

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

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2021**

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

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COUNTY OF OCEAN, NEW JERSEY**

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**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the various funds and account group of the Borough of Point Pleasant, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2021, and the related notes to the financial statements.

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 Borough of Point Pleasant, as of December 31, 2021 and 2020, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2021, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, 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 of Point Pleasant, as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Point Pleasant and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements are prepared by the Borough of Point Pleasant, on the basis of the financial reporting provisions 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 Division of Local Government Services, Department of Community Affairs, 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 and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Point Pleasant's basic financial statements. The accompanying 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 are not a required part of the basic financial statements. The schedules of expenditures of federal

awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2022 on our consideration of the Borough of Point Pleasant's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Point Pleasant's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Point Pleasant'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

Lakewood, New Jersey
August 30, 2022

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

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, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 30, 2022. 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies may exist that were not 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
Register Municipal Accountant
RMA #483

Lakewood, New Jersey
August 30, 2022

BASIC FINANCIAL STATEMENTS

CURRENT FUND

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**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

ASSETS	REFERENCE	2021	2020
Current Fund:			
Cash:			
Treasurer	A-4	\$ 21,741,786	\$ 22,166,277
Change Fund	A	550	550
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-14	14,017	12,834
Total Current Fund		21,756,353	22,179,661
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-5	490,101	557,401
Tax Title Liens Receivable	A-6	1,977	1,598
Revenue Accounts Receivable	A-7	9,332	5,548
Property Acquired for Taxes Assessed Valuation	A	488,900	488,900
Due From Interfunds:			
Animal Control Trust	A-16	27,682	-
Other Trust	A-16	7	7
Total Receivables & Other Assets With Full Reserves		1,017,999	1,053,454
Deferred Charges:			
Community Disaster Loan Program	A	-	2,504,059
Emergency Authorization	A-3	75,000	26,700
Total Deferred Charges		75,000	2,530,759
Total Current Fund, Receivables, Other Assets With Full Reserves & Deferred Charges		22,849,352	25,763,874
State & Federal Grants:			
Cash	A-4	260,146	49,912
Grants Receivable	A-17	1,340,295	1,082,213
Total State & Federal Grants		1,600,441	1,132,125
Total Assets		\$ 24,449,793	\$ 26,895,999

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, 2021 AND 2020**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2021	2020
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-8	\$ 562,141	\$ 590,885
Reserve for Encumbrances	A-3	795,364	494,896
Accounts Payable	A-13	20,887	4,436
Tax Overpayments	A-15	48,123	89,091
Prepaid Taxes	A-12	680,053	796,329
County Tax Payable	A-10	87,662	58,550
Community Disaster Loan Payable	A	-	2,504,059
Local District School Tax Payable	A-9	12,785,422	12,404,905
Miscellaneous Reserves:			
Reserve For Superstorm Sandy	A-11	-	17,158
Reserve For Tax Appeal	A-11	350,000	300,000
Sale of Municipal Assets	A-11	1,283,083	1,633,083
Reserve for COVID-19	A-11	168,937	320,269
Due to State of NJ - Marriage License Fees	A-11	589	764
Due to State of NJ - DCA Training Fees	A-11	20,199	14,102
Subtotal		16,802,460	19,228,527
Reserve for Receivables & Other Assets	A	1,017,999	1,053,454
Fund Balance	A-1	5,028,893	5,481,893
Total Current Fund		22,849,352	25,763,874
State & Federal Grants:			
Reserve for Grants Appropriated	A-18	516,672	852,989
Reserve for Grants Unappropriated	A-19	982,419	-
Reserve for Encumbrances	A-18	101,350	279,136
Total State & Federal Grants		1,600,441	1,132,125
Total Liabilities, Reserves & Fund Balance		\$ 24,449,793	\$ 26,895,999

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, 2021 AND 2020**

	2021	2020
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 2,900,000	\$ 2,944,000
Miscellaneous Revenue Anticipated	3,657,758	4,438,120
Receipts From Delinquent Taxes & Tax Title Liens	537,736	415,601
Receipts From Current Taxes	69,769,139	68,420,012
Nonbudget Revenue	280,369	298,059
Other Credits to Income:		
Interfunds Liquidated	7	41,386
Cancellation of Grants	-	4,302
Cancellation of Overpayments	2,482	-
Cancellation of Accounts Payable	2,060	18,542
Unexpended Balance of Appropriation Reserves	554,291	963,766
Total	<u>77,703,842</u>	<u>77,543,788</u>
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	8,800,415	8,615,236
Other Expenses	5,965,786	5,973,487
Deferred Charges & Statutory Expenditures	2,399,450	2,228,350
Excluded From "CAPS":		
Operations:		
Other Expenses	837,129	1,420,392
Capital Improvements	58,000	100,000
Municipal Debt Service	2,597,351	2,521,479
Deferred Charges	26,700	-
Judgements	100	-
County Taxes	14,822,123	14,640,309
Due County for Added & Omitted Taxes	87,662	58,550
Local District School Tax	39,668,267	38,907,233
Municipal Open Space Tax	66,371	65,952
Interfunds Advanced	1	7
Tax Appeal Refund	852	5,056
Refund of Prior Year Revenues	1,635	401
Trust Fund Replenishment	-	25,348
Total Expenditures	<u>75,331,842</u>	<u>74,561,800</u>
Excess/Deficit in Revenue	2,372,000	2,981,988
Adjustments to Income Before Fund Balance		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>75,000</u>	<u>26,700</u>
Statutory Excess to Fund Balance	2,447,000	3,008,688
Fund Balance January 1	<u>5,481,893</u>	<u>5,417,205</u>
Total	7,928,893	8,425,893
Decreased by: Utilization as Anticipated Revenue	<u>2,900,000</u>	<u>2,944,000</u>
Fund Balance December 31	<u><u>\$ 5,028,893</u></u>	<u><u>\$ 5,481,893</u></u>

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, 2021

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	2,900,000	-	2,900,000	-
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	15,000	-	15,378	378
Fees & Permits:				
Uniform Construction Code Fees	450,000	-	742,450	292,450
Other	40,000	-	44,742	4,742
Fines & Costs:				
Municipal Court	79,000	-	81,126	2,126
Interest & Costs on Taxes	150,000	-	140,128	(9,872)
Interest on Investments & Deposits	100,000	-	49,371	(50,629)
Hospital Property Tax Subsidy	100,000	-	-	(100,000)
Energy Receipts Tax	1,227,576	-	1,227,576	-
Interlocal Agreement				
Police Department Patrol of Schools	198,000	-	121,860	(76,140)
Administrator Services with Bayhead	-	18,928	27,500	8,572
Clean Communities Program	-	42,268	42,268	-
CDBG-125-21 for Handicap Access Improvements	-	35,000	35,000	-
Recycling Tonnage Grant	-	29,401	29,401	-
Body-Worn Camera Grant	-	85,596	85,596	-
Body Armor	2,403	-	2,403	-
Distracted Driving Crackdown	-	6,000	6,000	-
Municipal Aid Program - Summit Drive	-	286,000	286,000	-
Senior Service County Grant	17,918	15,615	33,533	-
Sale of Liquor License	-	-	-	-
Sale of Municipal Assets	350,000	-	350,000	-
Reserve for COVID-19	320,269	-	320,269	-
Reserve for Hurricane Sandy	17,157	-	17,157	-
Total Miscellaneous Revenues	3,067,323	518,808	3,657,758	71,627
Receipts From Delinquent Taxes	400,000	-	537,736	137,736
Subtotal General Revenues	6,367,323	518,808	7,095,494	209,363
Local Tax for Municipal Purposes	15,393,253	-	16,428,169	1,034,916
Budget Totals	21,760,576	518,808	23,523,663	1,244,279
Nonbudget Revenues	-	-	280,369	280,369
Total	21,760,576	518,808	23,804,032	1,524,648

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, 2021**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 69,819,139
Less: Allocated for School, County Taxes & Open Space Taxes	54,644,423
Less: Reserve for Tax Appeals Pending	<u>50,000</u>
Total Allocation of Current Tax Collections	15,124,716
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>1,303,453</u>
Total Amount for Support of Municipal Budget Appropriation	<u>\$ 16,428,169</u>
Delinquent Property Taxes Receivable	<u>\$ 537,736</u>
Total Receipts From Delinquent Taxes	<u>\$ 537,736</u>
Planning Board	\$ 3,370
Zoning Board	12,930
Public Health Service	23,422
Misc. Permits and Fees	<u>5,020</u>
Total Other Fees & Permits	<u>\$ 44,742</u>

ANALYSIS OF NONBUDGET REVENUES

Recycling	\$ 39,203
2% SC & Vet Admin Fee	2,655
Boat Ramp Fees	1,720
DMV Fees	253
Taxi License	1,725
Returned Check Fees	291
Cable TV Fees	79,663
Grading and Drainage	53,570
Refund of Prior Year Expenditures	36
Appropriation Refund	1,236
Notary	298
Firearms	2,203
Election Reimbursements	1,600
Tax Maps, Books, Etc.	10
Tax Information	420
Fire Alarm	386
Police Reports	1,591
Park Pavilion	9,915
Sale of Assets	15,988
OPRA Fees	32
Restitution	243
FSA Forfeitures	300
Beach Tags	37,181
Miscellaneous Other	<u>29,850</u>
Nonbudget Revenue	<u>\$ 280,369</u>

