenses	200,000	199,400	194,757	-	4,643	-
Workers' Compensation						
Insurance	250,000	250,000	225,814	-	24,186	-
Unemployment Insurance	60,000	60,000	60,000	-	-	-
Group Health Waivers	40,000	36,000	25,327	-	10,673	-
Public Safety Functions:						
Police:						
Salaries and Wages	5,199,294	5,189,294	5,118,116	-	71,178	-
Other Expenses	235,811	235,811	171,535	58,507	5,769	-
Purchase of Police Vehicles	101,102	101,102	101,102	-	-	-
Emergency Management Services:						
Salaries and Wages	3,500	3,500	3,500	-	-	-
Other Expenses	5,500	5,500	3,174	849	1,477	-

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	CANCELLED
Aid to Volunteer Fire Companies:						
Other Expenses						
Fire Station No. 75	150,750	150,750	150,750	-	-	-
Aid to Volunteer Ambulance Companies:						
Companies:						
Other Expenses	70,000	70,000	70,000	-	-	-
Public Works Functions:						
Road Repairs & Maintenance:						
Salaries and Wages	1,403,444	1,403,444	1,365,363	-	38,081	-
Other Expenses	152,400	154,400	139,155	12,415	2,830	-
Other Public Works Functions:						
Recycling:						
Salaries and Wages	72,500	78,100	74,580	-	3,520	-
Other Expenses	293,800	293,800	266,073	24,707	3,020	-
Snow Removal:						
Salaries and Wages	80,000	80,000	4,570	-	75,430	-
Other Expenses	55,100	55,100	19,233	8,043	27,824	-
Solid Waste Collection:						
Contractual	705,800	705,800	641,383	58,617	5,800	-
Building & Grounds:						
Other Expenses	73,200	73,200	66,363	6,028	809	-
Condominium Reimbursement						
Other Expenses	33,000	33,000	8,258	708	24,034	-
Health & Human Services:						
Board of Health:						
Salaries and Wages	89,130	89,130	89,129	-	1	-
Other Expenses	2,500	2,500	1,856	-	644	-
Environmental Commission:						
Salaries and Wages	1,200	1,200	1,200	-	-	-
Other Expenses	3,970	3,970	437	-	3,533	-
Animal Control Program:						
Other Expenses	34,000	34,000	34,000	-	-	-
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	262,052	262,052	256,918	-	5,134	-
Other Expenses	40,415	40,415	39,093	1,321	1	-
Utility Expense & Bulk Purchases:						
Electricity	101,000	101,000	64,895	36,105	-	-
Street Lighting	146,000	146,000	93,037	52,963	-	-
Telephone	42,000	42,000	30,810	3,055	8,135	-
Natural Gas	14,000	14,000	8,854	5,146	-	-
Gasoline	100,000	100,000	37,590	31,924	30,486	-
Landfill/Solid Waste Disposal Costs:						
Landfill Dumping Fees	622,000	632,000	579,092	30,908	22,000	-
Municipal Court:						
Salaries and Wages	73,543	84,043	83,867	-	176	-
Other Expenses	5,225	5,225	3,396	820	1,009	-
Public Defender:						
Other Expenses	8,500	8,500	8,500	-	-	-
Other Common Operating Functions:						
Sick Pay Payouts	50,000	50,000	50,000	-	-	-
Prior Year Bills:						
Contingent	1,000	1,000	-	-	1,000	-
Total Operations Within "CAPS"						
Including Contingent	14,447,071	14,455,071	13,110,305	452,216	892,550	-

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	CANCELLED
Detail:						
Salaries and Wages	-	8,387,003	8,153,346	-	200,259	-
Other Expenses	14,447,071	6,068,068	4,956,959	452,216	692,291	-
Deferred Charges & Statutory Expenditures						
Municipal Within "CAPS":						
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)	609,169	609,169	590,107	-	19,062	-
Public Employees' Retirement System	440,720	432,720	432,697	-	23	-
Police & Firemen's Retirement System	1,038,050	1,038,050	1,038,019	-	31	-
Defined Contribution Retirement Program	13,450	13,450	6,371	-	7,079	-
Judgements	100	100	-	-	100	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	2,101,489	2,093,489	2,067,194	-	26,295	-
Total General Appropriations for Municipal Purposes Within "CAPS"	16,548,560	16,548,560	15,177,499	452,216	918,845	-
Operations Excluded From "CAPS":						
LOSAP	85,000	85,000	-	85,000	-	-
Shared Services Agreement:						
Municipal Court - Borough of Point Pleasant Beach	25,000	25,000	19,735	5,265	-	-
Police Department Patrol of Schools	198,000	198,000	66,661	10,153	2,050	119,136
Public & Private Programs Offset by Revenues:						
Matching Fund for Grants	10,000	10,000	-	-	10,000	-
Drunk Driving Enforcement	-	6,203	6,203	-	-	-
Clean Communities Program	-	44,043	44,043	-	-	-
Drive Sober or Get Pulled Over	-	5,500	5,500	-	-	-
Alcohol Education & Rehabilitation Fund	-	1,688	1,688	-	-	-
Recycling Tonnage	25,451	25,451	25,451	-	-	-
DOT Grants	-	396,462	396,462	-	-	-
CDBG - Handicapped Improvement 2019	-	35,000	35,000	-	-	-
CDBG - Handicapped Improvement 2017	-	32,000	32,000	-	-	-
Body Armor Grant	3,503	6,773	6,773	-	-	-
Bullet Proof Vest	-	9,160	9,160	-	-	-
Distracted Driving Crackdown	-	5,500	5,500	-	-	-
Cops In Shops	2,640	2,640	2,640	-	-	-
Click It or Ticket	-	5,500	5,500	-	-	-
Senior Services County Grant	17,918	29,918	29,918	-	-	-
Total Operations Excluded from "CAPS"	367,512	923,838	692,234	100,418	12,050	119,136
Detail:						
Other Expenses						

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	CANCELLED
Capital Improvements-Excluded from "CAPS":						
Capital Improvement Fund	100,000	100,000	100,000	-	-	-
Total Capital Improvements Excluded From "CAPS"	100,000	100,000	100,000	-	-	-
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	1,800,000	1,800,000	1,800,000	-	-	-
Payment of Bond Anticipation Notes and Capita	30,000	30,000	-	-	-	30,000
Interest on Bonds	400,000	400,000	399,034	-	-	966
Interest on Notes	185,775	185,775	170,913	-	-	14,862
Total Municipal Debt Service Excluded From "CAPS"	2,415,775	2,415,775	2,369,947	-	-	45,828
Total General Appropriations for Municipal Purposes Excluded from CAPS	2,883,287	3,439,613	3,162,181	100,418	12,050	164,964
Subtotal General Appropriations	19,431,847	19,988,173	18,339,680	552,634	930,895	164,964
Reserve For Uncollected Taxes	1,340,962	1,340,962	1,340,962	-	-	-
Total General Appropriations	<u>\$ 20,772,809</u>	<u>\$ 21,329,135</u>	<u>\$ 19,680,642</u>	<u>\$ 552,634</u>	<u>\$ 930,895</u>	<u>\$ 164,964</u>
Adopted Budget		\$ 20,772,809				
Chapter 159		<u>556,326</u>				
Total		<u>\$ 21,329,135</u>				
Interfunds:						
Federal & State Grant Fund			\$ 605,838			
Reserve for Uncollected Taxes			1,340,962			
Cash Disbursements			17,733,842			
Total			<u>\$ 19,680,642</u>			

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

**BOROUGH OF POINT PLEASANT
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	2019	2018
Animal Control Trust Fund:			
Cash	B-1	\$ 60,214	\$ 51,157
Change Fund	B	25	25
Total Animal Control Fund		60,239	51,182
Open Space Trust Fund:			
Cash	B-1	254,699	225,455
Total Open Space Trust		254,699	225,455
Other Trust Fund:			
Cash	B-1	1,750,307	1,426,923
Due from Grant Fund	A	30,325	30,328
Total Other Trust		1,780,632	1,457,251
Length of Service Awards Program Fund: (LOSAP) ("LOSAP")			
Funds Held by Trustee	B-7	1,137,338	948,328
Total LOSAP		1,137,338	948,328
Total - All Funds		<u>\$ 3,232,908</u>	<u>\$ 2,682,216</u>
LIABILITIES & RESERVES			
Animal Control Trust Fund:			
Due to the State of NJ	B-2	\$ 2	\$ 1
Due to Current Fund	A	15,588	6,081
Reserve for Expenditures	B-3	44,649	45,100
Total Dog License Fund		60,239	51,182
Open Space Trust Fund:			
Reserve for Open Space	B-4	254,699	225,455
Total Open Space Trust		254,699	225,455
Other Trust Fund:			
Due to Board of Education	B-6	2,321	2,321
Due to Current Fund		10	13
Various Reserves	B-6	1,778,301	1,454,917
Total Other Trust		1,780,632	1,457,251
Length of Service Awards Program Fund: (LOSAP) ("LOSAP")			
Reserve for Length of Service Awards Program	B-8	1,137,338	948,328
Total LOSAP		1,137,338	948,328
Total - All Funds		<u>\$ 3,232,908</u>	<u>\$ 2,682,216</u>

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

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	2019	2018
Cash	C-2	\$ 1,529,237	\$ 676,425
Grants Receivable	C-11	40,000	60,000
Deferred Charges to Future Taxation:			
Unfunded	C-5	4,781,879	8,694,090
Funded	C-4	16,901,878	13,339,695
Total		<u>\$ 23,252,994</u>	<u>\$ 22,770,210</u>

LIABILITIES, RESERVES & FUND BALANCE

Serial Bonds	C-9	\$ 16,805,000	\$ 13,210,000
Green Acres Loan Payable	C-10	96,878	129,695
Bond Anticipation Notes Payable	C-7	2,500,000	6,200,000
Capital Improvement Fund	C-6	115,906	124,206
Due to Water/Sewer Capital	C	-	300,000
Improvement Authorizations:			
Unfunded	C-8	1,642,493	1,904,923
Funded	C-8	367,571	334,909
Reserve for Encumbrances	C-8	1,544,662	367,525
Reserve for Debt Service	C	83,228	98,228
Fund Balance	C-1	97,256	100,724
Total		<u>\$ 23,252,994</u>	<u>\$ 22,770,210</u>

There were bonds and notes authorized but not issued on December 31, 2019 of \$2,281,879 and on December 31, 2018 was \$2,749,486.

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$	100,724
Add:			
Premium on Notes	\$	7,200	
Premium on Bonds		<u>532,332</u>	
			<u>539,532</u>
Less:			
Premium Utilized to Fund Ordinances			<u>543,000</u>
Balance December 31, 2019		\$	<u><u>97,256</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	2019	2018
Operating Fund:			
Cash	D-5	\$ 1,324,783	\$ 1,322,195
Cash - Change Fund	D	300	300
Total		<u>1,325,083</u>	<u>1,322,495</u>
Receivables & Other Assets With Full Reserves:			
Consumer Accounts Receivable	D-7	<u>728,709</u>	<u>743,830</u>
Total Receivable & Other Assets With Full Reserves		<u>728,709</u>	<u>743,830</u>
Deferred Charges:			
Emergency Appropriation	D	67,750	145,000
Community Disaster Loan Program	D	<u>703,909</u>	<u>703,909</u>
Total Deferred Charges		<u>771,659</u>	<u>848,909</u>
Total Operating Fund		<u>2,825,451</u>	<u>2,915,234</u>
Capital Fund:			
Cash	D-5, D-6	423,068	2,178,304
Due from General Capital Fund	C	-	300,000
Fixed Capital Authorized & Uncompleted	D-14	14,189,577	13,565,953
Fixed Capital	D-15	<u>30,197,184</u>	<u>30,197,184</u>
Total Capital Fund		<u>44,809,829</u>	<u>46,241,441</u>
Total Operating & Capital Fund		<u><u>\$ 47,635,280</u></u>	<u><u>\$ 49,156,675</u></u>

Bonds and Notes authorized but not issued as of December 31, 2019 was \$1,450,466 and as of December 31, 2018 was \$529,645.

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2019	2018
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4	\$ 180,415	\$ 101,657
Community Disaster Loan Payable	D	703,909	703,909
Accounts Payable	D	2,430	-
Reserve for Encumbrances	D-4,D-5	313,070	255,316
Consumer Overpayments	D-10	19,643	24,678
Prepaid Rents	D-11	-	65,089
Prepaid - Other Fees		-	290
Accrued Interest on Bonds & Notes	D-9	129,338	65,199
Subtotal		1,348,805	1,216,138
Reserve for Receivables	D	728,709	743,830
Fund Balance	D-1	747,937	955,266
Total Operating Fund		2,825,451	2,915,234
Capital Fund:			
Serial Bonds	D-19	8,325,000	4,370,000
NJEIT Loan Payable:			
Trust Loan	D-20	330,000	345,000
Fund Loan	D-21	239,679	260,585
Bond Anticipation Notes	D-22	-	6,400,000
Improvement Authorizations:			
Funded	D-18	309,515	273,250
Unfunded	D-18	449,009	886,196
Reserves for:			
Amortization	D-17	33,520,965	32,695,927
Deferred Amortization	D-16	520,651	486,716
Encumbrances	D-18	687,431	113,356
Debt Service	D-6	6,669	46,669
Capital Improvement Fund	D-13	240,207	244,142
Down Payment on Improvements	D-6	13,600	13,600
Fund Balance	D-2	167,103	106,000
Total Capital Fund		44,809,829	46,241,441
Total Liabilities, Reserves & Fund Balance		\$ 47,635,280	\$ 49,156,675

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

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
STATEMENT OF OPERATIONS AND CHANGE
IN OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Revenue & Other Income Realized:		
Fund Balance Appropriated	\$ 571,245	\$ 378,652
Consumer Accounts Receivable	6,309,726	6,353,388
Interest on Delinquents	28,148	29,493
Miscellaneous	287,838	129,036
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	232,420	233,283
Cancellation of Accounts Payable	-	17,864
Cancellation of Accrued Interest	5,317	4,294
	<u>7,434,694</u>	<u>7,146,010</u>
Total Income		
Expenditures:		
Operating	5,137,135	5,129,936
Capital Improvement Fund	30,000	60,000
Debt Service	844,262	615,277
Deferred Charges & Statutory Expenditures	972,200	945,696
Emergency Authorizations	145,000	-
Cancellation of Accounts Receivable	9,931	-
	<u>7,138,528</u>	<u>6,750,909</u>
Total Expenditures		
Excess/(Deficit) in Revenue	<u>296,166</u>	<u>395,101</u>
Adjustments to Income before Fund Balance:		
Emergency Authorization	<u>67,750</u>	<u>145,000</u>
Subtotal	<u>363,916</u>	<u>540,101</u>
Fund Balance January 1	955,266	793,817
Less: Balance Appropriated	<u>571,245</u>	<u>378,652</u>
Fund Balance December 31	<u><u>\$ 747,937</u></u>	<u><u>\$ 955,266</u></u>

**STATEMENT OF CAPITAL SURPLUS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$ 106,000
Increased by:		
Funded Improvement Authorizations Canceled	\$ 159,989	
Premium on Bond Sale	<u>428,233</u>	<u>588,222</u>
		694,222
Decreased by:		
Appropriated to Finance Improvement	110,119	
Premium Utilized to Fund Ordinances	367,000	
Appropriation to 2019 Budget	<u>50,000</u>	<u>527,119</u>
Balance December 31, 2019		<u><u>\$ 167,103</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 571,245	\$ 571,245	\$ -
Rents	6,300,000	6,309,726	9,726
Interest on Delinquent Accounts	29,000	28,148	(852)
Miscellaneous Anticipated	76,000	58,159	(17,841)
Miscellaneous Revenue Not Anticipated	-	229,679	229,679
Capital Fund Surplus	50,000	50,000	-
Reserve to Pay Debt Service	40,000	40,000	-
	<hr/>		
Total	\$ 7,066,245	\$ 7,286,957	\$ 220,712
	<hr/>		

Miscellaneous

Demo Call Out	\$ 4,180
Meter Tap	2,470
Turn On/Off	1,512
Reading and Testing	11,969
Return Check Charge	180
Cost of Tax Sale	8,318
Meter Sale & Repairs	21,383
Connection Fees	5,975
Road Openings	85,300
Financial Administration	37,405
Interest on Investments	50,987
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Total Miscellaneous	\$ 229,679
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	CANCELED
Operating:						
Salaries and Wages	\$ 434,205	\$ 434,205	\$ 431,983	\$ -	\$ 2,222	\$ -
Other Expenses	915,430	915,430	686,628	199,994	28,808	-
Ocean County Utilities Authority	2,625,350	2,625,350	2,544,570	80,780	-	-
Public Works:						
Salaries and Wages	814,960	814,960	781,354	-	33,606	-
Other Expenses	327,100	347,190	310,828	29,365	6,997	-
Debt Service:						
Payment of Bond Principal	385,000	385,000	385,000	-	-	-
Payment of Bond Anticipation Note	87,000	87,000	87,000	-	-	-
Interest on Bonds	150,000	150,000	146,829	-	-	3,171
Interest on Notes	128,000	175,660	175,660	-	-	-
NJEIT Loan	52,000	52,000	49,773	-	-	2,227
Deferred Charges						
Emergency Authorizations	145,000	145,000	145,000	-	-	-
Capital Improvements:						
Capital Improvement Fund	30,000	30,000	30,000	-	-	-
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	157,200	157,200	157,200	-	-	-
Social Security System (O.A.S.I)	100,000	100,000	88,170	-	11,830	-
Unemployment Compensation Insurance	15,000	15,000	15,000	-	-	-
Group Health Insurance	415,000	415,000	326,403	2,931	85,666	-
Liability and Workers Compensation	285,000	285,000	273,714	-	11,286	-
Total Expenditures	<u>\$ 7,066,245</u>	<u>\$ 7,133,995</u>	<u>\$ 6,635,112</u>	<u>\$ 313,070</u>	<u>\$ 180,415</u>	<u>\$ 5,398</u>
Adopted Budget		\$ 7,066,245				
Budget Emergency		67,750				
Total		<u>\$ 7,133,995</u>				
Cash Disbursements			\$ 6,699,251			
Accrued Interest			(64,139)			
Total			<u>\$ 6,635,112</u>			

**BOROUGH OF POINT PLEASANT
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF GENERAL FIXED ASSETS
DECEMBER 31, 2019 AND 2018**

ASSETS	<u>2019</u>	<u>2018</u>
Land & Improvements	\$ 28,190,900	\$ 22,840,500
Buildings	11,372,619	5,350,400
Equipment & Machinery	4,112,277	3,847,665
Vehicles	<u>7,260,342</u>	<u>7,405,342</u>
Total	<u>\$ 50,936,138</u>	<u>\$ 39,443,907</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 50,936,138</u>	<u>\$ 39,443,907</u>

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

**BOROUGH OF POINT PLEASANT
PAYROLL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	<u>2019</u>	<u>2018</u>
Cash - Treasurer	F-1	\$ 181,401	\$ 167,142
Total		<u>\$ 181,401</u>	<u>\$ 167,142</u>
LIABILITIES			
Payroll Taxes Payable	F-2	\$ 136,594	\$ 122,184
Payroll Reserve	F	<u>44,807</u>	<u>44,958</u>
Total		<u>\$ 181,401</u>	<u>\$ 167,142</u>

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

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**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Point Pleasant, County of Ocean, New Jersey (hereafter referred to as the "Borough") is governed by the Borough form of government, with a mayor and a 6-member Borough Council. Administrative responsibilities are assigned to the Borough Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the Borough accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

Water/Sewer Utility Operating and Capital Funds – These funds accounts for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Borough.

Payroll Fund – This fund accounts for the payroll activity of all the funds and the disbursements of payroll with holdings to various cognizant agencies.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its Current Water/Sewer Utility Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost with the exception of LOSAP investments which are reported at fair value. Therefore unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories and Supplies - The cost 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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Water/Sewer Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Foreclosed property – Foreclosed Property or "Property Acquired for Taxes" is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Fund Balance – Fund Balance included in the Current Water/Sewer Utility Operating Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Water/Sewer Utility Revenues – Utility charges are levied semi-annually and quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's utility operating fund.

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Ocean, and Point Pleasant Borough School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Ocean. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Point Pleasant School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district January 1st to December 31st.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

Reserve for Uncollected Taxes – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Borough’s annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Water/Sewer Utility Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (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 (GAAP). 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. The GASB pronouncement effective for the current year did not have a significant impact on the Borough’s financial statements.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 2. Deposits and Investments

The Borough is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2019, the Borough's bank balance of \$26,362,359 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 23,981,559
Uninsured and Uncollateralized	<u>2,380,800</u>
	<u><u>\$ 26,362,359</u></u>

Investments

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Borough's financial statements. However, had the financial statements been prepared in accordance with GAAP, the Borough's fair value, hierarchy level and maturities of its investments at December 31, 2019 would be as follows:

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 2. Deposits and Investments (continued)

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2018</u>			<u>Investment Maturities (in Less Than 1 Year</u>
		<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>	
Money Markets	\$ 92,523	\$ 92,523	\$ -	\$ 92,523	\$ 92,523
Mutual Funds	992,252	992,252	-	992,252	992,252
Fixed Account Investment Contract	52,563	-	52,563	52,563	52,563
	<u>\$ 1,137,338</u>	<u>\$ 1,084,775</u>	<u>\$ 52,563</u>	<u>\$ 1,137,338</u>	<u>\$ 1,137,338</u>
 <u>Fund</u>					
Trust Fund - LOSAP	\$ 1,137,338	\$ 1,084,775	\$ 52,563	\$ 1,137,338	\$ 1,137,338
	<u>\$ 1,137,338</u>	<u>\$ 1,084,775</u>	<u>\$ 52,563</u>	<u>\$ 1,137,338</u>	<u>\$ 1,137,338</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Borough will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A: 5-15.1, the Borough's investment policies place no limit in the amount the Borough may invest in any one issuer. More than 5% of the Borough's investments are in _money markets, fixed account investments, and mutual funds. These investments represent 100% of the Borough's total investments.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$ 2.058</u>	<u>\$ 1.997</u>	<u>\$ 1.953</u>
Apportionment of Tax Rate:			
Municipal	0.450	0.444	0.441
Municipal Open Space	0.002	0.002	0.002
County General	0.445	0.431	0.424
Local School	1.161	1.120	1.086

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2019	\$ 3,284,596,710
2018	3,406,291,992
2017	3,238,516,710

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2019	\$ 67,825,735	\$ 67,178,265	99.04%
2018	65,321,055	64,648,613	98.97%
2017	63,539,239	62,844,553	98.90%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2019	\$ 1,222	\$ 420,003	\$ 421,225	0.62%
2018	2,823	446,996	449,819	0.69%
2017	74,269	424,520	498,789	0.79%

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 3. Property Taxes (Continued)

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2019	1
2018	3
2017	5

The last tax sale was held on June 3, 2019.

Note 4: Property Acquired By Tax Title Lien Liquidation

The Borough had 4 properties totaling \$488,900 acquired by liquidation of tax title liens as of December 31, 2019, None in 2018 or 2017.

Note 5: Water/Sewer Utility Service Charges

The following is a three-year comparison of water/sewer utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balanc</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2019	\$ 743,830	\$ 6,342,007	\$ 7,085,837	\$ 6,309,726	89.04%
2018	730,051	6,376,475	7,106,526	6,353,388	89.40%
2017	435,206	6,659,073	7,094,279	6,310,885	88.95%

Note 6. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and two previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2019	\$ 5,417,205	\$ 2,755,000	50.86%
2018	5,400,045	2,650,000	49.07%
2017	4,478,312	2,400,000	53.59%
Water/Sewer Utility Operating Fund:			
2019	\$ 747,937	\$ 571,245	76.38%
2018	955,266	571,245	59.80%
2017	793,817	378,652	47.70%

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 7. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

Note 8. Interfund Receivables and Payables

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2019:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 41,386	\$ -
State and Federal Grant Fund	-	56,113
Animal Control Trust	-	15,588
Trust Other Fund	30,325	10
	<u>\$ 71,711</u>	<u>\$ 71,711</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2019.

	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	Balance December 31, <u>2019</u>
General Fixed Asset Account Group:					
Land & Improvements	\$ 22,840,500	\$ -	\$ -	\$ 5,350,400	\$ 28,190,900
Buildings	5,350,400	-	-	6,022,219	11,372,619
Equipment & Machinery	3,847,665	302,227	37,615	-	4,112,277
Vehicles	7,405,342	-	145,000	-	7,260,342
	<u>39,443,907</u>	<u>302,227</u>	<u>182,615</u>	<u>11,372,619</u>	<u>50,936,138</u>
Water/Sewer Utility Fund:					
Fixed Capital	30,197,184	-	-	-	30,197,184
Fixed Capital Authorized & Uncompleted	13,260,544	783,613	159,989	305,409	14,189,577
	<u>43,457,728</u>	<u>783,613</u>	<u>159,989</u>	<u>305,409</u>	<u>44,386,761</u>
Total General and Water/Sewer Utility	<u>\$ 82,901,635</u>	<u>\$ 1,085,840</u>	<u>\$ 342,604</u>	<u>\$ 11,678,028</u>	<u>\$ 95,322,899</u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations

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 Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.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.

The following represents the membership tiers for PERS:

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

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 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 and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (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 accompanying 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 POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer 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 the fiscal year 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, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2019, the Borough's contractually required contribution to PERS plan was \$604,353.

Components of Net Pension Liability - At December 31, 2019, the Borough's proportionate share of the PERS net pension liability was \$11,195,089. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Borough's proportion measured as of June 30, 2019, was 0.0621311424% which was an increase of 0.0014988924% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/30/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 2,329,705	\$ 3,248,537
Deferred Inflows of Resources	4,291,419	4,256,643
Net Pension Liability	11,195,089	11,938,188
Borough's portion of the Plan's total Net Pension Liability	0.06213%	0.06063%

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2019, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2019 measurement date is \$814,863. 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 \$604,353 to the plan in 2019.