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, 2021**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"						
General Government Functions:						
General Administration:						
Salaries and Wages	\$ 106,237	\$ 106,237	\$ 104,795	\$ -	\$ 1,442	\$ -
Other Expenses	45,550	45,550	43,154	1,247	1,149	-
Mayor & Council:						
Salaries and Wages	40,200	40,200	39,784	-	416	-
Municipal Clerk:						
Salaries and Wages	118,269	118,269	117,826	-	443	-
Other Expenses	16,750	16,750	9,808	2,096	4,846	-
Elections	2,500	2,500	2,500	-	-	-
Financial Administration						
(Treasury):						
Salaries and Wages	151,544	151,544	147,789	-	3,755	-
Other Expenses	63,905	54,305	30,900	4,459	18,946	-
Audit Services:						
Annual Audit	31,000	27,600	24,888	2,712	-	-
Revenue Administration						
(Tax Collector):						
Salaries and Wages	97,386	97,386	97,255	-	131	-
Other Expenses	21,200	21,200	12,784	-	8,416	-
Tax Assessor:						
Salaries and Wages	180,013	180,013	178,614	-	1,399	-
Other Expenses	8,210	8,210	1,249	1,431	5,530	-
Cost of Tax Appeals	3,000	3,000	-	3,000	-	-
Legal Services:						
Other Expenses	200,000	279,000	133,307	145,693	-	-
Engineering Services & Costs:						
Other Expenses	73,000	82,000	38,178	43,822	-	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	8,500	8,500	5,044	-	3,456	-
Other Expenses	20,900	35,900	16,148	18,527	1,225	-
Zoning Board of Adjustment:						
Salaries and Wages	8,500	8,680	8,679	-	1	-
Other Expenses	11,600	11,600	1,834	9,764	2	-
Code Enforcement						
Salaries & Wages	142,930	142,930	123,435	-	19,495	-
Other Expenses	5,900	5,900	2,706	309	2,885	-
Code Enforcement & Admin:						
Uniform Const. Code						
Salaries & Wages	411,556	411,556	312,260	-	99,296	-
Other Expenses	124,500	124,500	120,398	1,487	2,615	-
Insurance:						
Health Insurance						
Other Expenses	1,485,000	1,485,000	1,427,580	34,660	22,760	-
Liability Insurance						
Other Expenses	191,000	194,400	194,400	-	-	-
Workers' Compensation						
Insurance	240,000	236,600	233,279	-	3,321	-
Group Health Waivers	30,000	30,000	11,670	-	18,330	-
Public Safety Functions:						
Police:						
Salaries and Wages	5,296,272	5,296,272	5,183,870	-	112,402	-
Other Expenses	278,828	278,828	178,733	81,285	18,810	-
Emergency Management Services:						
Salaries and Wages	3,500	3,500	3,500	-	-	-
Other Expenses	9,600	9,600	1,723	912	6,965	-
Aid to Volunteer Fire Companies:						
Other Expenses						
Fire Station No. 75	154,518	154,518	154,518	-	-	-
Aid to Volunteer Ambulance Companies:						
Other Expenses	70,000	70,000	70,000	-	-	-

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	CANCELLED
Public Works Functions:						
Road Repairs & Maintenance:						
Salaries and Wages	1,523,824	1,523,824	1,489,158	-	34,666	-
Other Expenses	196,720	196,720	171,931	20,977	3,812	-
Other Public Works Functions:						
Recycling:						
Salaries and Wages	77,000	77,000	75,535	-	1,465	-
Other Expenses	293,700	293,700	259,209	27,309	7,182	-
Snow Removal:						
Salaries and Wages	55,000	55,000	23,049	-	31,951	-
Other Expenses	47,000	47,000	34,423	12,011	566	-
Solid Waste Collection:						
Contractual	890,000	890,000	740,250	148,750	1,000	-
Building & Grounds:						
Other Expenses	73,400	73,400	57,865	9,475	6,060	-
Condominium Reimbursement						
Other Expenses	30,000	15,000	-	-	15,000	-
Health & Human Services:						
Board of Health:						
Salaries and Wages	93,772	93,772	93,761	-	11	-
Other Expenses	2,500	2,500	162	2,094	244	-
Environmental Commission:						
Salaries and Wages	1,200	1,200	1,200	-	-	-
Other Expenses	2,000	2,000	1,328	100	572	-
Animal Control Program:						
Other Expenses	34,000	34,000	34,000	-	-	-
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	304,801	304,621	300,036	-	4,585	-
Other Expenses	40,030	40,030	36,216	3,567	247	-
Utility Expense & Bulk Purchases:						
Electricity	75,000	75,000	50,620	24,380	-	-
Street Lighting	120,000	120,000	100,741	19,259	-	-
Telephone	43,000	43,000	38,191	3,769	1,040	-
Natural Gas	20,000	20,000	12,535	7,465	-	-
Gasoline	85,000	85,000	72,524	1,962	10,514	-
Landfill/Solid Waste Disposal Costs:						
Landfill Dumping Fees	680,000	680,000	602,944	72,056	5,000	-
Municipal Court:						
Salaries and Wages	179,911	179,911	174,694		5,217	-
Other Expenses	11,975	11,975	7,227	510	4,238	-
Public Defender:						
Other Expenses	8,500	8,500	8,500	-	-	-
Other Common Operating Functions:						
Sick Pay Payouts	150,000	150,000	150,000	-	-	-
Contingent	1,000	1,000	-	-	1,000	-
Total Operations Within "CAPS"						
Including Contingent	14,691,201	14,766,201	13,568,707	705,088	492,406	-
Detail:						
Salaries and Wages	8,950,415	8,800,415	8,480,284	-	201,340	-
Other Expenses	5,740,786	5,965,786	5,088,423	705,088	291,066	-

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	CANCELLED
Deferred Charges & Statutory Expenditures						
Municipal Within "CAPS":						
Statutory Expenditures:						
Contributions to:						
Social Security System						
(O.A.S.I.)	612,000	612,000	611,465	-	535	-
Public Employees' Retirement						
System	453,700	453,700	453,700	-	-	-
Police & Firemen's						
Retirement System	1,275,300	1,275,300	1,275,267	-	33	-
Unemployment Insurance	45,000	45,000	45,000	-	-	-
Defined Contribution						
Retirement Program	13,450	13,450	6,863	-	6,587	-
Total Deferred Charges & Statutory						
Expenditures Within "CAPS"	2,399,450	2,399,450	2,392,295	-	7,155	-
Total General Appropriations for						
Municipal Purposes Within "CAPS"	17,090,651	17,165,651	15,961,002	705,088	499,561	-
Operations Excluded From "CAPS":						
LOSAP	90,000	90,000	-	90,000	-	-
Shared Services Agreement:						
Police Department Patrol of Schools	198,000	198,000	154,708	276	43,016	-
Administrator Services with Bayhead	-	18,928	9,464	-	9,464	-
Public & Private Programs Offset						
by Revenues:						
Matching Fund for Grants	10,000	10,000	-	-	10,000	-
Clean Communities Program	-	42,268	42,268	-	-	-
Recycling Tonnage Grant	-	29,401	29,401	-	-	-
CDBG-125-21 for Handicap Access Improvements	-	35,000	35,000	-	-	-
Body Armor Grant	2,403	2,403	2,403	-	-	-
Body-Worn Camera Grant	-	85,596	85,596	-	-	-
Distracted Driving Crackdown	-	6,000	6,000	-	-	-
Senior Services County Grant	17,918	33,533	33,533	-	-	-
Municipal Aid Program - Summit Drive	-	286,000	286,000	-	-	-
Total Operations Excluded from "CAPS"	318,321	837,129	684,373	90,276	62,480	-
Detail:						
Other Expenses						
Capital Improvements-Excluded						
from "CAPS":						
Capital Improvement Fund	58,000	58,000	58,000	-	-	-
Total Capital Improvements						
Excluded From "CAPS"	58,000	58,000	58,000	-	-	-

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	CANCELLED
Municipal Debt Service - Excluded						
From "CAPS":						
Payment of Bond Principal	2,075,000	2,075,000	2,075,000	-	-	-
Interest on Bonds	478,351	478,351	478,351	-	-	-
Interest on Notes	45,000	45,000	44,000	-	-	1,000
Green Trust Loan Program						
Community Disaster Loan - Principal	280,000	280,000	-	-	-	280,000
Community Disaster Loan - Interest	85,000	85,000	-	-	-	85,000
Total Municipal Debt Service						
Excluded From "CAPS"	2,963,351	2,963,351	2,597,351	-	-	366,000
Deferred Charges - Municipal - Excluded from "CAPS":						
Deferred Charge:						
Special Emergency Authorization	26,700	26,700	26,700	-	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS":	26,700	26,700	26,700	-	-	-
Judgements	100	100	-	-	100	-
Total General Appropriations for Municipal Purposes Excluded from CAPS	3,366,472	3,885,280	3,366,424	90,276	62,580	366,000
Subtotal General Appropriations	20,457,123	21,050,931	19,327,426	795,364	562,141	366,000
Reserve For Uncollected Taxes	1,303,453	1,303,453	1,303,453	-	-	-
Total General Appropriations	21,760,576	22,354,384	20,630,879	795,364	562,141	366,000
Adopted Budget		\$ 21,760,576				
Chapter 159		518,808				
Deferred Charge - Emergency Authorization		75,000				
Total		<u>\$ 22,354,384</u>				
Interfunds:						
Federal & State Grant Fund			\$ 520,201			
Reserve for Uncollected Taxes			1,303,453			
Deferred Charges			26,700			
Cash Disbursements			18,780,525			
Total			<u>\$ 20,630,879</u>			

**BOROUGH OF POINT PLEASANT
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

ASSETS	REFERENCE	2021	2020
Animal Control Trust Fund:			
Cash	B-1	\$ 64,427	\$ 52,765
Change Fund	B	25	25
Total Animal Control Fund		<u>64,452</u>	<u>52,790</u>
Open Space Trust Fund:			
Cash	B-1	<u>334,972</u>	<u>276,644</u>
Total Open Space Trust		<u>334,972</u>	<u>276,644</u>
Other Trust Fund:			
Cash	B-1	<u>2,197,566</u>	<u>1,727,004</u>
Total Other Trust		<u>2,197,566</u>	<u>1,727,004</u>
Length of Service Awards Program Fund: (LOSAP) ("LOSAP")			
Funds Held by Trustee	B-7	<u>1,295,219</u>	<u>1,259,593</u>
Total LOSAP		<u>1,295,219</u>	<u>1,259,593</u>
Total - All Funds		<u><u>\$ 3,892,209</u></u>	<u><u>\$ 3,316,031</u></u>
LIABILITIES & RESERVES			
Animal Control Trust Fund:			
Due to Current Fund	B-3	\$ 27,682	\$ 7
Reserve for Expenditures	B-3	<u>36,770</u>	<u>52,790</u>
Total Dog License Fund		<u>64,452</u>	<u>52,797</u>
Open Space Trust Fund:			
Reserve for Open Space	B-4	<u>334,972</u>	<u>276,644</u>
Total Open Space Trust		<u>334,972</u>	<u>276,644</u>
Other Trust Fund:			
Due to Board of Education	B-6	2,321	2,321
Due to Current Fund	A	7	-
Various Reserves	B-6	<u>2,195,238</u>	<u>1,724,676</u>
Total Other Trust		<u>2,197,566</u>	<u>1,726,997</u>
Length of Service Awards Program Fund: (LOSAP) ("LOSAP")			
Reserve for Length of Service Awards Program	B-7	<u>1,295,219</u>	<u>1,259,593</u>
Total LOSAP		<u>1,295,219</u>	<u>1,259,593</u>
Total - All Funds		<u><u>\$ 3,892,209</u></u>	<u><u>\$ 3,316,031</u></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, 2021 AND 2020**

ASSETS	REFERENCE	2021	2020
Cash	C-2	\$ 3,054,028	\$ 1,969,595
Grants Receivable	C-11	-	20,000
Deferred Charges to Future Taxation:			
Unfunded	C-5	8,908,679	6,309,279
Funded	C-4	12,842,613	14,923,400
Total		<u>\$ 24,805,320</u>	<u>\$ 23,222,274</u>

LIABILITIES, RESERVES & FUND BALANCE

Serial Bonds	C-9	\$ 12,785,000	\$ 14,860,000
Green Acres Loan Payable	C-10	57,613	63,400
Bond Anticipation Notes Payable	C-7	8,000,000	4,500,000
Capital Improvement Fund	C-6	54,906	134,506
Improvement Authorizations:			
Unfunded	C-8	1,438,214	923,921
Funded	C-8	622,659	830,953
Reserve for Encumbrances	C-8	1,704,159	1,799,170
Reserve for Debt Service	C	83,228	83,228
Fund Balance	C-1	59,541	27,096
Total		<u>\$ 24,805,320</u>	<u>\$ 23,222,274</u>

There were bonds and notes authorized but not issued on December 31, 2021 of \$908,679 and on December 31, 2020 was \$1,809,279.

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ 27,096
Add:	
Funded Improvement Authorizations Cancelled	<u>32,445</u>
Balance December 31, 2021	<u><u>\$ 59,541</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

ASSETS	REFERENCE	2021	2020
Operating Fund:			
Cash	D-5	\$ 1,513,277	\$ 1,392,724
Cash - Change Fund	D	300	300
Total		<u>1,513,577</u>	<u>1,393,024</u>
Receivables & Other Assets With Full Reserves:			
Consumer Accounts Receivable	D-7	<u>743,807</u>	<u>725,842</u>
Total Receivable & Other Assets With Full Reserves		<u>743,807</u>	<u>725,842</u>
Deferred Charges:			
Community Disaster Loan Program	D	<u>-</u>	<u>703,909</u>
Total Deferred Charges		<u>-</u>	<u>703,909</u>
Total Operating Fund		<u>2,257,384</u>	<u>2,822,775</u>
Capital Fund:			
Cash	D-5, D-6	<u>300,897</u>	<u>560,922</u>
Fixed Capital Authorized & Uncompleted	D-13	14,606,077	14,336,377
Fixed Capital	D-14	<u>30,197,184</u>	<u>30,197,184</u>
Total Capital Fund		<u>45,104,158</u>	<u>45,094,483</u>
Total Operating & Capital Fund		<u>\$ 47,361,542</u>	<u>\$ 47,917,258</u>

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

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2021	2020
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4	\$ 48,166	\$ 231,454
Community Disaster Loan Payable	D	-	703,909
Accounts Payable	D	895	3,574
Reserve for Encumbrances	D-4,D-5	300,060	258,593
Consumer Overpayments	D-10	16,111	19,886
Reserve for COVID-19	D	69,285	62,983
Accrued Interest on Bonds & Notes	D-9	119,156	125,964
Subtotal		553,673	1,406,363
Reserve for Receivables	D	743,807	725,842
Fund Balance	D-1	959,904	690,570
Total Operating Fund		2,257,384	2,822,775
Capital Fund:			
Serial Bonds	D-18	7,230,000	7,800,000
NJEIT Loan Payable:			
Trust Loan	D-19	290,000	310,000
Fund Loan	D-20	197,867	218,773
Bond Anticipation Notes	D-21	1,100,000	1,100,000
Improvement Authorizations:			
Funded	D-17	217,718	235,266
Unfunded	D-17	465,582	330,013
Reserves for:			
Amortization	D-16	34,697,777	34,086,871
Deferred Amortization	D-15	541,951	528,151
Encumbrances	D-17	70,912	44,258
Debt Service	D-6	6,669	6,669
Capital Improvement Fund	D-12	248,907	247,707
Down Payment on Improvements	D-6	13,600	13,600
Fund Balance	D-2	23,175	173,175
Total Capital Fund		45,104,158	45,094,483
Total Liabilities, Reserves & Fund Balance		\$ 47,361,542	\$ 47,917,258

Bonds and Notes authorized but not issued as of December 31, 2021 was \$745,766 and as of December 31, 2020 was \$489,766.

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, 2021 AND 2020**

	2021	2020
Revenue & Other Income Realized:		
Fund Balance Appropriated	\$ 471,000	\$ 571,245
Consumer Accounts Receivable	6,929,796	6,791,625
Interest on Delinquents	23,616	31,125
Capital Fund Surplus	150,000	-
Reserve for COVID-19	62,983	-
Miscellaneous	111,526	122,286
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	379,564	347,547
Cancellation of Accounts Payable	3,577	2,430
Cancellation of Community Disaster Loan	105,000	-
Total Income	<u>8,237,062</u>	<u>7,866,258</u>
Expenditures:		
Operating	5,503,663	5,276,125
Capital Improvement Fund	15,000	15,000
Debt Service	1,003,945	864,005
Deferred Charges & Statutory Expenditures	974,120	1,129,500
Emergency Authorizations	-	67,750
Total Expenditures	<u>7,496,728</u>	<u>7,352,380</u>
Excess/(Deficit) in Revenue	<u>740,334</u>	<u>513,878</u>
Fund Balance January 1	690,570	747,937
Less: Balance Appropriated	<u>471,000</u>	<u>571,245</u>
Fund Balance December 31	<u><u>\$ 959,904</u></u>	<u><u>\$ 690,570</u></u>

**STATEMENT OF CAPITAL SURPLUS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ 173,175
Decreased by:	
Appropriation to 2021 Budget	<u>150,000</u>
Balance December 31, 2021	<u><u>\$ 23,175</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 471,000	\$ 471,000	\$ -
Rents	6,681,800	6,929,796	247,996
Interest on Delinquent Accounts	30,000	23,616	(6,384)
Miscellaneous	110,000	111,526	1,526
Capital Fund Surplus	150,000	150,000	-
Reserve for Covid-19	62,983	62,983	
Total	<u>\$ 7,505,783</u>	<u>\$ 7,748,921</u>	<u>\$ 243,138</u>

Miscellaneous

Meter Tap	\$ 22,350
Meter Repairs	200
Meter Sales	34,097
Meter Storage	50
Turn On/Off	927
Reading and Testing	17,041
Return Check Charge	120
Connection Fees	7,428
Road Openings	12,742
Leak Check	646
Cost of Tax Sale	4,011
Demolitions/Call Outs	10,310
Interest on Investments	1,604
Total Miscellaneous	<u>\$ 111,526</u>

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, 2021**

	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	DISBURSED	ENCUMBERED	RESERVED	CANCELED
Operating:						
Salaries and Wages	\$ 469,342	\$ 470,442	\$ 467,745	\$ -	\$ 2,697	\$ -
Other Expenses	1,058,830	1,158,830	933,991	219,232	5,607	-
Ocean County Utilities Authority	2,885,935	2,785,935	2,739,469	46,466	-	-
Public Works:						
Salaries and Wages	866,256	866,256	840,984	-	25,272	-
Other Expenses	222,200	222,200	184,875	31,515	5,810	-
Debt Service:						
Payment of Bond Principal	570,000	570,000	570,000	-	-	-
Interest on Bonds	271,000	271,000	263,816	-	-	7,184
Interest on Notes	12,000	12,000	12,000	-	-	-
Community Disaster Loan	105,000	105,000	-	-	-	105,000
NJEIT Loan	55,000	55,000	53,129	-	-	1,871
Capital Improvements:						
Capital Improvement Fund	15,000	15,000	15,000	-	-	-
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	220,720	220,720	220,720	-	-	-
Social Security System (O.A.S.I)	100,000	98,900	96,924	-	1,976	-
Unemployment Compensation Insurance	7,500	7,500	7,500	-	-	-
Group Health Insurance	364,000	364,000	354,496	2,847	6,657	-
Liability and Workers Compensation	283,000	283,000	282,853	-	147	-
Total Expenditures	<u>\$ 7,505,783</u>	<u>\$ 7,505,783</u>	<u>\$ 7,043,502</u>	<u>\$ 300,060</u>	<u>\$ 48,166</u>	<u>\$ 114,055</u>

Cash Disbursements	\$ 7,021,694
Interfund - Utility Capital	15,000
Accrued Interest	<u>6,808</u>
Total	<u>\$ 7,043,502</u>

**BOROUGH OF POINT PLEASANT
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF GENERAL FIXED ASSETS
DECEMBER 31, 2021 AND 2020**

ASSETS	<u>2021</u>	<u>2020</u>
Land & Improvements	\$ 22,840,500	\$ 28,190,900
Buildings	5,350,400	11,372,619
Equipment & Machinery	4,329,452	4,252,782
Vehicles	<u>8,082,697</u>	<u>7,744,935</u>
Total	<u>\$ 40,603,049</u>	<u>\$ 51,561,236</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 40,603,049</u>	<u>\$ 51,561,236</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, 2021 AND 2020**

ASSETS	REFERENCE	<u>2021</u>	<u>2020</u>
Cash - Treasurer	F-1	\$ 214,564	\$ 199,078
Total		<u>\$ 214,564</u>	<u>\$ 199,078</u>
LIABILITIES			
Payroll Taxes Payable	F-2	\$ 169,364	\$ 154,120
Payroll Reserve	F	<u>45,200</u>	<u>44,958</u>
Total		<u>\$ 214,564</u>	<u>\$ 199,078</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, 2021**

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**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 Mayor-Council Plan, a form of government under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the Business Administrator. Department Heads are appointed by the Mayor, with the consent of the Council. The six (6) member Borough Council exercises legislative responsibilities.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80, 90, and 97, 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, 80, 90, and 97.