At December 31, 2019, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 200,937	\$ 49,455
Changes of Assumptions	1,117,871	3,885,780
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	176,719
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>1,010,897</u>	<u>179,465</u>
	<u><u>\$ 2,329,705</u></u>	<u><u>\$ 4,291,419</u></u>

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences 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	-
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
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between 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

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending Dec 31,	<u>Amount</u>
2020	\$ (206,420)
2021	(475,254)
2022	(967,162)
2023	(281,413)
2024	<u>(31,465)</u>
	<u><u>\$ (1,961,714)</u></u>

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:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

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.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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 (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 14,239,593</u>	<u>\$ 11,195,089</u>	<u>\$ 8,773,170</u>

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 the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.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 represents the membership tiers for PFRS:

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

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

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules 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 2019, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability 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. For the year ended December 31, 2019, the Borough's contractually required contributions to PFRS plan was \$1,120,884.

Net Pension Liability and Pension Expense - At December 31, 2019 the Borough's proportionate share of the PFRS net pension liability was \$13,579,875. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Borough's proportion measured as of June 30, 2019, was 0.1109664629%, which was an increase of 0.0047912640% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/31/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 1,682,854	\$ 2,130,863
Deferred Inflows of Resources	4,894,280	4,118,658
Net Pension Liability	13,579,875	14,367,255
Borough's portion of the Plan's total net pension Liability	0.11097%	0.10618%

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2019, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2019 measurement date was \$1,557,134. 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 \$1,120,884 to the plan in 2019.

At December 31, 2019, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 114,632	\$ 85,977
Changes of Assumptions	465,320	4,388,891
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	184,003
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>1,102,902</u>	<u>235,409</u>
	<u><u>\$ 1,682,854</u></u>	<u><u>\$ 4,894,280</u></u>

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences 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
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
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	-	5.00
Changes in Proportion and Differences between 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

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2020	\$ (747,726)
2021	(934,842)
2022	(872,159)
2023	(505,430)
2024	<u>(151,269)</u>
	<u><u>\$ (3,211,426)</u></u>

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.

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Borough is \$2,144,288 as of December 31, 2019. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. 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, 2019 was 0.1109664629%, which was an increase of 0.0047912640% from its proportion measured as of June 30, 2018, which is the same proportion as the Borough's. At December 31, 2019, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 13,579,875
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>2,144,288</u>
	<u><u>\$ 15,724,163</u></u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

At December 31, 2019, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2019 measurement date was \$249,149.

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:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 - 15.25%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
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. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. 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, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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 (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

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

	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Borough's Proportionate Share of the Net Pension Liability	\$ 18,355,042	\$ 13,579,875	\$ 9,627,736
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>2,898,296</u>	<u>2,144,288</u>	<u>1,520,238</u>
	<u><u>\$ 21,253,338</u></u>	<u><u>\$ 15,724,163</u></u>	<u><u>\$ 11,147,974</u></u>

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

Note 11. Postemployment Benefits Other Than Pensions

A. State Plan

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

A. State Plan (continued):

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan 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.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775.00 and \$8,182,092,807.00, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

A. State Plan (continued):

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial Fiscal Year Applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PERS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

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

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2019 was \$11,749,591.00. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.0867379989%, which was a decrease of 0.0059590010% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$(534,899.00) for the State's proportionate share of the OPEB (benefit) expense attributable to the Borough. This OPEB (benefit) expense was based on the OPEB plans June 30, 2019 measurement date.

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

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

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

A. State Plan (continued):

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 13,585,516.14	\$ 11,749,591.00	\$ 10,257,659.16
State of New Jersey's Total Nonemployer OPEB Liability	15,662,704,137.00	13,546,071,100.00	11,826,026,995.00

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

The following presents the net OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough	\$ 9,915,206.83	\$ 11,749,591.00	\$ 14,089,656.81
State of New Jersey's Total Nonemployer OPEB Liability	11,431,214,644.00	13,546,071,100.00	16,243,926,531.00

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

A. State Plan (continued):

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2019:

Collective Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/31/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Collective Deferred Outflows of Resources	\$ 11,158,226.00	\$ 8,279,239.00
Collective Deferred Inflows of Resources	8,761,825,481.00	7,154,925,195.00
Collective Net OPEB Liability	13,546,071,100.00	15,666,618,141.00
 Borough's Portion	 0.086738%	 0.092697%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:

2020	\$ (1,425,201,517.00)
2021	(1,425,201,517.00)
2022	(1,426,076,187.00)
2023	(1,427,489,995.00)
2024	(1,428,781,861.00)
Thereafter	<u>(1,617,916,178.00)</u>
	<u><u>\$ (8,750,667,255.00)</u></u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for the 2019, 2018 and 2017 amounts, respectively.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

A. State Plan (continued):

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

	<u>June 30, 2018</u>
Active Plan Members	63,032
Retirees Currently Receiving Benefits	<u>27,871</u>
Total Plan Members	<u><u>90,903</u></u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

Service Cost	\$ 666,574,660.00
Interest on the Total OPEB Liability	636,082,461.00
Change of Benefit Terms	(1,903,958.00)
Differences Between Expected and Actual Experience	(1,399,921,930.00)
Changes of Assumptions	(1,635,760,217.00)
Contributions From the Employer	(346,415,056.00)
Contributions From Non-Employer Contributing Entity	(43,854,500.00)
Net Investment Income	(4,826,936.00)
Administrative Expense	<u>9,478,435.00</u>
Net Change in Total OPEB Liability	(2,120,547,041.00)
Total OPEB Liability (Beginning)	<u>15,666,618,141.00</u>
Total OPEB Liability (Ending)	<u><u>\$ 13,546,071,100.00</u></u>

Special Funding Situation

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

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

A. State Plan (continued):

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

Additionally, the State's proportionate share of the OPEB liability attributable to the Borough is \$7,784,798.00 as of December 31, 2019. The OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The State's proportion of the OPEB liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2019 was 0.1408829940%, which was a decrease of 0.0069210106% from its proportion measured as of June 30, 2018, which is the same proportion as the Borough's. At December 31, 2019, the Borough's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the Borough	\$ 7,784,798.00

At December 31, 2019, the State's proportionate share of the OPEB expense, associated with the Borough, calculated by the plan as of the June 30, 2019 measurement date was \$103,189.00.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

B. Local Plan

General Information about the OPEB Plan

The financial statements of the Borough are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The following information is provided in accordance with the requirements of the Statement and has been implemented prospectively.

Employees who retire from the Borough may be eligible for pre-65 and post-65 postemployment medical, pharmacy, and dental benefits. Medical, including prescription drugs, are fully insured through the New Jersey State Health Benefits Program for Local Government Employer Groups. Individuals participate in the NJ Direct 10 plan or the NJ Direct 15 plan. Effective January 1, 2019, the Direct 10 and Direct 15 plan options are no longer available to post-65 retirees. These plans have been replaced by the Aetna Medicare Advantage plans.

Dental coverage is with Horizon Blue Cross/Blue Shield of New Jersey.

Base plan costs are based on premium rates for the New Jersey State Health Benefits Program for Local Government Employer Groups. Fully insured premium rates effective December 31, 2018 and January 1, 2019 for pre-65 and post-65 retirees are outlined in Section VII, page 14 of this report. These premium rates are assumed to include all administrative expenses and PPACA fees due at this time.

Employees and Retirees Covered – At December 31, 2018, the following employees were covered by the Borough plan:

Participant Data	<u>Amount</u>
Active Employees	
Total	91
Average Age	44.0
Average Service	11.2
Retired Employees	
Total	26
Average Age	64.5
Average Service	11.2

Actuarial Assumptions and Other Inputs

As part of this report, we included supporting documentation such as a summary of assumptions and key definitions (glossary), which are provided in Sections V through VIII. This includes assumptions for health care costs, contribution rates, healthcare inflation, decrement tables (e.g., probability of death, turnover, disability, and retirement) and other provisions.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

B. Local Plan

Actuarial Assumptions and Other Inputs (continued)

The GASB 74/75 results are based on the assumptions and cost methods as prescribed under GASB 74/75 (e.g., discount rate, aging requirements, actuarial cost method under Entry Age Normal, etc.)

The mortality table used for the current valuation was the RP 2014 Healthy Male and Female Tables based on the Combined Healthy Table for both pre and post-retirement with mortality improvement using the most current Society of Actuaries Mortality Improvement Scale MP-2018.

The valuation is based on the decrement tables from the New Jersey Public Employees' Retirement System (PERS) and the New Jersey Police and Firemen's Retirement System (PFRS). Decrement tables are based on the July 1, 2016 Annual Report of the Actuary for both PERS and PFRS.

Actuarial Cost Method	Entry Age Normal as a Level Percentage of Payroll		
Discount Rate	3.80%		
	The selected discount rate is based on the prescribed discount interest rate methodology under GASB No. 74/75 using an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO - 4.10%, S&P Municipal Bond 20 Year High Grade Rate Index - 3.64%, and Fidelity GA AA 20 Years - 3.71%) as of December 31, 2018.		
	The following assumptions are used for annual healthcare cost inflation (trend):		
Health Care Cost Trend		Year	Pre-65
			Post 65
	Year 1 Trend	January 1, 2020	8.0%
	Ultimate Trend	January 1, 2026 & Later	5.0%
	Grading Per Year		0.5%
	Base plan costs are based on premium rates for the New Jersey State Health Benefits Program for Local Government Employer Groups. Fully insured premium rates effective January 1, 2018 and January 1, 2019 for pre-65 and post-65 retirees are outlined in Section VII, page 14 of this report. These premium rates are assumed to include all administrative expenses and PPACA fees due at this time.		
Starting Claims Cost	Plan costs for January 1, 2020 and beyond are trended forward using the trend rates illustrated under the "Health Care Cost Trend Assumptions" section above.		
Rates of Mortality	RP 2014 Healthy Male and Female Tables are based on the Employee and Healthy Annuitant Tables for both pre & post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2018.		

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

B. Local Plan

Actuarial Assumptions and Other Inputs (continued)

Rates of Turnover	This reflects rate of separation from the active plan and excludes retirement and disability. Turnover table varies by age and years of service with rates of turnover based on the NJ PERS and NJ PFRS.
Rates of Retirement	This reflects rate of retirement from the active plan and is based on age and years of service. This is the assumption used for the NJ PERS and NJ PFRS.
Rates of Disability	This reflects disability assumptions from the active plan for ordinary and accidental disability and is based on age. This is the assumption used for the NJ PERS and NJ PFRS.
Spouse Assumption	It is assumed that female spouses are three years younger than male employees and male spouses are three years older than female employees unless actual spouse date of birth information was provided. Spousal dates of birth were not provided.
Retiree Participation	This reflects rate of retirement from the active plan and is based on age and years of service. This is the assumption used for the NJ PERS and NJ PFRS.
Funding Policy	Pay as you go
Investment Rate of Return	Not applicable

Discount Rate – The discount rate is the single rate that reflects (1) the long-term expected rate of return on the OPEB plan investments that are expected to be used to finance the payments of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of Aa, to the extent that the conditions for use of the long-term expected rate of return are not met. For the total OPEB liability calculation as of December 31, 2018, the discount rate utilized was 3.80%.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

B. Local Plan

Changes in the Total OPEB Liability – The changes to the total OPEB Liability during the year ending December 31, 2018 were as follows:

Changes in the Total OPEB Liability

Total OPEB Liability	
Balance, January 1, 2018	\$ 24,905,982
Changes for the Year:	
Service Cost	310,504
Interest Cost	930,351
Benefits Paid (implicit)	(846,139)
Net Changes	394,716
Balance, December 31, 2018	\$ 25,300,698

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (2.80 percent) or 1-percentage pointer higher (4.80 percent) that the current discount rate:

	December 31, 2018		
	At 1% Decrease (2.80%)	At Discount Rate (3.80%)	At 1% Increase (4.80%)
Total OPEB Liability	\$ 31,559,953.00	\$ 25,300,698.00	\$ 20,826,277.00

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be, if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage pointer higher that the current healthcare cost trend rate:

	December 31, 2018		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
Total OPEB Liability	\$ 20,432,691.00	\$ 25,300,698.00	\$ 31,559,953.00

* See Healthcare Cost Trend Assumptions for details of rates.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

B. Local Plan

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Borough's OPEB expense was estimated to be \$1,240,855.00. This is the first year of implementation for GASB 75, so no deferred inflows or outflows of resources are anticipated for liabilities.