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.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1. Summary of Significant Accounting Policies (continued)

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

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, 2021**

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 \$1,000.00, 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, 2021**

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, 2021**

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 (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.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2021:

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020.

Management has determined that the implementation of these Statements did not have a significant impact on the Borough's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirement in paragraph 11b of this Statement is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for reporting periods beginning after June 15, 2021.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to section 1, paragraph 4 are effective immediately. All other requirements will be effective for reporting periods beginning June 15, 2021. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Borough's financial statements.

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, 2021, the Borough's bank balance of \$29,768,830 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 26,554,354
Uninsured and Uncollateralized	<u>3,214,476</u>
	<u><u>\$ 29,768,830</u></u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 2. Deposits and Investments (continued)

Investments

Under the 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 generally accepted accounting principles (GAAP), investments would be reported at fair value (except for fully benefit-responsive investment contracts, which would be reported at contract value). Contract value is the relevant measure for the portion of the Length of Service Awards Program (LOSAP) Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the LOSAP Plan.

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. 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. As of December 31, 2021, the Borough had no investments held at Level 2 or 3.

Following is a description of the valuation methodologies used for investments measured at fair value.

Money Market Funds: Valued at the quoted NAV of shares held by the Borough at year-end.

Mutual Funds: Valued at quoted market prices which represent the net asset value ("NAV") shares held by the Borough at year-end.

The Borough's fair value, hierarchy level and maturities of its investments at December 31, 2021 was as followed:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2021</u>		<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Money Markets	\$ 79,623	\$ 79,623	\$ 79,623	\$ 79,623
Mutual Funds	793,195	793,195	793,195	793,195
	<u>\$ 872,818</u>	<u>\$ 872,818</u>	<u>\$ 872,818</u>	<u>\$ 872,818</u>
<u>Fund</u>				
Trust Fund - LOSAP (Fair Value)	\$ 872,818	\$ 872,818	\$ 872,818	\$ 872,818
	<u>\$ 872,818</u>	<u>\$ 872,818</u>	<u>\$ 872,818</u>	<u>\$ 872,818</u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 2. Deposits and Investments (continued)

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the AIG Retirement Services (AIG) totaling \$422,401 as of December 31, 2021. AIG maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Borough is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The Borough's ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer's ability to meet its financial obligations. The fixed account continues in-force until they are terminated by AIG or the LOSAP Plan and do not define a maturity date.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. The total Trust Fund LOSAP value held by the Borough at December 31, 2021 was as follows:

	<u>12/31/2021</u>
Trust Fund - LOSAP (Fair Value)	\$ 872,818
Trust Fund - LOSAP (Contract Value)	<u>422,401</u>
	<u>\$ 1,295,219</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, 2021**

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>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$ 2.108</u>	<u>\$ 2.086</u>	<u>\$ 2.058</u>
Apportionment of Tax Rate:			
Municipal	0.464	0.460	0.450
Municipal Open Space	0.002	0.002	0.002
County General	0.447	0.444	0.445
Local School	1.195	1.180	1.161

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2021	\$ 3,318,550,900
2020	3,297,615,400
2019	3,284,596,710

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2021	\$ 70,368,369	\$ 69,760,139	99.13%
2020	69,067,721	68,277,514	98.85%
2019	67,825,735	67,178,265	99.04%

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 3. Property Taxes (Continued)

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>
2021	\$ 1,977	\$ 490,101	\$ 492,078	0.70%
2020	1,598	557,401	558,999	0.81%
2019	1,222	420,003	421,225	0.62%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2021	2
2020	1
2019	1

The last tax sale was held on November 17, 2021.

Note: 4: Property Acquired By Tax Title Lien Liquidation

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2021, 2020 or 2019.

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 Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2021	\$ 725,842	\$ 7,046,919	\$ 7,772,761	\$ 7,019,070	90.30%
2020	728,709	6,798,129	7,526,838	6,791,625	90.23%
2019	743,830	6,342,007	7,085,837	6,309,726	89.04%

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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:			
2021	\$ 5,028,893	\$ 2,770,000	55.08%
2020	5,481,893	2,900,000	52.90%
2019	5,417,205	2,944,000	54.35%
Water/Sewer Utility Operating Fund:			
2021	\$ 959,904	\$ 477,959	49.79%
2020	690,570	471,000	68.20%
2019	747,937	571,245	76.38%

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, 2021:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 27,689	\$ -
Animal Control Trust	-	27,682
Trust Other Fund	-	7
	<u>\$ 27,689</u>	<u>\$ 27,689</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.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 8. Interfund Receivables and Payables (Continued)

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ -	\$ 66,371
Trust Other Fund	66,371	-
	<u>\$ 66,371</u>	<u>\$ 66,371</u>

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2021.

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	Balance December 31, <u>2021</u>
General Fixed Asset Account Group:					
Land & Improvements	\$ 28,190,900	\$ -	\$ -	\$ (5,350,400)	\$ 22,840,500
Buildings	11,372,619	-	-	(6,022,219)	5,350,400
Equipment & Machinery	4,252,782	112,212	35,542	(7,295)	4,336,747
Vehicles	7,744,935	519,762	182,000	7,295	8,089,992
	<u>51,561,236</u>	<u>631,974</u>	<u>217,542</u>	<u>(11,372,619)</u>	<u>40,617,639</u>

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2021. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2020.

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.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued):

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

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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit 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.

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 2020, 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, 2020, the Borough's contractually required contribution to PERS plan was \$711,376.00.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued):

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

Components of Net Pension Liability - At December 31, 2020, the Borough's proportionate share of the PERS net pension liability was \$10,604,403.00. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Borough's proportion measured as of June 30, 2020, was 0.0650282265% which was an increase of 0.0028970841% from its proportion measured as of June 30, 2019.

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 2,081,894	\$ 2,329,705
Deferred Inflows of Resources	4,576,241	4,291,419
Net Pension Liability	10,604,403	11,195,089
 Borough's portion of the Plan's total Net Pension Liability	 0.06503%	 0.06213%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2020 measurement date is \$654,500.00. 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 \$711,376.00 to the plan in 2020.

At December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 193,089	\$ 37,502
Changes of Assumptions	344,019	4,440,164
Net Difference between Projected and Actual Earnings on Pension Plan Investments	362,467	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	1,182,319	98,575
	<u>\$ 2,081,894</u>	<u>\$ 4,576,241</u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued):

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

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

	<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	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
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	-
June 30, 2020	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
June 30, 2020	5.16	5.16

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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>
2021	\$ (613,094)
2022	(1,105,883)
2023	(491,998)
2024	(242,971)
2025	(40,401)
	<u>\$ (2,494,347)</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 Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
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-2020.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued):

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Credit	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

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

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued):

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 13,454,144	\$ 10,604,403	\$ 8,340,462

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, 2021**

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 2020, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2020, the Borough's contractually required contributions to PFRS plan was \$1,275,267.00.

Net Pension Liability and Pension Expense - At December 31, 2020 the Borough's proportionate share of the PFRS net pension liability was \$14,749,876.00. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Borough's proportion measured as of June 30, 2020, was 0.1141514743%, which was an increase of 0.00318501114% from its proportion measured as of June 30, 2019.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued):

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

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 2,241,444	\$ 1,682,854
Deferred Inflows of Resources	4,179,586	4,894,280
Net Pension Liability	14,749,876	13,579,875
 Borough's portion of the Plan's total net pension Liability	 0.11415%	 0.11097%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2020, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2020 measurement date was \$1,171,984.00. 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 \$1,275,267.00 to the plan in 2020.

At December 31, 2020, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 148,704	\$ 52,936
Changes of Assumptions	37,118	3,954,354
Net Difference between Projected and Actual Earnings on Pension Plan Investments	864,854	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>1,190,768</u>	<u>172,296</u>
	<u>\$ 2,241,444</u>	<u>\$ 4,179,586</u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued):

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

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

	<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
June 30, 2020	5.90	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
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	-
June 30, 2020	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
June 30, 2020	5.90	5.90

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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>
2021	\$ (1,004,776)
2022	(648,568)
2023	(189,912)
2024	116,774
2025	<u>(211,660)</u>
	<u><u>\$ (1,938,142)</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 \$2,289,114.00 as of December 31, 2020. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2020 was 0.1141514743%, which was an increase of 0.00318501114% from its proportion measured as of June 30, 2019, which is the same proportion as the Borough's. At December 31, 2020, 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	\$ 14,749,876
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>2,289,114</u>
	<u><u>\$ 17,038,990</u></u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued):

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

At December 31, 2020, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2020 measurement date was \$259,425.00.

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	
	Pub-2010 Safety Employee mortality table
PFRS	with fully generational mortality improvement projections
	from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2013 - June 30, 2018

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

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

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Credit	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

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

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

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10. Pension Obligations (continued):

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 19,614,299	\$ 14,749,876	\$ 10,709,601
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>3,044,050</u>	<u>2,289,114</u>	<u>1,662,082</u>
	<u><u>\$ 22,658,349</u></u>	<u><u>\$ 17,038,990</u></u>	<u><u>\$ 12,371,683</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

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2021. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2020.

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

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

A. State Plan (continued):

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.