Other Supplementary Information

Schedule of Changes in the Borough's Total OPEB Liability and Related Ratios

	Fiscal Year Ending December 31,		
	2018	2017	2016
Service Cost	\$ 310,504	N/A	N/A
Interest Cost	930,351		
Benefits Paid (implicit)	<u>(846,139)</u>		
Net Change in Total OPEB Liability	394,716		
Total OPEB Liability (Beginning)	<u>24,905,982</u>		
Total OPEB Liability (Ending)	<u>\$25,300,698</u>		
Total Covered Employee Payroll	8,007,070		
Net OPEB Liability as a Percentage of Payroll	316%		

Schedule of Funding Progress

Year Ended	December 31,	
	2018	2017
Total OPEB Liability	\$ 25,300,698	\$ 24,905,982
Fiduciary Net Position	<u>-</u>	<u>-</u>
Net OPEB Liability	<u>\$ 25,300,698</u>	<u>\$ 24,905,982</u>
Funded Ratio	0%	0%
Covered Payroll	8,007,070	N/A
Net OPEB Liability as a Percentage of Covered Payroll	316%	N/A

Schedule of Employer Contributions

Year Ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Payroll	Contributions Percentage Covered Payroll
2018	\$ 1,716,046	\$ -	\$ 1,716,046	\$ 8,007,070	0%

Amount is illustrated as zero since employer contributions are illustrated net of employee contributions

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

Issued:

General:

Bonds, Notes and Loans	\$	19,401,878	\$	19,539,695	\$	19,296,865
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Utility:

Bonds, Notes and Loans		8,894,679		11,375,585		10,345,822
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Total Debt Issued		28,296,557		30,915,280		29,642,687
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Authorized but not issued:

General:

Bonds, Notes and Loans		2,281,879		2,749,486		2,615,168
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Utility:

Bonds, Notes and Loans		1,450,466		529,645		1,150,645
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Total Authorized But Not Issued		3,732,345		3,279,131		3,765,813
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Total Gross Debt	\$	32,028,902	\$	34,194,411	\$	33,408,500
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Deductions:

General:

Funds on Hand For Payment of Bonds and Notes:

Reserve for Debt Service		83,228		98,228		98,228
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Water/Sewer Utility:

Self Liquidating Debt		10,345,145		11,905,230		11,496,467
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Total Deductions		10,428,373		12,003,458		11,594,695
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Total Net Debt	\$	21,600,529	\$	22,190,953	\$	21,813,805
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**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 15,668,000	\$ 15,668,000	\$ -
General Debt	21,683,757	83,228	21,600,529
Utility Debt	10,345,145	10,345,145	-
	<u>\$ 47,696,902</u>	<u>\$ 26,096,373</u>	<u>\$ 21,600,529</u>

Net Debt \$21,600,529 divided by the average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,511,327,052, equals 0.651%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2018 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 122,896,447
Net Debt	<u>21,600,529</u>
Remaining Borrowing Power	<u>\$ 101,295,918</u>

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 6,396,033
Deductions:	
Operating and Maintenance Costs	\$ 5,137,135
Debt Service	<u>844,262</u>
Total Deductions	<u>5,981,397</u>
Excess/(Deficit) in Revenue	<u>\$ 414,636</u>

*If Excess in Revenues all Utility Debt is Deducted

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued)

General Debt

A. Serial Bonds Payable

In July 2019, the Borough issued \$5,395,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.5 % to 5.00 % and mature in 2031.

In July 2010, the Borough issued \$14,890,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00 % to 4.00 % and mature in 2024.

In November 2015, the Borough issued \$7,300,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.00 % to 4.00 % and mature in 2025.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,945,000	\$ 532,972	\$ 2,477,972
2021	2,075,000	478,351	2,553,351
2022	2,275,000	417,613	2,692,613
2023	2,300,000	350,227	2,650,227
2024	2,360,000	278,139	2,638,139
2025-2029	4,560,000	581,909	5,141,909
2030-2031	1,290,000	45,150	1,335,150
	<u>\$ 16,805,000</u>	<u>\$ 2,684,361</u>	<u>\$ 19,489,361</u>

Note 12. Municipal Debt (continued)

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2019:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2019</u>
Various General Improvements	10/18/19	10/16/20	2.750%	1,000,000.00
Various General Improvements	10/18/19	10/16/20	2.750%	750,000.00
Various General Improvements	10/18/19	10/16/20	2.750%	750,000.00
				<u>\$ 2,500,000.00</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued)

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2019, the Borough had \$2,281,879 in various General Capital bonds and notes authorized but not issued.

D. Loans Payable

Green Acres Loan

In 2000 & 2010 the Borough finalized two loan agreements.

The first loan was in 2000, of \$148,836 to be repaid over a 20 year period at a 2.00 % interest rate. The proceeds of the loan is to provide for the restoration of River and Maxxon Avenue Beach Development.

The second loan was in 2010, of \$113,000 to be repaid over a 20 year period at a 2.00 % interest rate. The proceeds of the loan is to provide for the restoration of Riverfront Park.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 33,476	2,431	\$ 35,907
2021	\$ 5,787	1,771	7,558
2022	5,903	1,239	7,142
2023	6,022	1,123	7,145
2024	6,143	883	7,026
2025-2029	32,621	4,161	36,782
2030-2032	6,926	344	7,270
	<u>\$ 96,878</u>	<u>\$ 11,952</u>	<u>\$ 108,830</u>

Water/Sewer Utility Debt

A. Serial Bonds Payable

In July 2019, the Borough issued \$4,340,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.5 % to 5.00 % and mature in 2031.

In July 2010, the Borough issued \$4,980,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00 % to 4.00 % and mature in 2029.

In November 2015, the Borough issued \$1,360,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.00 % to 4.00 % and mature in 2029.

Principal and interest due on the outstanding bonds is as follows:

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued)

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 525,000	\$ 284,992	\$ 809,992
2021	570,000	270,623	840,623
2022	595,000	253,186	848,186
2023	620,000	234,824	854,824
2024	650,000	214,910	864,910
2025-2029	3,905,000	646,990	4,551,990
2030-2033	1,460,000	51,100	1,511,100
	<u>\$ 8,325,000</u>	<u>\$ 1,956,625</u>	<u>\$ 10,281,625</u>

B. Loans Payable

New Jersey Environmental Infrastructure Trust

In 2014 the Borough finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the New Jersey Environmental Infrastructure Trust Financing Program.

The loan consists of two agreements, a TRUST Loan Agreement for \$405,000 to be repaid over a 19-year period at interest rates ranging from 3.00%-5.00% and a no interest Fund Loan Agreement of \$411,161 to be repaid over a 19-year period. The proceeds of the loans are to provide for replacement of the Borough's pumping station

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 40,906	\$ 13,513	\$ 54,419
2021	40,906	12,763	53,669
2022	40,906	12,013	52,919
2023	40,906	11,013	51,919
2024	40,906	10,013	50,919
2025-2029	224,532	36,113	260,645
2030-2031	140,614	17,063	157,677
	<u>\$ 569,679</u>	<u>\$ 112,491</u>	<u>\$ 682,170</u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued)

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2019 the Borough had \$1,450,466 in various Utility bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Borough is as follows:

	Balance December 31, <u>2018</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2019</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 13,210,000	\$ 5,395,000	\$ 1,800,000	\$ 16,805,000	\$ 1,945,000
Bond Anticipation Notes	6,200,000	2,500,000	6,200,000	2,500,000	2,500,000
Green Acres Loan Payable	129,695	-	32,817	96,878	33,476
	<u>\$ 19,539,695</u>	<u>\$ 7,895,000</u>	<u>\$ 8,032,817</u>	<u>\$ 19,401,878</u>	<u>\$ 4,478,476</u>
Utility Capital:					
Utility Bonds	\$ 8,710,000	\$ -	\$ 385,000	\$ 8,325,000	\$ 525,000
Bond Anticipation Notes	6,400,000	-	6,400,000	-	-
NJEIT Loan Payable	605,585	-	35,906	569,679	40,906
	<u>\$ 15,715,585</u>	<u>\$ -</u>	<u>\$ 6,820,906</u>	<u>\$ 8,894,679</u>	<u>\$ 565,906</u>

Note 13. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	Balance December 31, <u>2019</u>	2019 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Community Disaster Loan Program	\$ 2,504,059	\$ -	\$ 2,504,059
Water/Sewer Utility Operating Fund:			
Community Disaster Loan Program	\$ 703,909	\$ -	\$ 703,909
Emergency Appropriation	67,750	-	67,750

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 14 Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31 2019 and 2018, are as follows:

<u>Local Taxes</u>	<u>Balance, December 31,</u>	
	<u>2019</u>	<u>2018</u>
Total Balance of Local Tax	\$ 18,966,328.00	\$ 18,253,579.00
Deferred Taxes	<u>7,048,707.00</u>	<u>7,048,707.00</u>
Local Tax Payable	<u>\$ 11,917,621.00</u>	<u>\$ 11,204,872.00</u>

Note 15. Deferred Compensation Salary Account

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 16. Accrued Sick, Vacation and Compensation Time

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, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$1,494,867 at December 31, 2019.

Note 17. 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.

Joint Insurance Pool

The Borough is a member of the Ocean County Municipal Joint Insurance Fund (JIF). The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program, which has a contract for excess liability insurance for property.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

New Jersey Unemployment Compensation Insurance

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

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ 76,241	\$ 53,722	\$ 90,412
2018	75,851	60,832	67,893
2017	75,293	55,833	52,874

Note 18. Contingencies

Grantor Agencies

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 grant 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, 2019 the Borough estimates that no material liabilities will result from such audits.

Litigation

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2019.

FEMA Community Disaster Loan

In 2013, the Borough submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$4,817,224 in relation to Super Storm Sandy losses and expenditures. The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note was executed. The term of the loan is usually 5 years. Interest accrues on the funds as they are disbursed. The Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses. During September 2019 the Borough received notice that \$1,494,234.26 of the loan has been forgiven. The remaining balance at December 31, 2019 was \$3,207,967.74.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 19. Length of Service Awards Program

The Borough's length of service awards program ("LOSAP") is reported in the Borough's trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents of the Borough come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute \$1,674 for the year ended December 31, 2019 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2019, the Borough contributed a total of \$87,048.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

Participant Accounts - Each participant's account is credited with the Borough's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Borough's creditors until distributed as benefit payments, are not available for funding the operations of the Borough. The funds may also be used to pay the administrative fees charged by the Plan Administrator. Variable Annuity Life Insurance Company - VALIC ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

Vesting - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2019 payouts of \$81,461 were made to vested participants.

Forfeited Accounts - During the year ended December 31, 2019, no accounts were forfeited.

Plan Information - Additional information about the Borough's length of service awards program can be obtained by contacting the Plan Administrator.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 20. Subsequent Events

The Township has evaluated subsequent events through September 24, 2020, the date the financial statements were available to be issued.

In December 2019, an outbreak of a new strain of coronavirus, COVID-19, emerged in Wuhan, China. Within weeks, the number of those infected grew significantly, and beyond China's borders. As of the date of this report, the coronavirus is reported to have spread to over 143 countries, and the list is expected to continue to grow. The coronavirus outbreak is still evolving and its effects remain unknown. The Municipality is unable to predict how changing global economic conditions such as the COVID-19 coronavirus will affect the Municipality's operations

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	CURRENT	FEDERAL & STATE GRANT FUNDS
Balance December 31, 2018	\$ 20,325,596	\$ 10,129
Increased by Receipts:		
Miscellaneous Reserves	\$ 48,010	
Taxes Receivable	66,998,238	-
Prepaid Taxes	667,719	-
Revenue Accounts Receivable	2,552,244	-
Due From State of New Jersey - Senior Citizen & Veteran Deductions	145,063	-
Nonbudget Revenue	449,936	-
Interfunds	15,397	25,783
Unappropriated Grants	-	25,835
Federal & State Grants Receivable	-	516,814
	<u>70,876,607</u>	<u>568,432</u>
	91,202,203	578,561
Decreased by Disbursements:		
2019 Appropriations	17,733,842	-
2018 Reserve Appropriations	446,415	-
Special Emergency Note Payable	-	
County Taxes	14,658,898	-
Local District School Tax	37,417,916	-
Open Space Tax	66,459	-
Miscellaneous Reserves	31,181	-
Accounts Payable	120	-
Interfunds	25,783	-
Tax Overpayments	21,396	-
Reserve for Federal & State Grant	-	-
Funds - Appropriated	-	552,609
	<u>70,402,010</u>	<u>552,609</u>
Balance December 31, 2019	<u>\$ 20,800,193</u>	<u>\$ 25,952</u>

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2019

YEAR	BALANCE DECEMBER 31, 2018	2019 LEVY	ADDED TAXES	COLLECTED 2018	2019	DUE FROM STATE OF NEW JERSEY	CANCELLATIONS	TRANSFER TO TAX TITLE LIEN	BALANCE DECEMBER 31, 2019
2017	\$ 807	\$ -	\$ -	\$ -	\$ 807	\$ -	\$ -	\$ -	\$ -
2018	446,189	-	-	-	446,780	(7,881)	3,381	-	3,909
Total	446,996	-	-	-	447,587	(7,881)	3,381	-	3,909
2019	-	67,152,023	673,712	681,408	66,496,857	153,842	77,164	370	416,094
Total	\$ 446,996	\$ 67,152,023	\$ 673,712	\$ 681,408	\$ 66,944,444	\$ 145,961	\$ 80,545	\$ 370	\$ 420,003

Cash Receipts \$ 66,998,238
Overpayments (53,794)
Total \$ 66,944,444

ANALYSIS OF 2019 PROPERTY TAX LEVY

General Purpose Tax	\$ 67,152,023
Added & Omitted Taxes (54:4-6 et seq)	673,712
Total	\$ 67,825,735

TAX LEVY:	
Local District School Tax	\$ 38,130,665
General County Tax	12,234,423
County Library Tax	1,347,199
County Open Space	429,277
County Health Tax	593,739
Due County for Added & Omitted Taxes	49,101
	14,653,739
Local Tax for Municipal Purposes	14,794,720
Municipal Open Space	66,459
Add: Additional Taxes Levied	180,152
	15,041,331
Total	\$ 67,825,735

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$	2,823
Increased by:		
Transfers from Taxes Receivable	\$	370
Transfers from Water Sewer Lien Receivable	-	370
		3,193
Decreased by:		
Foreclosed Property	1,971	
Cancelled by Resolution	-	1,971
Balance December 31, 2019	\$	1,222

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	ACCRUED IN 2019	REALIZED	BALANCE DECEMBER 31, 2019
Miscellaneous Revenue Anticipated:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 15,378	\$ 15,378	\$ -
Construction Code Fees	-	629,243	629,243	-
Fees and Permits - Other	-	13,450	13,450	-
Municipal Court	6,772	121,955	120,571	8,156
Interest on Investments & Deposits	-	422,720	422,720	-
Interest on Costs on Taxes	-	123,306	123,306	-
Energy Receipts Tax	-	1,227,576	1,227,576	-
Sale of Liquor License	-	255,001	255,001	-
Sale of Municipal Assets	-	265,000	265,000	-
Total	\$ 6,772	\$ 3,073,629	\$ 3,072,245	\$ 8,156
			\$ 2,552,244	
			520,001	
			\$ 3,072,245	

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	ENCUMBRANCES	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
OPERATIONS WITHIN "CAPS":					
General Government Functions:					
General Administration:					
Salaries and Wages	\$ -	4,925	\$ 3,015	\$ -	\$ 3,015
Other Expenses	7,487	11,312	18,799	6,906	11,893
Municipal Clerk:					
Salaries and Wages	-	992	607	-	607
Other Expenses	7,424	1,686	9,110	5,776	3,334
Elections:	-	196	196	-	196
Financial Administration (Treasury):					
Salaries and Wages	-	2,292	1,404	-	1,404
Other Expenses	2,746	4,184	6,930	2,219	4,711
Audit Services:					
Annual Audit	1,103	7,000	8,103	-	8,103
Revenue Administration (Tax Collector):					
Salaries and Wages		514	314	-	314
Other Expenses	307	6,700	7,007	309	6,698
Tax Assessor:					
Salaries and Wages	-	5	5	-	5
Other Expenses	246	43	289	154	135
Cost of Tax Appeals	-	3,000	3,000	-	3,000
Legal Services:					
Other Expenses	29,182	18,400	47,582	4,999	42,583
Engineering Services & Costs:					
Other Expenses	21,668	36,198	57,866	2,439	55,427
Land Use Administration:					
Planning Board:					
Other Expenses	15,300	654	15,954	4,879	11,075
Zoning Board of Adjustment:					
Other Expenses	9,708	1,588	11,296	703	10,593
Code Enforcement					
Salaries and Wages	-	2,481	1,519	-	1,519
Other Expenses	-	12,216	12,216	-	12,216
Insurance:					
Health Insurance	37,737	189,145	226,882	28,477	198,405
Group Insurance	-	-	-	-	-
Liability	-	1,057	1,057	-	1,057
Workers' Compensation Insurance	-	28,864	28,864	-	28,864
Group Health Waivers	-	19,742	19,742	7,675	12,067
Public Safety Functions:					
Police:					
Salaries and Wages	-	56,332	38,731	9,977	28,754
Other Expenses	47,225	21,712	68,937	37,102	31,835
Purchase of Police Vehicles	-	898	898	-	898
Office of Emergency Management					
Other Expenses	5,180	-	5,180	5,180	-
Aid to Volunteer Fire Companies:					
Other Expenses:					
Fire Station No. 75	-	13,136	13,136	2,886	10,250

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	ENCUMBRANCES	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Public Works Functions:					
Road Repairs & Maintenance:					
Salaries and Wages	-	11,788	2,586	(13,413)	15,999
Other Expenses	17,884	5,208	23,092	12,738	10,354
Other Public Works Functions					
Recycling:					
Salaries and Wages	-	9,950	6,992	2,324	4,668
Other Expenses	25,804	2,650	28,454	25,240	3,214
Snow Removal					
Salaries and Wages	-	15,136	9,266	-	9,266
Other Expenses	9,296	15,161	24,457	24,022	435
Solid Waste Collection:					
Contractual	63,618	799	64,417	58,307	6,110
Building & Grounds:					
Other Expenses	4,814	2,903	7,717	3,749	3,968
Condominium Reimbursement					
Other Expenses	-	8,502	8,502	3,197	5,305
Health & Human Services:					
Board of Health:					
Salaries and Wages	-	3	3	-	3
Other Expenses	-	1,533	1,533	-	1,533
Environmental Commission:					
Other Expenses	-	1,012	1,012	-	1,012
Park & Recreation Functions:					
Recreation Services & Programs:					
Salaries and Wages	-	10,002	6,558	1,121	5,437
Other Expenses	928	230	1,158	873	285
Utility Expense & Bulk Purchases:					
Electricity	23,412	-	23,412	8,947	14,465
Street Lighting	45,677	2,234	47,911	18,965	28,946
Telephone	10,607	-	10,607	2,203	8,404
Gasoline	5,592	29,401	34,993	7,056	27,937
Natural Gas	1,978	-	1,978	1,978	-
Landfill/Solid Waste Disposal Costs:					
Landfill Dumping Fees	49,211	4,038	53,249	49,211	4,038
Municipal Court:					
Other Expenses	-	2,700	2,700	-	2,700
State Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	-	20,504	13,924	3,534	10,390
Other Expenses	491	7,894	8,385	408	7,977
Other Common Operating Functions:					
Sick Payout	-	-	50,000	50,000	-
Contingent	-	1,000	1,000	-	1,000
Judgements	-	100	100	-	100

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	ENCUMBRANCES	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Deferred Charges & Statutory Expenditures:					
Statutory Expenditures:					
Social Security System (O.A.S.I)	-	56,600	56,600	-	56,600
Defined Contribution Retirement Program	-	5,260	5,260	202	5,058
Total General Appropriations for Municipal Purposes Within "CAPS"	444,625	659,880	1,104,505	380,343	724,162
Operations Excluded From "CAPS":					
Length of Service Awards Program	85,000	-	85,000	85,000	-
Matching Funds for Grants	-	10,000	10,000	-	10,000
Total Operations Excluded from "CAPS"	85,000	10,000	95,000	85,000	10,000
Total General Appropriation	\$ 529,625	\$ 669,880	\$ 1,199,505	\$ 465,343	\$ 734,162
		Cash Disbursements		\$ 446,415	
		Accounts Payable		18,928	
				<u>\$ 465,343</u>	

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		
School Tax Payable	\$ 11,204,872	
School Tax Deferred	<u>7,048,707</u>	\$ 18,253,579
Increased by:		
Calendar Year Levy - 2019		<u>38,130,665</u>
		56,384,244
Decreased by:		
Cash Disbursements		<u>37,417,916</u>
Balance December 31, 2019		
School Tax Payable	11,917,621	
School Tax Deferred	<u>7,048,707</u>	
Total		<u><u>\$ 18,966,328</u></u>
2018 Liability for Local District School Tax:		
Tax Paid	\$ 37,417,916	
Tax Payable December 31, 2019	<u>11,917,621</u>	
Subtotal		49,335,537
Less: Tax Payable December 31, 2018		<u>11,204,872</u>
Amount Charged to 2019 Operations		<u><u>\$ 38,130,665</u></u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 54,260
Increased by:	
County Tax	\$ 12,234,422
County Library Tax	1,347,199
County Open Space	429,277
County Health Tax	593,740
Added & Omitted Taxes	49,101
	<u>14,653,739</u>
	14,707,999
Decreased by:	
Disbursements	<u>14,658,898</u>
Balance December 31, 2019	<u><u>\$ 49,101</u></u>

**SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	INCREASES	DECREASES	BALANCE DECEMBER 31, 2019
Reserve for Superstorm Sandy	\$ 2,457	\$ 14,701	\$ -	\$ 17,158
Reserve for Tax Appeal	300,000	-	-	300,000
Reserve for Sale of Municipal Assets	1,153,205		265,000	888,205
Reserve for Sale of Liquor Licenses	255,001	-	255,001	-
Due State of New Jersey:				
Marriage License Fees	589	3,125	2,850	864
DCA Training Fees	6,451	30,184	28,331	8,304
	<u>\$ 1,717,703</u>	<u>\$ 48,010</u>	<u>\$ 551,182</u>	<u>\$ 1,214,531</u>
Total				
			\$ 31,181	
			<u>520,001</u>	
			<u><u>\$ 551,182</u></u>	

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018		\$	681,408
Increased By:			
Cash Receipts:			
Collection of 2020 Taxes			<u>667,719</u>
			1,349,127
Decreased By:			
Transfer Overpayments	\$	5,751	
Amount Applied To 2019 Taxes Receivable		<u>681,408</u>	<u>687,159</u>
Balance, December 31, 2019		\$	<u><u>661,968</u></u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018		\$	61,952
Increased By:			
Transfer from Appropriation Reserves			<u>18,928</u>
			80,880
Decreased By:			
Cash Disbursements	\$	120	
Cancellations		<u>61,593</u>	
			<u>61,713</u>
Balance, December 31, 2019		\$	<u><u>19,167</u></u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018		\$ 15,095
Increased By:		
Senior Citizens' Deductions Per Tax Billing	\$ 152,500	
Deductions Allowed By Collector:		
2019 Taxes	<u>2,750</u>	
		<u>155,250</u>
		170,345
Decreased By:		
Cash Receipts	\$ 145,063	
2018 Senior Citizens' Deductions		
Disallowed	7,701	
2019 Senior Citizens' Deductions		
Disallowed	<u>1,408</u>	
		<u>154,172</u>
Balance, December 31, 2019		<u><u>\$ 16,173</u></u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$	21,396
Increased By:		
Overpayments		<u>53,794</u>
		75,190
Decreased By:		
Overpayments Refunded	\$	<u>21,396</u>
Balance, December 31, 2019	\$	<u><u>53,794</u></u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	TOTAL	GRANT FUND	ANIMAL CONTROL TRUST	TRUST OTHER FUND
Balance December 31, 2018 Due from/(to)	\$ 6,096	\$ 2	\$ 6,081	\$ 13
Interfunds Advanced	41,374	25,786	15,588	-
Total Increases	41,374	25,786	15,588	-
	47,470	25,788	21,669	13
Decreased by:				
Interfunds Liquidated	6,084	-	6,081	3
Total Decreases	6,084	-	6,081	3
Balance December 31, 2019 Due from/(to)	\$ 41,386	\$ 25,788	\$ 15,588	\$ 10

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	2019 ANTICIPATED REVENUE	CHAPTER 159	RECEIVED	TRANSFER FROM UNAPPROPRIATED	CANCELLED	BALANCE DECEMBER 31, 2019
State Grants:							
Bulletproof Vest Partnership Grant	\$ 3,259	-	9,160	\$ -	-	\$ -	12,419
Body Armor Grant	-	3,503	3,270	3,503	-	-	3,270
Clean Communities Program	-	-	44,043	44,043	-	-	-
Drunk Driving Enforcement	150	-	6,203	6,203	-	-	150
Drive Sober or Get Pulled Over	5,500	-	5,500	5,500	-	-	5,500
Pedestrian Safety, Education & Enforcement Fund	12,005	-	-	11,959	-	46	-
NJ Transportation Trust Fund Authority Act:							
2017 NJ DOT - Christine Court and Rue Mirador	58,750	-	-	58,750	-	-	-
2018 NJ DOT - Rue Mirador	425,000	-	-	316,599	-	-	108,401
2019 NJ DOT	-	-	396,462	-	-	-	396,462
Community Development Block Grant:							
CT - 884-09	-	-	35,000	-	-	-	35,000
CT - 884-10	-	-	32,000	-	-	-	32,000
Recycling Tonnage Grant	-	25,451	-	25,451	-	-	-
Alcohol Education & Rehabilitation	-	-	1,688	1,688	-	-	-
Cops in Shops	2,000	2,640	-	2,640	-	-	2,000
Click it or Ticket	-	-	5,500	5,060	-	440	-
Distracted Driving Crackdown	-	-	5,500	5,500	-	-	-
County Grants:							
Senior Services County Grant	-	17,918	12,000	29,918	-	-	-
Total Grant Funds	\$ 506,664	\$ 49,512	\$ 556,326	\$ 516,814	\$ -	\$ 486	\$ 595,202