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, 2020 were \$5,512,481,278.00 and \$12,598,993,950.00, 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, 2019 through June 30, 2020. 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.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

A. State Plan (continued):

Net OPEB Liability

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The 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:

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, 2020 was \$15,845,424.00. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.0882920028%, which was an increase of 0.0015540039% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$(255,995.00) 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.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

A. State Plan (continued):

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

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

Health Care Trend Assumptions

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

Discount Rate

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

Sensitivity of 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, 2020, 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 (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 18,732,638.98	\$ 15,845,424.00	\$ 13,559,930.81
State of New Jersey's Total Nonemployer OPEB Liability	21,216,688,254.00	17,946,612,946.00	15,358,051,000.00

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

A. State Plan (continued):

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

The following presents the net OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough	\$ 13,112,104.70	\$ 15,845,424.00	\$ 19,424,743.09
State of New Jersey's Total Nonemployer OPEB Liability	14,850,840,718.00	17,946,612,946.00	22,000,569,109.00

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2020:

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

	12/31/2020	12/31/2019
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 3,168,345,589.00	\$ 11,158,226.00
Collective Deferred Inflows of Resources	7,333,043,620.00	8,761,825,481.00
Collective Net OPEB Liability	17,946,612,946.00	13,546,071,100.00
Borough's Portion	0.088292%	0.086738%

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:

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

A. State Plan (continued):

Year Ending June 30:	
2021	\$ (964,720,007.00)
2022	(965,594,678.00)
2023	(967,008,484.00)
2024	(968,300,349.00)
2025	(660,258,014.00)
Thereafter	<u>361,183,501.00</u>
	<u>\$ (4,164,698,031.00)</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 7.87, 8.05 and 8.14 years for the 2020, 2019 and 2018 amounts, respectively.

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	<u>June 30, 2019</u>
Active Plan Members	62,547
Retirees Currently Receiving Benefits	<u>30,614</u>
Total Plan Members	<u><u>93,161</u></u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

A. State Plan (continued):

Service Cost	\$ 605,949,339.00
Interest on the Total OPEB Liability	497,444,533.00
Change of Benefit Terms	1,034,142.00
Differences Between Expected and Actual Experience	541,506,395.00
Changes of Assumptions	3,074,968,821.00
Contributions From the Employer	(292,404,377.00)
Contributions From Non-Employer Contributing Entity	(35,011,940.00)
Net Investment Income	(2,858,334.00)
Administrative Expense	<u>9,913,267.00</u>
 Net Change in Total OPEB Liability	 4,400,541,846.00
 Total OPEB Liability (Beginning)	 <u>13,546,071,100.00</u>
 Total OPEB Liability (Ending)	 <u><u>\$ 17,946,612,946.00</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.

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

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

A. State Plan (continued):

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 \$9,218,511.00 as of December 31, 2020. The OPEB liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020 was 0.1687660091%, which was an increase of 0.0278830151% from its proportion measured as of June 30, 2019, which is the same proportion as the Borough's. At December 31, 2020, 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	\$ 9,218,511.00

At December 31, 2020, the State's proportionate share of the OPEB expense, associated with the Borough, calculated by the plan as of the June 30, 2020 measurement date was (\$458,900.00).

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 a variety of different PPO and HMO type plans. Dental benefits are also fully insured through 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 January 1, 2021 and January 1, 2022 for pre-65 and post-65 retirees are outlined in Section VI, page 15 of this report. These premium rates are assumed to include all administrative expenses and PPACA fees due at this time.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

B. Local Plan (continued)

Plan year 2021 pre-65 and post-65 retiree premium rates are adjusted to reflect subsidization of retiree premiums through the Claims Stabilization Fund based on the NJ SHBP 2021 rate report from AON dated 9/15/20. Based on report, actual 2021 pre-65 retiree premium rates require an additional 27.2% rate increase and post-65 retirees require an additional 3.7% increase. Based on the premium rate increases implemented in the NJ SHBP 2022 report from AON dated 9/8/21, no such subsidization is necessary.

Sensitivity Analysis

Section I (page 3) of the report includes a sensitivity analysis as of fiscal year-end December 31, 2021 based on varying the discount interest rate and the healthcare cost inflation rate (trend) for GASB 74/75. We illustrate two scenarios for each variable of discount rate and trend rate as prescribed under GASB 74/75.

The discount rate used was 2.05%, which is based on an end of year measurement date of 12/31/21 and is consistent with the prescribed discount rate methodology under GASB 74/75. The prior valuation discount rate was 3.50%. Details of the discount rate assumption are described further in the report in Section IV, page 10.

Overview of Deferred Inflows and Deferred Outflows

Fiscal year January 1, 2021 to December 31, 2021 is the fourth year under GASB 75 reporting for the Borough. As such, deferred inflows and outflows are calculated along with the amortization of those inflows/outflows and are illustrated in Section I, pages 4-5 of the report in sub-sections F, G, H, and I.

Total deferred outflows (actuarial loss) for the 2021 plan year of \$5.051 million on page 4 (line 4 of subsection F) reflects an increase in the total OPEB liability as of January 1, 2021 from the prior implemented liability through yearend December 31, 2020 and is driven by the following:

- Changes in the discount rate assumption from 3.50% to 2.05% increased the liability.
- Increases in starting claims cost and trend (i.e., unfavorable premium rate increases since prior valuation) increased the liability.

The amortization of the current year deferred inflows and outflows is also reflected on page 4 of the report (sub-section G). For yearend reporting, the deferred outflow (actuarial loss) of \$5.051 million for the 2021 plan year has a projected amortization of \$0.542 million during the 2021 plan year with a deferred outflow balance of \$4.509 million as of yearend December 31, 2021.

An amortization schedule that includes the current year and prior years amortization amounts is included on page 5 of the report (sub-section H). Also included on page 5 are initial and remaining balances of all current and prior amortization amounts reflecting a total amortization expense of \$0.542 million for FY 2021 and total yearend December 31, 2021 balance of \$4.509 million. There were no reported deferred inflows or outflows of resources from prior years. Sub-section I, on page 5 of report also includes a projection schedule of the recognized amortization expense and unamortized balances by fiscal year end.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

B. Local Plan (continued)

Demographic Information

Section III of the report illustrates additional information pertaining to the underlying census information including age and sex analysis for active and retired employees along with summaries of the active population by age and years of service. Census analysis is illustrated separately for actives and retirees. As part of the report, we also included a comparison of census demographic information to the prior valuation report of January 1, 2018. This is highlighted on pages 7 through 9 of the report.

Some highlights of census demographic information as of the January 1, 2021 valuation date are as follows:

- For retirees, the overall average age is 66.5 years, which reflects an average age of 58.2 for pre-65 retirees and 74.8 for post-65 retirees.
- For actives, the average age is 45.9 years and average years of service of 13.4.
- Of the active population, 4.6% of the population (4 employees) is eligible to retire.
- 27.6% actives and 23.1% retirees valued were female.
- 42.5% actives and 42.3% retirees elect single coverage.

Assumptions & Definitions

As part of this report, we included supporting documentation such as a summary of assumptions and key definitions (glossary), which are provided in Sections IV through VI. 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.

The GASB 74/75 results on pages 1-6 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.) See pages 10-15 for details on assumptions and definitions.

The mortality tables used for this valuation is based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

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, 2020 Annual Report of the Actuary for both PERS and PFRS.

Healthcare Reform

The Patient Protection and Affordable Care Act (PPACA) enacted in March 2010 (Healthcare Reform) includes several fees and/or taxes levied on employer groups either directly (e.g., self-funded employer groups which calculates and pays the fees directly) or indirectly (e.g., fully insured groups in which the health insurer pays and passes on to the group in their premium rates). Fees associated with PPACA are reflected as appropriate in the valuation and described in detail on page 11 of the report.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

B. Local Plan (continued)

COVID-19 Pandemic

There have been no special adjustments or considerations made to valuation results due to the COVID-19 pandemic. Since the Borough is not funding this benefit in a separate OPEB trust, no special considerations were made for the impact on assets. Similarly, no special adjustments were made to the OPEB liability calculations. The impact of COVID-19 will be reviewed in future years including the potential impact on selected assumptions (e.g., mortality, morbidity, etc.).

SECTION I: GASB NO. 74/75 REPORTING TO YEAR END DECEMBER 31, 2021 REPORTING

(Implementation Year for GASB 74/75 is January 1, 2018 to December 31, 2018)

Section A: Reported OPEB Liability as of Year End December 31, 2021

1 Discount Rate	2.05%
2 Present Value of Future Benefits as of Year End December 31, 2021	\$ 20,189,753
3 Total OPEB Liability as of Year End December 31, 2021	\$ 13,069,256
4 Plan Fiduciary Net Position as of Year End December 31, 2021	\$ -
5 Net OPEB Liability as of Year End December 31, 2021: (3) - (4)	\$ 13,069,256
6 Plan Fiduciary Net Position as a Percentage of OPEB Liability: (4) / (3)	0.00%
7 Total Annual Salary (Compensation) based on Valuation Census Information	\$ 8,156,134
8 Net OPEB Liability as a Percentage of Annual Salary: (5) / (7)	160.24%
9 Total Employee Census Counts for Valuation	
a. Active Employees	87
b. Retired Employees (incl. vested terminations)	26
c. Subtotal: (8a) + (8b)	<u>113</u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

B. Local Plan (continued)

Section B: Projected Expense Calculation as of Year End December 31, 2021

1 Service Cost with Interest to Year End - Period January 1, 2021 to December 31, 2021	\$ 520,955
2 Interest Cost - Period January 1, 2021 to December 31, 2021	
a. Discount Rate	2.05%
b. Total OPEB Liability as of January 1, 2021	\$ 7,784,798
c. Actual Benefit Payments - Illustrated as Project for Period January 1, 2021 to December 31, 2021	\$ 442,439
d. Interest Cost: $(2a) \times [(2b) - (2c) / 2]$	\$ 155,053
3 Investment Return - Illustrated as Expected for Period January 1, 2021 to December 31, 2021 (Illustrated results based on expected return)	\$ -
4 Employee Contributions - Period January 1, 2021 to December 31, 2021 (Amount is illustrated as zero since employer contributions are illustrated net of employee contributions)	\$ -
5 Administrative Expenses	\$ -
6 Plan Changes	\$ -
7 Amortization of Unrecognized Amounts	
a. Liability (Gain)/Loss (Page 5, Section H, Line 3)	\$ 541,941
b. Asset (Gain)/Loss	\$ -
c. Net (Gain)/Loss: $(7a) + (7b)$	\$ 541,941
8 Total Expense - Period January 1, 2021 to December 31, 2021 $(1) + (2d) + (3) + (4) + (5) + (6) + (7c)$	\$ 1,217,949