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	TRANSFER FROM 2019 BUDGET APPROPRIATION	CHAPTER 159	EXPENDED	PRIOR YEAR ENCUMBRANCES	CURRENT YEAR ENCUMBRANCES	CANCELLED	BALANCE DECEMBER 31, 2019
State Grants:								
Clean Communities Program	\$ 8,183	-	\$ 44,043	\$ 45,687	\$ 3,228	\$ 1,142	-	\$ 8,625
Alcohol Education Rehabilitation Fund	13,985	-	1,688	8,947	-	-	-	6,726
Pedestrian Safety Education and Enforcement	10,760	-	-	1,971	-	-	46	8,743
Body Armor Replacement Grant	-	3,503	3,270	-	-	2,468	898	3,407
Bullet Proof Partnership Grant	830	-	9,160	-	-	2,468	(898)	8,420
NJ Transportation Trust Fund Authority Act:								
2018 NJ DOT - Rue Mirador	425,000	-	-	425,000	-	-	-	-
2019 NJ DOT	-	-	396,462	-	-	-	-	396,462
Community Development Block Grant:								
CDBG - CT-1525-19	-	-	32,000	-	-	4,500	-	27,500
CDBG - CT-1525-17	-	-	35,000	-	-	4,000	-	31,000
Distracted Driving Crackdown Grant	-	-	5,500	5,500	-	-	-	-
Recycling Tonnage Grant	37	25,451	-	15,069	300	904	-	9,815
Cops in Shops	1,882	2,640	-	2,640	-	-	-	1,882
Drive Sober Grant	4,585	-	5,500	5,500	-	-	-	4,585
Drunk Driving Enforcement Fund	13,296	-	6,203	8,738	-	-	-	10,761
Over the Limit Grant	4,377	-	-	-	-	-	-	4,377
Click it or Ticket	-	-	5,500	5,060	-	-	440	-
County Grants:								
Senior Services County Grant	-	17,918	12,000	28,497	-	1,421	-	-
Total	\$ 482,935	\$ 49,512	\$ 556,326	\$ 552,609	\$ 3,528	\$ 16,903	\$ 486	\$ 522,303

**BOROUGH OF POINT PLEASANT
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	RECEIVED 2019	UTILIZED AS REVENUE	BALANCE DECEMBER 31, 2019
Recycling Tonnage Grant	\$ -	\$ 25,835	\$ -	\$ 25,835
Total	\$ -	\$ 25,835	\$ -	\$ 25,835

TRUST FUND

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**BOROUGH OF POINT PLEASANT
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	OTHER	OPEN SPACE	DOG LICENSE
Balance December 31, 2018	\$ 1,426,923	\$ 225,455	\$ 51,157
Increased by Receipts:			
Various Reserves	\$ 2,835,622	\$ -	\$ -
Interfunds	-	66,459	-
Interest Earnings	-	4,124	-
State Registration Fees	-	-	3,076
Budget Allocations	-	-	34,000
License Fees & Others	-	-	22,658
Total Increases	<u>2,835,622</u>	<u>70,583</u>	<u>59,734</u>
Total Increases & Balances	<u>4,262,545</u>	<u>296,038</u>	<u>110,891</u>
Decreased by Disbursements:			
Various Reserves	2,512,238	-	-
Interfunds	-	-	6,081
Reserve for Municipal Open Space	-	41,339	-
State Registration Fees	-	-	3,075
Expenditures Under R.S.4:19-15.11	-	-	41,521
Total Disbursements	<u>2,512,238</u>	<u>41,339</u>	<u>50,677</u>
Balance December 31, 2019	<u><u>\$ 1,750,307</u></u>	<u><u>\$ 254,699</u></u>	<u><u>\$ 60,214</u></u>

**BOROUGH OF POINT PLEASANT
TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF DUE TO/(FROM) STATE FOR DOG REGISTRATION FEES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 1
Increased by:	
State Registration Fees	<u>3,076</u>
	3,077
Decreased by:	
Disbursements	<u>3,075</u>
Balance December 31, 2019	<u><u>\$ 2</u></u>

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 45,100
Increased by:	
Dog License Fees Collected	\$ 22,658
Transfer from Current	<u>34,000</u>
	<u>56,658</u>
	101,758
Decreased by:	
Transfer to Current	15,588
Expenditures Under R.S. 4:19-15.11	<u>41,521</u>
Balance December 31, 2019	<u><u>\$ 44,649</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2017	\$ 26,417
2018	<u>18,232</u>
Total	<u><u>\$ 44,649</u></u>

**BOROUGH OF POINT PLEASANT
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$	225,455
Increased by:			
Open Space Tax Levied	\$	66,459	
Interest Earnings		<u>4,124</u>	
			<u>70,583</u>
			296,038
Decreased by:			
Open Space Expenditures			<u>41,339</u>
Balance December 31, 2019		\$	<u><u>254,699</u></u>

**SCHEDULE OF INTERFUND RECEIVABLE - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$	-
Increased by:			
Open Space Tax Levy			<u>66,459</u>
			66,459
Decreased by:			
Cash Receipts			<u>66,459</u>
Balance December 31, 2019		\$	<u><u>-</u></u>

**BOROUGH OF POINT PLEASANT
TRUST FUND - OTHER
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2018	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2019
Reserve For:				
Law Enforcement	\$ 13,562	\$ 191	\$ 9,825	\$ 3,928
Affordable Housing	67,966	13,380	5,787	75,559
Public Defender	49,961	14,619	5,833	58,747
Recreation	49,239	593,375	580,796	61,818
POAA Funds	688	46	-	734
Pedestrian Safety	14,160	11,730	-	25,890
Safety Awards	546	-	-	546
Environmental Commission	6,454	3,570	4,675	5,349
Demolition Permits	11,000	19,000	25,300	4,700
Escrow Zoning Board	41,531	42,232	56,096	27,667
Planning Board	37,295	42,980	40,017	40,258
Recycling	6,355	532	-	6,887
Police Outside Services	162,451	590,212	527,232	225,431
Lien & Premium Account	536,603	1,204,553	1,126,385	614,771
Forfeited Funds	3,168	-	-	3,168
Unemployment Trust	67,893	76,241	53,722	90,412
Engineering Escrow	47,124	22,897	15,482	54,539
Police - Dare, Explorer, Summer	7,794	1,073	3,172	5,695
Grading Escrow	9,370	14,600	7,450	16,520
Performance Bond Escrow	321,757	30,991	10,411	342,337
Due to Board of Education	2,321	-	-	2,321
Centennnial Celebration	-	33,400	7,210	26,190
Accumulated Absences	-	100,000	32,845	67,155
Storm Recovery	-	20,000	-	20,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,457,238</u>	<u>\$ 2,835,622</u>	<u>\$ 2,512,238</u>	<u>\$ 1,780,622</u>

**BOROUGH OF POINT PLEASANT
 LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
 SCHEDULE OF INVESTMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018		\$	948,328
Increased by:			
Borough Contributions	\$	90,262	
Appreciation on Investments		179,039	
Interest Earnings		4,398	
			<u>273,699</u>
			1,222,027
Decreased by:			
Charges and Asjustments		3,227.00	
Withdrawals		81,462.00	
			<u>84,689</u>
Balance, December 31, 2019		\$	<u><u>1,137,338</u></u>

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GENERAL CAPITAL FUND

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**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$	676,424
Increased by:			
Bond and Note Premiums	\$	539,532	
Bond Proceeds		5,395,000	
Bond Anticipation Notes Issued		2,500,000	
Grants Received		20,000	
Capital Improvement Fund		100,000	
			<u>8,554,532</u>
			9,230,956
Decreased by:			
Bond Anticipation Note Matured		6,200,000	
Interfund Water Sewer Capital		300,000	
Improvement Authorizations		1,201,719	
			<u>7,701,719</u>
Balance December 31, 2019		\$	<u><u>1,529,237</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2019**

Fund Balance	\$ 97,256
Capital Improvement Fund	115,906
Reserve for Encumbrances	1,544,662
Reserve for Debt Service	83,228
Grants Receivable	(40,000)

Improvement Authorizations:

ORDINANCE NUMBER	DESCRIPTION	
01-12	Various General Improvements	1,444
05-21	Various Capital Improvements	8,648
08-10, 09-03, 10-05	Various Capital Improvements	684
10-18	Surveillance Equipment at Parks	28,958
12-15	Various Capital Improvements	26,232
13-13	Various Capital Improvements	333
13-19	Various Capital Improvements	324
14-08	Various Capital Improvements	45,048
15-18	Various Capital Improvements	147,068
16-07	Various Capital Improvements	74,443
17-05	Renovations to Bay Ave Boat Ramp	13,557
17-06	Renovations to Heritage Park	8,730
17-09	Various General Improvements	(276,862)
17-22	Heritage Park Renovation	8,752
18-02	Various General Improvements	55,506
18-16	Recreation Facility Improvements	3,350
19-10	Various General Improvements	(214,740)
19-16	Various General Improvements	(203,290)
		<hr/>
	Total	\$ 1,529,237
		<hr/> <hr/>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$	13,339,695
Increased by:			
Bond Sale			<u>5,395,000</u>
Subtotal			18,734,695
Decreased by:			
Budget Appropriation:			
Serial Bonds Payable	\$	1,800,000	
Green Acres Loan Payable		<u>32,817</u>	
			<u>1,832,817</u>
Balance, December 31, 2019		\$	<u><u>16,901,878</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2018	2019 AUTHORIZATIONS	FUNDED	TRANSFERS	BALANCE DECEMBER 31, 2019	ANALYSIS OF BALANCE DECEMBER 31, 2019		
							BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE
13-13	Various Capital Improvements	\$ 8,124	-	\$ 8,124	\$ -	\$ -	\$ -	\$ -	\$ -
13-19	Various Capital Improvements	181,070	-	181,070	-	-	-	-	-
14-08	Various Capital Improvements	1,561,150	-	1,569,142	7,992	-	-	-	-
15-18	Various Capital Improvements	1,488,473	-	1,489,004	531	-	-	-	-
16-07	Various Capital Improvements	981,425	-	981,298	(127)	-	-	-	-
17-05	Renovations to Bay Ave Boat Ramp	94,500	-	94,500	-	-	-	-	-
17-06	Renovations to Heritage Park	67,900	-	67,900	-	-	-	-	-
17-09	Various General Improvements	2,201,548	-	699,853	-	1,501,695.00	1,000,000	276,862	224,833
17-22	Heritage Park Renovation	174,800	-	174,800	-	-	-	-	-
18-02	Various General Improvements	1,935,100	-	687,309	-	1,247,791.00	750,000	-	497,791
19-10	Various General Improvements	-	1,807,089	-	-	1,807,089.00	750,000	214,740	842,349
19-16	Various General Improvements	-	233,700	-	(8,396)	225,304.00	-	183,287	42,017
Total		\$ 8,694,090	\$ 2,040,789	\$ 5,953,000	\$ -	\$ 4,781,879	\$ 2,500,000	\$ 674,889	\$ 1,606,990

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 124,206
Increased by:	
Receipts - Current Fund Appropriations	<u>100,000</u>
Subtotal	224,206
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>108,300</u>
Balance December 31, 2019	<u><u>\$ 115,906</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2018	INCREASED	DECREASED	BALANCE DECEMBER 31, 2019
13-13	Various Capital Improvements	1/22/15	1/12/18	1/11/19	1.700%	\$ 8,124	\$ -	\$ 8,124	-
13-19	Various Capital Improvements	1/22/15	1/12/18	1/11/19	1.700%	181,070	-	181,070	-
14-08	Various Capital Improvements	1/22/15	1/12/18	1/11/19	1.700%	1,569,142	-	1,569,142	-
15-08	Various Capital Improvements	1/13/17	1/12/18	1/11/19	1.700%	1,489,004	-	1,489,004	-
16-07	Various Capital Improvements	1/13/17	1/12/18	1/11/19	1.700%	952,660	-	952,660	-
14-08	Various Capital Improvements	7/20/18	7/20/18	7/19/19	2.750%	200,273	-	200,273	-
16-07	Various Capital Improvements	7/20/18	7/20/18	7/19/19	2.750%	28,765	-	28,765	-
17-05	Renovations to Bay Ave Boat Ramp	7/20/18	7/20/18	7/19/19	2.750%	104,500	-	104,500	-
17-06	Renovations to Bay Ave Boat Ramp	7/20/18	7/20/18	7/19/19	2.750%	104,500	-	104,500	-
17-09	Various General Improvements	7/20/18	10/18/19	10/16/20	2.750%	699,853	1,000,000	699,853	1,000,000
17-22	Renovations to Heritage Park	7/20/18	7/20/18	7/19/19	2.750%	174,800	-	174,800	-
18-02	Various General Improvements	7/20/18	10/18/19	10/16/20	2.750%	687,309	750,000	687,309	750,000
19-10	Various General Improvements	7/20/19	10/18/19	10/16/20	2.750%	-	750,000	-	750,000
						\$ 6,200,000	\$ 2,500,000	\$ 6,200,000	\$ 2,500,000