Notes:

1. Employee contributions are illustrated above as zero since benefit payments are illustrated net of employee contributions.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

B. Local Plan (continued)

Section C: Reconciliation of Net OPEB Liability as of Year End December 31, 2021

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
1 Balance Recognized as of Beginning of Year (End of Prior Year)	\$ 7,784,798	\$ -	\$ 7,784,798
2 Changes Recognized for Fiscal Year			
a. Service Cost: Section B, Line 1	\$ 520,955	\$ -	\$ 520,955
b. Interest on Total OPEB Liability: Section B, Line 2d	\$ 155,053	\$ -	\$ 155,053
c. Change in Benefit Terms: Section B, Line 6	\$ -	\$ -	\$ -
d. Change in Expected to Actual	\$ -	\$ -	\$ -
e. Changes in Assumptions	\$ 5,050,889	\$ -	\$ 5,050,889
f. Benefit Payments: Section B, Line 2c	\$ (442,439)	\$ (442,439)	\$ -
g. Contributions from Employer	\$ -	\$ 442,439	\$ (442,439)
h. Contributions from Employees	\$ -	\$ -	\$ -
i. Net Investment Income: Section B, Line 3	\$ -	\$ -	\$ -
j. Administrative Expenses: Section B, Line 5	\$ -	\$ -	\$ -
k. Net Changes: (a) + ... + (j)	\$ 5,284,458	\$ -	\$ 5,284,458
3 Balance Recognized as of End Year - December 31, 2021 (1) + (2k)	\$ 13,069,256	\$ -	\$ 13,069,256

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

B. Local Plan (continued)

Section D: Discount (Interest) Rate Sensitivity as of Year End December 31, 2021

	Current Valuation Discount Rate <u>2.05%</u>	Discount Rate Less 1% <u>1.05%</u>	Discount Rate Plus 1% <u>3.05%</u>
1 Total OPEB Liability as of Year End December 31, 2021			
a. OPEB Liability	\$ 13,069,256	\$ 15,403,067	\$ 11,216,717
b. Ratio to Current Valuation Assumptions	n/a	117.86%	85.83%
2 Plan Fiduciary Net Position as of Year End December 31, 2021			
a. Plan Fiduciary Net Position	\$ -	\$ -	\$ -
b. Ratio to Current Valuation Assumptions	n/a	n/a	n/a
3 Net OPEB Liability as of Year End December 31, 2021			
a. OPEB Liability: (1a) - (2a)	\$ 13,069,256	\$ 15,403,067	\$ 11,216,717
b. Ratio to Current Valuation Assumptions	n/a	117.86%	85.83%

Note: Sensitivity analysis for discount (interest) rate is illustrated as of end of year.

Section E: Healthcare Cost Inflation (Trend) Rate Sensitivity as of Year End December 31, 2021

	Current Valuation Discount Rate	Trend Rate Less 1%	Trend Rate Plus 1%
1 OPEB Liability as of Year End December 31, 2021			
a. OPEB Liability	\$ 13,069,256	\$ 11,732,972	\$ 14,677,070
b. Ratio to Current Valuation Assumptions	n/a	89.78%	112.30%
2 Plan Fiduciary Net Position as of Year End December 31, 2021			
a. Plan Fiduciary Net Position	\$ -	\$ -	\$ -
b. Ratio to Current Valuation Assumptions	n/a	n/a	n/a
3 Net OPEB Liability as of Year End December 31, 2021			
a. OPEB Liability: (1a) - (2a)	\$ 13,069,256	\$ 11,732,972	\$ 14,677,070
b. Ratio to Current Valuation Assumptions	n/a	89.78%	112.30%

Note: Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

B. Local Plan (continued)

Section F: Summary of Deferred Inflows & Outflows for 2021 Plan Year Valuation Only

	Deferred Outflows		Deferred Inflows
1 Difference Between Actual and Expected Experience (Page 2, Line 2d)	\$ -	\$	-
2 Net Difference Between Expected and Actual Earnings on OPEB Investments (Page 2, Line 2d)	\$ -	\$	-
3 Impact due to Changes in Assumptions (Page 2, Line 2e)	\$ 5,050,889	\$	-
4 Total for 2021 Plan Year Valuation: (1) + (2) + (3)	\$ 5,050,889	\$	-

Note: The deferred outflow (actuarial loss) of \$5.051 million in line 3 above is driven by an increase in starting claim cost and trend (i.e., unfavorable premium rate increases since prior valuation) and a decrease in discount rate assumption from 3.50% to 2.05%.

Section G: Amortization of Deferred Inflows & Outflows for 2021 Plan Year Valuation Only

1 Amortization of Difference Between Actual and Expected Experience

a. Difference Between Actual and Expected Experience: (Section F, Line 1)	\$ -
b. Amortization Period in Years: Average Expected Future Working Lifetime	9.32 Years
c. Annual Amortization Payment for Current Period: (1a) / (1b)	\$ -
d. Remaining 2021 Balance as of the end of the Fiscal Year: (1a) - (1c)	\$ -

2 Amortization of Net Difference Between Expected and Actual Earnings on OPEB Investments

a. Difference Between Actual and Expected Experience: (Section F, Line 2)	\$ -
b. Amortization Period in Years (Five Years)	5.00 Years
c. Annual Amortization Payment: (2a) / (2b)	\$ -
d. Remaining 2021 Balance as of the end of the Fiscal Year: (2a) - (2c)	\$ -

3 Amortization of Impact due to Changes in Assumptions

a. Impact due to Changes in Assumptions: (Section F, Line 3)	\$ 5,050,889
b. Amortization Period in Years: Average Expected Future Working Lifetime	9.32 Years
c. Annual Amortization Payment: (3a) / (3b)	\$ 541,941
d. Remaining 2021 Balance as of the end of the Fiscal Year: (3a) - (3c)	\$ 4,508,948

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

B. Local Plan (continued)

Section H: Amortization Schedule of Deferred Inflows & Outflows as of Year End December 31, 2021

Amortized Item	Initial Year	Amortization Period	Initial Balance	Beginning of Year Unamortized Balance	Amortization Amount for FY End 12/31/21	End of Year Unamortized Balance
Deferred Inflows/Outflows of Resources - Note 1	FY End 12/31/20	n/a	n/a	n/a	n/a	n/a
Deferred Outflows						
2 Change in Assumptions - Note 2	FY End 12/31/21	9.32	\$ 5,050,889	\$ 5,050,889	\$ 541,941	\$ 4,508,948
3 Totals				\$ 5,050,889	\$ 541,941	\$ 4,508,948

Note 1 There were no reported deferred inflows or outflows of resources indicated in the 12/31/20 audit report.

Note 2 Deferred outflows (actuarial loss) change in assumptions as reported in the FY 1/1/21 to 12/31/21 valuation report, driven by an increase in starting claims cost and trend (i.e., unfavorable premium rate increases since prior valuation) and a decrease in discount rate assumption from 3.50% to 2.05%.

Section I: Projection of Deferred Inflows & Outflows Balances by Fiscal Year End

Fiscal Year Ending December 31,	Beginning of Year Unamortized Balance	Recognition of OPEB Amortization Expense	End of Year Unamortized Balance
2021	\$ 5,050,889	\$ 541,941	\$ 4,508,948
2022	\$ 4,508,948	\$ 541,941	\$ 3,967,007
2023	\$ 3,967,007	\$ 541,941	\$ 3,425,066
2024	\$ 3,425,066	\$ 541,941	\$ 2,883,125
2025	\$ 2,883,125	\$ 541,941	\$ 2,341,184
2026	\$ 2,341,184	\$ 541,941	\$ 1,799,243
2027	\$ 1,799,243	\$ 541,941	\$ 1,257,302
2028	\$ 1,257,302	\$ 541,941	\$ 715,361
2029	\$ 715,361	\$ 541,941	\$ 173,420
2030	\$ 173,420	\$ 173,420	\$ -

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 20,842,613	\$ 19,423,400	\$ 19,401,878
Utility:			
Bonds, Notes and Loans	8,817,867	9,428,773	8,894,679
	<hr/>	<hr/>	<hr/>
Total Debt Issued	29,660,480	28,852,173	28,296,557
	<hr/>	<hr/>	<hr/>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	908,679	1,809,279	2,281,879
Utility:			
Bonds, Notes and Loans	745,666	489,766	1,450,466
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	1,654,345	2,299,045	3,732,345
	<hr/>	<hr/>	<hr/>
Total Gross Debt	<u><u>\$ 31,314,825</u></u>	<u><u>\$ 31,151,218</u></u>	<u><u>\$ 32,028,902</u></u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	83,228	83,228	83,228
Water/Sewer Utility:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	6,669	-	-
Self Liquidating Debt	9,556,864	9,918,539	10,345,145
	<hr/>	<hr/>	<hr/>
Total Deductions	9,646,761	10,001,767	10,428,373
	<hr/>	<hr/>	<hr/>
Total Net Debt	<u><u>\$ 21,668,064</u></u>	<u><u>\$ 21,149,451</u></u>	<u><u>\$ 21,600,529</u></u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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	\$ 13,078,000	\$ 13,078,000	\$ -
General Debt	21,751,292	83,228	21,668,064
Utility Debt	9,563,533	9,563,533	-
	<u>\$ 44,392,825</u>	<u>\$ 22,724,761</u>	<u>\$ 21,668,064</u>

Net Debt \$21,668,064 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$3,790,497,587, equals 0.572%. 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, 2021 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 132,667,416
Net Debt	<u>21,668,064</u>
Remaining Borrowing Power	<u>\$ 110,999,352</u>

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

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 7,214,938
Deductions:	
Operating and Maintenance Costs	\$ 5,503,663
Debt Service	<u>1,003,945</u>
Total Deductions	<u>6,507,608</u>
Excess/(Deficit) in Revenue	<u>\$ 707,330</u>

*If Excess in Revenues all Utility Debt is Deducted

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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>
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	1,900,000	195,409	2,095,409
2026	680,000	142,225	822,225
2027-2031	3,270,000	289,425	3,559,425
	<u>\$ 12,785,000</u>	<u>\$ 1,673,038</u>	<u>\$ 14,458,038</u>

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, 2021:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2021</u>
Various General Improvements	10/14/21	3/15/22	0.220%	\$ 1,501,695
Various General Improvements	10/14/21	3/15/22	0.220%	1,247,791
Various General Improvements	10/14/21	3/15/22	0.220%	1,807,089
Heritage Park Renovation	10/14/21	3/15/22	0.220%	225,304
Various Capital Improvements	10/14/21	3/15/22	0.220%	1,000,400
Various Capital Improvements	10/14/21	3/15/22	0.220%	2,217,721
				<u>\$ 8,000,000</u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 12. Municipal Debt (continued)

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.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2021, the Borough had \$908,679 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>
2022	\$ 5,904	1,123	\$ 7,027
2023	6,022	1,004	7,027
2024	6,144	883	7,027
2025	6,267	760	7,027
2026	6,393	634	7,027
2027-2030	26,883	1,224	28,107
	<u>\$ 57,613</u>	<u>\$ 5,627</u>	<u>\$ 63,240</u>

Water/Sewer Utility Debt

A. Serial Bonds Payable

In July 2010, the Borough issued \$4,707,000 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, 2021**

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>
2022	\$ 595,000	\$ 253,186	\$ 848,186
2023	620,000	234,824	854,824
2024	650,000	214,910	864,910
2025	750,000	192,240	942,240
2026	755,000	163,400	918,400
2027-2031	3,860,000	342,450	4,202,450
	<u>\$ 7,230,000</u>	<u>\$ 1,401,010</u>	<u>\$ 8,631,010</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>
2022	\$ 40,906	\$ 10,013	\$ 50,919
2023	40,906	9,013	49,919
2024	40,906	8,013	48,919
2025	40,906	7,013	47,919
2026	45,906	6,413	52,319
2027-2031	215,593	20,813	236,406
2032-2034	62,744	2,888	65,632
	<u>\$ 487,867</u>	<u>\$ 64,166</u>	<u>\$ 552,033</u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 12. Municipal Debt (continued)

C. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2021:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2021</u>
Various Improvements	10/14/2021	3/15/2022	0.220%	\$ 529,645
Drinking Water System	10/14/2021	3/15/2022	0.220%	48,159
Various Improvements	10/14/2021	3/15/2022	0.220%	<u>522,196</u>
				<u><u>\$ 1,100,000</u></u>

D. Bonds and Notes Authorized But Not Issued

As of December 31, 2020 the Borough had \$745,666 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:

	<u>Balance December 31, 2020</u>	<u>Accrued/ Increases</u>	<u>Retired/ Decreases</u>	<u>Balance December 31, 2021</u>	<u>Balance Due Within One Year</u>
General Capital:					
General Bonds	\$ 14,860,000	\$ -	\$ 2,075,000	\$ 12,785,000	\$ 2,275,000
Bond Anticipation Notes	4,500,000	8,000,000	4,500,000	8,000,000	8,000,000
Green Acres Loan Payable	63,400	-	5,787	57,613	5,903
	<u>\$ 19,423,400</u>	<u>\$ 8,000,000</u>	<u>\$ 6,580,787</u>	<u>\$ 20,842,613</u>	<u>\$ 10,280,903</u>
Utility Capital:					
Utility Bonds	\$ 7,800,000	\$ -	\$ 570,000	\$ 7,230,000	\$ 595,000
Bond Anticipation Notes	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
NJEIT Loan Payable	528,773	-	40,906	487,867	40,906
	<u>\$ 9,428,773</u>	<u>\$ 1,100,000</u>	<u>\$ 1,710,906</u>	<u>\$ 8,817,867</u>	<u>\$ 1,735,906</u>

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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, 2021 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>2021</u>	2022 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Emergency Authorization	75,000.00	75,000.00	-

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, 2021 and 2020, are as follows:

<u>Local Taxes</u>	<u>Balance, December 31,</u>	
	<u>2021</u>	<u>2020</u>
Total Balance of Local Tax	\$ 19,834,129.00	\$ 19,453,612.00
Deferred Taxes	<u>7,048,707.00</u>	<u>7,048,707.00</u>
Local Tax Payable	<u>\$ 12,785,422.00</u>	<u>\$ 12,404,905.00</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 \$1,445,496 at December 31, 2021.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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.

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>
2021	\$ 52,616	\$ 26,808	\$ 160,262
2020	52,947	8,905	134,454
2019	76,241	53,722	90,412

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, 2021 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.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 18. Contingencies (continued):

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, 2021.

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. On September 30, 2021 the remaining balance of \$2,334,669.35 has been cancelled and will not have to be repaid.

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 \$1,718 for the year ended December 31, 2021 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2021, the Borough contributed a total of \$101,251 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.

**BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 19. Length of Service Awards Program (continued):

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. AIG Retirement Services ("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, 2021 payouts of \$139,835 were made to vested participants.

Forfeited Accounts - During the year ended December 31, 2021, 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.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2021 and August 30, 2022 the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

On April 25, 2022 the Borough adopted an ordinance providing for Various Capital Improvements, appropriating \$1,782,000 therefor, and authorizing the issuance of \$1,692,600 in bonds and notes to finance a portion of the costs thereof.

On April 25, 2022 the Borough adopted an ordinance providing for Various Water and Sewer Improvements, appropriating \$989,300 therefor, and authorizing the issuance of \$939,600 in bonds and notes to finance a portion of the costs thereof.

SUPPLEMENTARY EXHIBITS

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**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2021**

	CURRENT	FEDERAL & STATE GRANT FUNDS
Balance December 31, 2020	\$ 22,166,277	\$ 49,912
Increased by Receipts:		
Miscellaneous Reserves	\$ 201,978	\$ -
Taxes Receivable	69,392,968	-
Prepaid Taxes	713,688	-
Revenue Accounts Receivable	2,450,131	-
Due From State of New Jersey - Senior Citizen & Veteran Deductions	132,760	-
Nonbudget Revenue	280,369	-
Unappropriated Grants	-	982,419
Federal & State Grants Receivable	-	257,799
	<u>73,171,894</u>	<u>1,240,218</u>
	95,338,171	1,290,130
Decreased by Disbursements:		
2021 Appropriations	18,780,525	-
2020 Reserve Appropriations	511,429	-
County Taxes	14,880,673	-
Local District School Tax	39,287,750	-
Open Space Tax	66,371	-
Miscellaneous Reserves	27,119	-
Tax Overpayments	40,968	-
Reserve for Federal & State Grant Funds - Appropriated	-	1,029,984
	<u>73,596,385</u>	<u>1,029,984</u>
Balance December 31, 2021	<u><u>\$ 21,741,786</u></u>	<u><u>\$ 260,146</u></u>

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2021

YEAR	BALANCE DECEMBER 31, 2020	2021 LEVY	ADDED TAXES	COLLECTED 2020	COLLECTED 2021	DUE FROM STATE OF NEW JERSEY	CANCELLATIONS	TRANSFER TO TAX TITLE LIEN	BALANCE DECEMBER 31, 2021
2018	\$ 3,909	\$ -	\$ -	\$ -	\$ 3,909	\$ -	\$ -	\$ -	\$ -
2019	493	-	-	-	493	-	-	-	-
2020	552,999	-	-	-	539,119	(5,785)	19,415	-	250
Total	557,401	-	-	-	543,521	(5,785)	19,415	-	250
2021	-	69,730,022	638,347	829,964	68,849,447	139,728	59,000	379	489,851
Total	\$ 557,401	\$ 69,730,022	\$ 638,347	\$ 829,964	\$ 69,392,968	\$ 133,943	\$ 78,415	\$ 379	\$ 490,101

Cash Receipts

\$ 69,392,968

ANALYSIS OF 2021 PROPERTY TAX LEVY

General Purpose Tax	\$ 69,730,022
Added & Omitted Taxes (54:4-6 et seq)	638,347
Total	<u>\$ 70,368,369</u>

TAX LEVY:

Local District School Tax	\$ 39,668,267
General County Tax	\$ 12,399,106
County Library Tax	1,352,725
County Open Space	448,145
County Health Tax	622,147
Due County for Added & Omitted Taxes	87,662
	<u>14,909,785</u>
Local Tax for Municipal Purposes	15,393,253
Municipal Open Space	66,371
Add: Additional Taxes Levied	330,693
	<u>15,790,317</u>
Total	<u>\$ 70,368,369</u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ 1,598
Increased by:	
Transfers from Taxes Receivable	<u>379</u>
Balance December 31, 2021	<u><u>\$ 1,977</u></u>

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021**

	BALANCE DECEMBER 31, 2020	ACCRUED IN 2021	REALIZED	BALANCE DECEMBER 31, 2021
Miscellaneous Revenue Anticipated:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 15,378	\$ 15,378	\$ -
Construction Code Fees	-	742,450	742,450	-
Fees and Permits - Other	-	44,742	44,742	-
Municipal Court	5,548	84,910	81,126	9,332
Interest on Investments & Deposits	-	49,371	49,371	-
Interest on Costs on Taxes	-	140,128	140,128	-
Energy Receipts Tax	-	1,227,576	1,227,576	-
Interlocal Agreements:				
Police Dept. Patrol of Schools	-	121,860	121,860	-
Admin. Services with Bayhead	-	27,500	27,500	-
Sale of Municipal Assets	-	350,000	350,000	-
Reserve for COVID-19	-	320,269	320,269	-
Reserve for Hurricane Sandy	-	17,157	17,157	-
Total	<u>\$ 5,548</u>	<u>\$ 3,141,341</u>	<u>\$ 3,137,557</u>	<u>\$ 9,332</u>
Cash Receipts			\$ 2,450,131	
From Reserves			<u>687,426</u>	
Total			<u><u>\$ 3,137,557</u></u>	