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2019 AUTHORIZATIONS				PRIOR YEAR		CANCELLED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2019	
		BALANCE DECEMBER 31, 2018 FUNDED	IMPROVEMENT FUND	BONDS AND NOTES AUTHORIZED BUT NOT ISSUED	ENCUMBRANCES RECLASSIFIED	EXPENDED				FUNDED	UNFUNDED
01-12	Various General Improvements	\$ 1,444	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 1,444	\$ -
05-21	Various Capital Improvements	8,648	-	-	-	-		-	-	8,648	-
07-11	Various Capital Improvements	1,476	-	-	475	1,951		-	-	-	-
08-10, 09-03, 10-05	Various Capital Improvements	3,734	-	-	19,899	22,949		-	-	-	-
10-07	Various Capital Improvements	7,684	-	-	4,219	10,386		-	1,517	684	-
10-18	Surveillance Equipment at Parks	37,899	-	-	2,659	11,600		-	-	-	-
12-15, 15-02	Various Capital Improvements	54,996	-	-	668	29,432		-	-	28,958	-
13-13	Various Capital Improvements	333	-	-	-	-		-	-	26,232	-
13-19, 15-03	Various Capital Improvements	3,546	-	-	1,249	4,394		-	77	333	-
14-08	Various Capital Improvements	-	-	-	23,356	51,166		-	1,881	324	-
15-18	Various Capital Improvements	211,798	-	-	16,214	79,843		-	1,101	45,048	-
16-07	Various General Improvements	-	-	-	31,110	15,869		-	175,974	147,068	-
17-05	Renovations to Bay Ave Boat Ramp	-	-	-	-	-		-	-	74,443	-
17-06	Renovations to Heritage Park	-	-	-	-	-		-	-	13,557	-
17-09	Various General Improvements	-	-	-	-	-		-	-	8,730	-
17-22	Heritage Park Renovation	-	-	-	80,920	163,082		-	218,073	-	224,833
18-02	Various General Improvements	-	-	-	2,159	4,705		-	-	8,752	-
18-16	Recreation Facility Improvements	3,350	-	-	137,947	322,177		-	298,828	-	553,297
19-10	Various General Improvements	-	-	-	46,650	46,480		-	170	3,350	-
19-16	Various General Improvements	-	-	1,807,089	-	397,512		-	663,228	-	842,349
		-	12,300	233,700	-	40,173		-	183,813	-	22,014
Total		\$ 334,908	\$ 1,904,923	\$ 2,040,789	\$ 367,525	\$ 1,201,719	\$ -	\$ -	\$ 1,544,662	\$ 367,571	\$ 1,642,493

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2018	ISSUED IN 2019	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2019
General Improvements	7/7/2010	\$ 14,890,000	7/15/2020	\$ 1,200,000	3.250%	\$ 8,040,000	\$ -	\$ 1,100,000	\$ 6,940,000
			7/15/2021	1,300,000	3.250%				
			7/15/2022	1,480,000	3.250%				
			7/15/2023	1,480,000	3.500%				
			7/15/2024	1,480,000	4.000%				
General Improvements	11/15/2015	7,300,000	11/15/2020	650,000	2.000%	5,170,000	-	700,000	4,470,000
			11/15/2021	650,000	2.000%				
			11/15/2022	650,000	2.000%				
			11/15/2023	650,000	2.000%				
			11/15/2024	650,000	2.125%				
General Improvements			11/15/2025	1,220,000	2.250%				
	7/10/2019	5,395,000	7/15/2020	95,000	4.000%	-	5,395,000	-	5,395,000
			7/15/2021	125,000	4.000%				
			7/15/2022	145,000	4.000%				
			7/15/2023	170,000	4.000%				
			7/15/2024	230,000	4.000%				
			7/15/2025	680,000	4.000%				
			7/15/2026	680,000	5.000%				
			7/15/2027	680,000	4.000%				
			7/15/2028	650,000	4.000%				
			7/15/2029	650,000	4.000%				
			7/15/2030	645,000	2.000%				
			7/15/2031	645,000	2.500%				
Total						\$ 13,210,000	\$ 5,395,000	\$ 1,800,000	\$ 16,805,000

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2019**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2018	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2019
1989 Program	11/21/2000	\$ 148,836	2/21/2020 8/20/2020	\$ 4,535 4,582	2.00% 2.00%	\$ 18,057	\$ 8,938	\$ 9,119
1992 Program	10/27/2000	305,000	1/27/2020 7/27/2020	9,296 9,389	2.00% 2.00%	37,002	18,317	18,685
2010 Program	11/5/2010	113,000	2/5/2020 8/5/2020 2/5/2021 8/5/2021 2/5/2022 8/5/2022 2/5/2023 8/5/2023 2/5/2024 8/5/2024 2/5/2025 8/5/2025 2/5/2026 8/5/2026 2/5/2027 8/5/2027 2/5/2028 8/5/2028 2/5/2029 8/5/2029 2/5/2030 8/5/2030	2,823 2,851 2,879 2,908 2,937 2,966 2,996 3,026 3,056 3,087 3,118 3,149 3,181 3,212 3,245 3,277 3,310 3,343 3,376 3,410 3,444 3,482	2.00% 2.00%	74,636	5,562	69,074
Total						\$ 129,695	\$ 32,817	\$ 96,878

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 60,000
Decreased By:	
Grants Received	<u>20,000</u>
Balance, December 31, 2019	<u><u>\$ 40,000</u></u>

Analysis of Balance

17-06	Investors Foundation Grant	<u>\$ 40,000</u>
		<u><u>\$ 40,000</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2018	2019 AUTHORIZATIONS	TRANSFERS	BAN ISSUED	BALANCE DECEMBER 31, 2019
17-09	Various General Improvements	\$ 1,501,695	\$ -	\$ -	\$ 1,000,000	\$ 501,695
18-02	Various General Improvements	1,247,791	-	-	750,000	497,791
19-10	Renovations to Heritage Park	-	1,807,089	-	750,000	1,057,089
19-16	Heritage Park Renovation	-	233,700	8,396	-	225,304
	Total	<u>\$ 2,749,486</u>	<u>\$ 2,040,789</u>	<u>\$ 8,396</u>	<u>\$ 2,500,000</u>	<u>\$ 2,281,879</u>

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WATER-SEWER UTILITY FUND

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**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
SCHEDULE OF UTILITY CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance December 31, 2018	\$ 1,322,195	\$ 2,178,304
Increased by Receipts:		
Miscellaneous Revenues	\$ 287,548	\$ -
Consumer Rents	6,352,093	-
Proceeds from Tax Sale	32,036	-
Interest on Delinquent Accounts	28,148	-
Rent Overpayments	442	-
Interfund	59,998	300,000
Bond Refunding	-	4,340,000
Premium on Bond Issue	-	428,233
	<u>6,760,265</u>	<u>5,068,233</u>
Subtotal	<u>6,760,265</u>	<u>5,068,233</u>
Total	<u>8,082,460</u>	<u>7,246,537</u>
Decreased by Disbursements:		
Budget Appropriations	6,635,112	-
Appropriation Reserves	122,123	-
Refund Overpayments	442	-
Bond Anticipation Notes	-	6,313,000
Interfund	-	59,998
Improvement Authorizations	-	450,471
	<u>6,757,677</u>	<u>6,823,469</u>
Total Disbursements	<u>6,757,677</u>	<u>6,823,469</u>
Balance December 31, 2019	<u><u>\$ 1,324,783</u></u>	<u><u>\$ 423,068</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH - WATER-SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Balance December 31, 2019
	<hr/>
Fund Balance	\$ 167,103
Capital Improvement Fund	240,207
Encumbrances Payable	687,431
Down Payment on Improvements	13,600
Reserve for Debt Service	6,669
 Improvement Authorizations:	
03-16 Various Improvements	11,565
06-20, 12-02 Various Improvements	44,535
10-08 Various Improvements	11,758
10-15, 12-03 Various Improvements	52,624
11-21 Purchase of Various Equipment and Improvements	4,267
12-05 Various Improvements	6,704
12-16 Various Improvements	6,359
13-20 Various Improvements	470
15-19 Various Improvements	49
16-08 Various Improvements	156,641
17-10 Various Improvements	14,543
18-03 Various Improvements	(732,533)
19-07 Drinking Water System	(47,768)
19-17 Various Improvements	(221,156)
	<hr/>
Total	<u><u>\$ 423,068</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 743,830
Increased by:	
Water-Sewer Levy	<u>6,342,007</u>
	7,085,837
Decreased by:	
Collections	\$ 6,352,093
Overpayments Applied	<u>5,035</u>
	<u>6,357,128</u>
Balance, December 31, 2019	<u><u>\$ 728,709</u></u>

**SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>BALANCE DECEMBER 31, 2018</u>		BALANCE			BALANCE
	<u>ENCUMBERED</u>	<u>RESERVED</u>	AFTER	PAID OR		LAPSED
			TRANSFERS	CHARGED		
Salaries and Wages	\$ -	\$ 49,009	\$ 49,009	\$ (290)	\$	49,299
Other Expenses	214,069	16,770	230,839	120,333		110,506
Ocean County Utilities Authority	34,800	-	34,800	-		34,800
Group Health Insurance	6,447	15,448	21,895	4,510		17,385
Social Security System	-	4,989	4,989	-		4,989
Liability and Workers Compensation	-	15,441	15,441	-		15,441
Total	<u>\$ 255,316</u>	<u>\$ 101,657</u>	<u>\$ 356,973</u>	<u>\$ 124,553</u>	<u>\$</u>	<u>232,420</u>
Cash Disbursements				\$ 122,123		
Accounts Payable				<u>2,430</u>		
Total Paid or Charged				<u><u>\$ 124,553</u></u>		

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 65,199
Increased by:	
Interest Expense	<u>325,660</u>
	390,859
Decreased by:	
Interest Paid	<u>261,521</u>
Balance December 31, 2019	<u><u>\$ 129,338</u></u>

PRINCIPAL OUTSTANDING DECEMBER 31, 2019							
AMOUNT		RATE	FROM	TO	PERIOD	AMOUNT	
2010 Serial Bonds	\$ 3,085,000	Various	7/15/2018	12/31/2019	5 1/2 Months	\$ 53,304	
2015 Serial Bonds	900,000	Various	11/15/2018	12/31/2019	1 1/2 Months	2,343	
2019 Serial Bonds	4,340,000	Various	7/15/2019	12/31/2019	5 1/2 Months	68,686	
NJEIT Loan	330,000	Various	8/1/2018	12/31/2019	5 Months	<u>5,005</u>	
Total						<u><u>\$ 129,338</u></u>	

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
RENT OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$	24,678
Increased By:			
Overpayments			<u>442</u>
			25,120
Decreased By:			
Applied to 2019 Rent	\$	5,035	
Overpayments Refunded		<u>442</u>	
			<u>5,477</u>
Balance December 31, 2019		\$	<u><u>19,643</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
PREPAID RENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 65,089
Increased By:	
2020 Rents Received	<u>-</u>
	65,089
Decreased By:	
Applied to 2019 Rents	<u>65,089</u>
Balance December 31, 2019	<u><u>\$ -</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER-SEWER OPERATING INTERFUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ -
Increased by:	
Budgeted Capital Improvement Fund	<u>30,000</u>
	30,000
Decreased by:	
Interfunds Liquidated	<u>30,000</u>
	-
Balance December 31, 2019	<u><u>\$ -</u></u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 244,142
Increased by:	
Receipts - Utility Fund Appropriation	<u>30,000</u>
	274,142
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>33,935</u>
	240,207
Balance December 31, 2019	<u><u>\$ 240,207</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2018	IMPROVEMENTS AUTHORIZED	AUTHORIZATIONS CANCELLED	BALANCE DECEMBER 31, 2019
01-13	Various Improvements	\$ 28,780	\$ -	\$ -	\$ 28,780
03-16	Various Improvements	621,361	-	2,061	619,300
04-16	Various Improvements	278,875	-	15,476	263,399
05-22	Various Improvements	1,679,975	-	7,005	1,672,970
06-08	Interconnect	85,000	-	-	85,000
06-20, 12-02	Various Improvements	1,427,447	-	122,969	1,304,478
06-26	Improvements to Water Facilities	200,000	-	-	200,000
07-12	Various Improvements	466,900	-	11,246	455,654
08-11	Various Improvements	213,045	-	-	213,045
09-19	Various Improvements	101,700	-	-	101,700
10-08	Various Improvements	283,700	-	-	283,700
10-15, 12-03	Various Improvements	1,020,505	-	-	1,020,505
11-21	Purchase of Various Equipment & Various Improvements	473,400	-	1,232	472,168
12-04	Drainage Improvements at Powhatan Ave	89,750	-	-	89,750
12-05	Replacement of Pumping Stations	2,027,500	-	-	2,027,500
12-16	Various Improvements	243,600	-	-	243,600
13-20	Various Improvements	1,103,718	-	-	1,103,718
14-10	Various Improvements	279,917	-	-	279,917
15-01	Repair of Sanitary Sewer Line	116,375	-	-	116,375
15-19	Various Improvements	558,465	-	-	558,465
16-07	Various Improvements	954,362	-	-	954,362
17-10	Various Improvements	386,078	-	-	386,078
18-03	Various Improvements	925,500	-	-	925,500
19-07	Drinking Water System	-	50,694	-	50,694
19-12	Replacement of Filter Vessels	-	89,110	-	89,110
19-13	Sanitary Sewer Repair	-	21,009	-	21,009
19-17	Various Improvements	-	622,800	-	622,800
Total		<u>\$ 13,565,953</u>	<u>\$ 783,613</u>	<u>\$ 159,989</u>	<u>\$ 14,189,577</u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BALANCE DECEMBER 31, 2019
Pumping Station	\$ 1,675
Wells	1,354,266
Filter System	203,251
Pumping Station	151,618
Aerator Tank	42,000
Elevator Tanks	167,701
Distribution Mains & Accessories	764,080
Meters	290,471
Fire Hydrants	30,735
Garage	14,582
Emergency & Inspections	13,826
Law Expenditures During Construction	5,584
Interest During Construction	2,550
Original Sewer System	15,852,747
Deferred Cash	2,278,000
Water-Sewer System Improvements	727,500
Various Improvements	4,299,105
Sewer Collection System	963,788
Valve	60,000
Heavy Equipment	66,000
Municipal Building Improvements - 1999-2006	125,000
Various Improvements	2,782,705
	<hr/>
Total	\$ 30,197,184
	<hr/> <hr/>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$	486,716
Increased by:		
Authorization Funded by Capital Improvement Fund	\$	33,935
Prior Year Authorization Funded by Capital Improvement Fund		-
		<u>33,935</u>
Balance December 31, 2019	\$	<u><u>520,651</u></u>

**SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$	32,695,927
Increased by:		
Serial Bonds Paid by Budget	\$	385,000
BANs Paid by Budget		87,000
Premium Utilized to Fund Ordinances		367,000
NJEIT Loans Paid/Cancelled		35,906
		<u>874,906</u>
Subtotal		33,570,833
Decreased by:		
Cancellation of Completed Fixed Capital		<u>49,868</u>
Balance December 31, 2019	\$	<u><u>33,520,965</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	AUTHORIZED AMOUNT	2019 AUTHORIZATIONS			BONDS & NOTES		PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	CANCELLED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2019	
				BALANCE DECEMBER 31, 2018 FUNDED	CAPITAL IMPROVEMENT FUND	FUND BALANCE	AUTHORIZED BUT NOT ISSUED	FUNDED					UNFUNDED	
02-19	Various Improvements	9/17/2002	\$ 239,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,671	\$ 2,061	\$ -	\$ -	\$ -
03-16	Various Improvements	8/5/2003	621,361	11,565	-	-	-	-	-	-	-	-	11,565	-
04-16	Various Improvements	8/3/2004	278,875	15,476	-	-	-	-	-	-	15,476	-	-	-
05-22	Various Improvements	9/6/2005	1,679,975	9,905	-	-	-	-	-	-	7,005	2,900	-	-
06-20, 12-02	Various Improvements	3/20/2012	1,427,447	168,954	-	-	-	-	-	-	122,969	1,450	44,535	-
07-12	Various Improvements	8/7/2007	466,900	11,246	-	-	-	-	-	-	11,246	-	-	-
10-08	Various Improvements	8/29/2007	283,700	11,758	-	-	-	-	-	-	-	-	11,758	-
10-15, 12-03	Various Improvements	3/20/2012	1,020,505	54,274	-	-	-	-	-	1,650	-	-	52,624	-
11-21	Purchase of Various Equipment & Various Improvements	10/20/2009	473,400	8,371	-	-	-	-	4,318	7,190	1,222	-	4,267	-
12-05	Replacement of Pumping Stations	3/20/2012	2,027,500	8,426	-	-	-	-	3,248	2,700	-	2,270	6,704	-
12-16	Various Improvements	8/16/2013	243,600	23,817	-	-	-	-	12,75	18,685	-	48	6,359	-
13-20	Various Improvements	1/10/2011	1,169,850	46,452	-	-	-	-	2,055	45,717	-	2,320	470	-
13-01	Repair of Sanitary Sewer Line	1/20/2015	1,225,500	9,467	-	-	-	-	9,467	-	-	-	-	-
15-19	Various Improvements	7/21/2015	589,500	7,260	-	-	-	-	21,76	9,387	-	-	49	-
16-08	Various Improvements	6/9/2016	1,066,500	199,532	-	-	-	-	30,961	45,770	-	28,082	156,641	-
17-10	Various Water & Sewer Improvements	3/21/2017	386,500	41,187	-	-	-	30	22,584	-	-	4,090	14,543	-
18-03	Various Improvements	3/25/2018	925,500	528,024	-	-	-	69,293	94,984	-	-	423,949	78,374	-
19-07	Drinking Water System	3/25/2019	50,694	-	2,535	-	-	-	30,930	-	-	-	391	-
19-12	Replacement of Filter Vessels	5/28/2019	89,110	-	-	89,110	-	-	-	-	-	-	-	-
19-13	Sanitary Sewer Repair	21/009	21,009	-	-	21,009	-	-	21,009	-	-	89,110	-	-
19-17	Various Improvements	08/26/19	622,800	-	-	-	-	-	138,717	-	-	113,839	-	370,244
Total				\$ 273,250	\$ 886,196	\$ 33,935	\$ 110,119	\$ 639,559	\$ 113,356	\$ 450,471	\$ 159,989	\$ 687,431	\$ 309,515	\$ 449,009

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2018	ISSUED	DECREASED	BALANCE DECEMBER 31, 2019
			DATE	OUTSTANDING December 31, 2019 AMOUNT					
Water/Sewer Improvements	7/9/2010	\$ 4,980,000	7/13/2020	250,000	3.250%	\$ 3,320,000	\$ -	\$ 235,000	\$ 3,085,000
			7/13/2021	250,000	3.250%				
			7/13/2022	260,000	3.250%				
			7/13/2023	280,000	3.500%				
			7/12/2024	295,000	4.000%				
			7/12/2025	320,000	4.000%				
			7/12/2026	320,000	4.000%				
			7/12/2027	350,000	4.000%				
			7/11/2028	380,000	4.000%				
			7/11/2029	380,000	4.000%				
Water/Sewer Improvements	11/15/2015	1,360,000	11/15/2020	150,000	2.000%	1,050,000.00	-	150,000	900,000
			11/15/2021	150,000	2.000%				
			11/15/2022	150,000	2.000%				
			11/15/2023	150,000	2.000%				
			11/15/2024	150,000	2.125%				
			11/15/2025	150,000	2.250%				
Water/Sewer Improvements	7/15/2019	4,340,000	7/15/2020	125,000	4.000%	-	4,340,000	-	4,340,000
			7/15/2021	170,000	4.000%				
			7/15/2022	185,000	4.000%				
			7/15/2023	190,000	4.000%				
			7/15/2024	205,000	4.000%				
			7/15/2025	280,000	4.000%				
			7/15/2026	435,000	5.000%				
			7/15/2027	435,000	4.000%				
			7/15/2028	430,000	4.000%				
			7/15/2029	425,000	4.000%				
			7/15/2030	730,000	2.000%				
			7/15/2031	730,000	2.500%				
Total						\$ 4,370,000	\$ 4,340,000	\$ 385,000	\$ 8,325,000

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN
FOR THE YEAR ENDED DECEMBER 31, 2019**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2018	DECREASED	BALANCE DECEMBER 31, 2019
			DATE	AMOUNT				
Water/Sewer Improvements	5/21/2014	\$ 405,000	8/1/2020	20,000	5.000%	\$ 345,000	\$ 15,000	\$ 330,000
			8/1/2021	20,000	5.000%			
			8/1/2022	20,000	5.000%			
			8/1/2023	20,000	5.000%			
			8/1/2024	20,000	5.000%			
			8/1/2025	20,000	3.000%			
			8/1/2026	25,000	3.000%			
			8/1/2027	25,000	3.000%			
			8/1/2028	25,000	3.000%			
			8/1/2029	25,000	3.000%			
			8/1/2030	25,000	3.000%			
			8/1/2031	25,000	3.000%			
			8/1/2032	30,000	3.125%			
			8/1/2033	30,000	3.250%			
Total						\$ 345,000	\$ 15,000	\$ 330,000

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN
FOR THE YEAR ENDED DECEMBER 31, 2019**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2018	ISSUED	DECREASED	BALANCE DECEMBER 31, 2019
			DATE	AMOUNT					
Water/Sewer Improvements	5/21/2014	\$ 405,000	2/1/2020	6,968.83	0.000%	\$ 260,585	\$ -	\$ 20,906	239,679
			8/1/2020	13,937.66	0.000%				
			2/1/2021	6,968.83	0.000%				
			8/1/2021	13,937.66	0.000%				
			2/1/2022	6,968.83	0.000%				
			8/1/2022	13,937.66	0.000%				
			2/1/2023	6,968.83	0.000%				
			8/1/2023	13,937.66	0.000%				
			2/1/2024	6,968.83	0.000%				
			8/1/2024	13,937.66	0.000%				
			2/1/2025	6,968.83	0.000%				
			8/1/2025	13,937.66	0.000%				
			2/1/2026	6,968.83	0.000%				
			8/1/2026	13,937.66	0.000%				
			2/1/2027	6,968.83	0.000%				
			8/1/2027	13,937.66	0.000%				
			2/1/2028	6,968.83	0.000%				
			8/1/2028	13,937.66	0.000%				
			2/1/2029	6,968.83	0.000%				
			8/1/2029	13,937.66	0.000%				
			2/1/2030	6,968.83	0.000%				
			8/1/2030	13,937.66	0.000%				
			2/1/2031	6,968.83	0.000%				
			8/1/2031	2,738.67	0.000%				
Total						\$ 260,585	\$ -	\$ 20,906	239,679

Paid By Budget Appropriations	\$	20,906
NJEIT Loan Forgiveness	\$	-
	\$	20,906

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2019**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2018	INCREASED	DECREASED	BALANCE DECEMBER 31, 2019
10-15, 12-03	Various Improvements	1/22/15	1/12/18	1/11/19	1.700%	\$ 900,000	\$ -	\$ 900,000	\$ -
12-05	Replacement of Pumping Stations	1/22/15	1/12/18	1/11/19	1.700%	1,700,000	-	1,700,000	-
13-20	Various Improvements	1/22/15	1/12/18	1/11/19	1.700%	1,050,000	-	1,050,000	-
14-10	Various Improvements	1/22/15	1/12/18	1/11/19	1.700%	250,000	-	250,000	-
15-19	Various Improvements	1/22/15	1/12/18	1/11/19	1.700%	500,000	-	500,000	-
16-08	Various Improvements	1/22/15	1/12/18	1/11/19	1.700%	500,000	-	500,000	-
10-15, 12-03	Various Improvements	7/20/18	7/20/18	7/19/19	2.750%	69,480	-	69,480	-
13-20	Various Improvements	7/20/18	7/20/18	7/19/19	2.750%	61,357	-	61,357	-
14-10	Various Improvements	7/20/18	7/20/18	7/19/19	2.750%	20,133	-	20,133	-
15-01	Various Improvements	7/20/18	7/20/18	7/19/19	2.750%	116,375	-	116,375	-
15-19	Various Improvements	7/20/18	7/20/18	7/19/19	2.750%	60,025	-	60,025	-
16-08	Various Improvements	7/20/18	7/20/18	7/19/19	2.750%	456,175	-	456,175	-
17-10	Various Improvements	7/20/18	7/20/18	7/19/19	2.750%	367,100	-	367,100	-
18-03	Various Improvements	7/20/18	7/20/18	7/19/19	2.750%	349,355	-	349,355	-
						\$ 6,400,000	\$ -	\$ 6,400,000	\$ -
						Budget Appropriation			
						BAN Payment			
						87,000			
						6,313,000			
						<u>\$ 6,400,000</u>			

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER 31, <u>2018</u>	2019 <u>AUTHORIZATIONS</u>	BANS <u>PAID DOWN</u>	BALANCE DECEMBER 31, <u>2019</u>
2018-03	Various Improvements	\$ 529,645	\$ -	\$ 281,262	\$ 810,907
2019-07	Drinking Water System	-	48,159	-	48,159
2019-17	Various Improvements	-	591,400	-	591,400
		<u>\$ 529,645</u>	<u>\$ 639,559</u>	<u>\$ 281,262</u>	<u>\$ 1,450,466</u>

PAYROLL FUND

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**BOROUGH OF POINT PLEASANT
PAYROLL FUND
SCHEDULE OF PAYROLL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 167,142
Increased by Receipts:	
Payroll	<u>10,831,723</u>
Subtotal	10,998,865
Decreased by Disbursements:	
Disbursements	<u>10,817,464</u>
Balance December 31, 2019	<u><u>\$ 181,401</u></u>

**SCHEDULE OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 122,184
Increased by:	
Payroll Deductions	<u>10,817,464</u>
Subtotal	10,939,648
Decreased by:	
Disbursements	<u>10,803,054</u>
Balance December 31, 2019	<u><u>\$ 136,594</u></u>

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BOROUGH OF POINT PLEASANT

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2019

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**BOROUGH OF POINT PLEASANT
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

**BOROUGH OF POINT PLEASANT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Financial Statement Findings

No Prior Year Findings.

BOROUGH OF POINT PLEASANT

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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OFFICIALS IN OFFICE

The following officials were in office at December 31, 2019:

Name	Title
Robert A. Sabosik	Mayor
Michael Thulen	Council President
John Wisniewski	Councilmember
William Borowsky	Councilmember
Pamela Snyder	Councilmember
Joseph Furnato Jr.	Councilmember
Antoinette DePaola	Councilmember
Frank Pannucci, Jr.	Borough Administrator
Antoinette Jones	Borough Clerk
Jerry J. Dasti, Esq.	Attorney
Himanshu R. Shah	Chief Financial Officer
Jennifer Burr	Tax Collector
Philip Miller	Magistrate
Robert Michalkowski	Court Administrator

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Honorable Mayor and Members
of the Borough Council
Borough of Point Pleasant
County of Ocean
New Jersey, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2019.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or 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 bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 2019.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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 or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 6, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Council of the Borough of Point Pleasant, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Council of the Borough of Point Pleasant, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

None.

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Toms River, New Jersey
September 24, 2020