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	ENCUMBRANCES	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
OPERATIONS WITHIN "CAPS":					
General Government Functions:					
General Administration:					
Salaries and Wages	\$ -	\$ 442	\$ 442	\$ 45	\$ 397
Other Expenses	1,915	7,033	8,948	2,229	6,719
Mayor and Council:					
Salaries and Wages	-	1	1		1
Municipal Clerk:					
Salaries and Wages	-	50	50	5	45
Other Expenses	1,535	7,974	9,509	1,054	8,455
Elections	-	2,500	2,500	-	2,500
Financial Administration (Treasury):					
Salaries and Wages	-	1,970	1,970	200	1,770
Other Expenses	5,056	1,019	6,075	3,792	2,283
Audit Services:					
Annual Audit	222	2,960	3,182	-	3,182
Revenue Administration (Tax Collector):					
Salaries and Wages	-	509	509	50	459
Other Expenses	35	5,131	5,166	35	5,131
Tax Assessor:					
Salaries and Wages	-	23	23	-	23
Other Expenses	3,855	399	4,254	3,855	399
Cost of Tax Appeals	3,000	-	3,000	-	3,000
Legal Services:					
Other Expenses	23,724	600	24,324	6,706	17,618
Engineering Services & Costs:					
Other Expenses	27,786	600	28,386	4,418	23,968
Land Use Administration:					
Planning Board:					
Salaries and Wages	-	2	2	-	2
Other Expenses	7,651	2,556	10,207	3,716	6,491
Zoning Board of Adjustment:					
Other Expenses	8,738	1,131	9,869	795	9,074
Code Enforcement					
Salaries and Wages	-	3,016	3,016	300	2,716
Other Expenses	118	7,827	7,945	480	7,465
Code Enforcement & Admin:					
Uniform Const. Code					
Salaries and Wages	-	55,848	55,848	10,011	45,837
Other Expenses	22,363	18,613	40,976	345	40,631
Insurance:					
Health Insurance	25,430	9,187	34,167	8,248	25,919
Liability	-	808	808	-	808
Workers' Compensation Insurance	-	5,266	5,266	-	5,266
Group Health Waivers	-	9,322	9,322	-	9,322
Public Safety Functions:					
Police:					
Salaries and Wages	-	141,688	141,688	40,262	101,426
Other Expenses	48,474	7,867	56,341	25,297	31,044
Purchase of Police Vehicles	25,748	3,693	29,441	23,725	5,716
Office of Emergency Management					
Other Expenses	2,147	2,439	4,586	1,417	3,169
Aid to Volunteer Fire Companies:					
Other Expenses:	-	23,471	23,471	23,471	-
Aid to Volunteer Ambulance Co:					
Other Expenses	-	30,087	30,087	30,087	-

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	ENCUMBRANCES	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Public Works Functions:					
Road Repairs & Maintenance:					
Salaries and Wages	-	38,372	18,372	8,638	9,734
Other Expenses	12,582	275	12,857	8,070	4,787
Other Public Works Functions					
Recycling:					
Salaries and Wages	-	3,222	3,672	3,668	4
Other Expenses	26,677	3,370	30,047	28,128	1,919
Snow Removal					
Salaries and Wages	-	58,878	13,062	-	13,062
Other Expenses	8,480	18,409	26,889	2,460	24,429
Solid Waste Collection:					
Contractual	75,725	10,000	85,725	74,025	11,700
Building & Grounds:					
Other Expenses	6,589	4,683	11,272	8,020	3,252
Condominium Reimbursement					
Other Expenses		30,000	30,000	11,492	18,508
Health & Human Services:					
Board of Health:					
Salaries and Wages	-	2	2	-	2
Other Expenses	230	453	683	303	380
Environmental Commission:					
Other Expenses	-	1,552	1,552	-	1,552
Park & Recreation Functions:					
Recreation Services & Programs:					
Salaries and Wages	-	3,878	3,878	821	3,057
Other Expenses	9,937	5,423	15,360	8,555	6,805
Utility Expense & Bulk Purchases:					
Electricity	18,530	-	18,530	6,896	11,634
Street Lighting	19,341	-	19,341	17,869	1,472
Telephone	4,532	3,785	8,317	1,036	7,281
Gasoline	10,871	4,995	15,866	-	15,866
Natural Gas	3,247	-	3,247	319	2,928
Landfill/Solid Waste Disposal Costs:					
Landfill Dumping Fees	25	7	65,848	65,847	1
Municipal Court:					
Salaries and Wages		2,840	2,840	300	2,540
Other Expenses	333	1,920	2,253	-	2,253
Other Common Operating Functions:					
Contingent	-	1,000	1,000	-	1,000
Judgements		100	100	-	100

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	ENCUMBRANCES	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Deferred Charges & Statutory Expenditures:					
Statutory Expenditures:					
Social Security System (O.A.S.I)	-	19,308	19,308	-	19,308
Defined Contribution Retirement Program	-	7,092	7,092	-	7,092
Police & Firemen's Retirement System	-	116	116	-	116
Public Employees' Retirement System	-	85	85	-	85
Total General Appropriations for Municipal Purposes Within "CAPS"	404,896	573,797	978,693	436,990	541,703
Operations Excluded From "CAPS":					
Length of Service Awards Program	90,000	-	90,000	90,000	-
Shared Services Agreement:					
Police Department Patrol of Schools	-	7,088	7,088	4,500	2,588
Matching Funds for Grants	-	10,000	10,000	-	10,000
Total Operations Excluded from "CAPS"	90,000	17,088	107,088	94,500	12,588
Total General Appropriation	\$ 494,896	\$ 590,885	\$ 1,085,781	\$ 531,490	\$ 554,291
				Cash Disbursements	\$ 511,429
				Accounts Payable	20,061
					<u>\$ 531,490</u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020		
School Tax Payable	\$ 12,404,905	
School Tax Deferred	<u>7,048,707</u>	\$ 19,453,612
Increased by:		
Calendar Year Levy - 2021		<u>39,668,267</u>
		59,121,879
Decreased by:		
Cash Disbursements		<u>39,287,750</u>
Balance December 31, 2021		
School Tax Payable	12,785,422	
School Tax Deferred	<u>7,048,707</u>	
Total		<u><u>\$ 19,834,129</u></u>
2020 Liability for Local District School Tax:		
Tax Paid	\$ 39,287,750	
Tax Payable December 31, 2021	<u>12,785,422</u>	
Subtotal		52,073,172
Less: Tax Payable December 31, 2020		<u>12,404,905</u>
Amount Charged to 2021 Operations		<u><u>\$ 39,668,267</u></u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020		\$ 58,550
Increased by:		
County Tax	\$ 12,399,106	
County Library Tax	1,352,725	
County Open Space	448,145	
County Health Tax	622,147	
Added & Omitted Taxes	87,662	
	<hr/>	14,909,785
		14,968,335
Decreased by:		
Disbursements		<hr/> 14,880,673
Balance December 31, 2021		<hr/> <hr/> \$ 87,662

**SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	BALANCE DECEMBER 31, 2020	INCREASES	DECREASES	BALANCE DECEMBER 31, 2021
Reserve for Superstorm Sandy	\$ 17,158	\$ -	\$ 17,158	\$ -
Reserve for Tax Appeal	300,000	50,000	-	350,000
Reserve for Sale of Municipal Assets	1,633,083	-	350,000	1,283,083
Reserve for COVID-19	320,269	168,937	320,269	168,937
Due State of New Jersey:				
Marriage License Fees	764	2,550	2,725	589
DCA Training Fees	14,102	30,491	24,394	20,199
	<hr/>			
Total	\$ 2,285,376	\$ 251,978	\$ 714,546	\$ 1,822,808
			\$ 27,119	
			<hr/> 687,427	
			<hr/> <hr/> \$ 714,546	

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 796,329
Increased By:	
Cash Receipts:	
Collection of 2022 Taxes	<u>713,688</u>
	1,510,017
Decreased By:	
Amount Applied To 2021 Taxes Receivable	<u>829,964</u>
Balance, December 31, 2021	<u><u>\$ 680,053</u></u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$	4,436
Increased By:			
Transfer from Appropriation Reserves			<u>20,061</u>
			24,497
Decreased By:			
Cash Disbursements	\$	1,550	
Cancellations		<u>2,060</u>	
			<u>3,610</u>
Balance, December 31, 2021		\$	<u><u>20,887</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, 2021**

Balance, December 31, 2020		\$ 12,834
Increased By:		
Senior Citizens' Deductions Per Tax Billing	\$ 132,500	
Deductions Allowed By Collector:		
2021 Taxes	<u>8,500</u>	
		<u>141,000</u>
		153,834
Decreased By:		
Cash Receipts	132,760	
2020 Senior Citizens' Deductions		
Disallowed	5,785	
2021 Senior Citizens' Deductions		
Disallowed	<u>1,272</u>	
		<u>139,817</u>
Balance, December 31, 2021		<u><u>\$ 14,017</u></u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 89,091
Decreased By:	
Overpayments Refunded	<u>40,968</u>
Balance, December 31, 2021	<u><u>\$ 48,123</u></u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	TOTAL	ANIMAL CONTROL TRUST	TRUST OTHER FUND
Balance December 31, 2020 Due From/(To)	\$ 7	\$ -	\$ 7
Statutory Excess	27,682	27,682	-
Balance December 31, 2021 Due From/(To)	<u>\$ 27,689</u>	<u>\$ 27,682</u>	<u>\$ 7</u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	BALANCE DECEMBER 31, 2020	2021 ANTICIPATED REVENUE	CHAPTER 159	RECEIVED	CANCELLED	BALANCE DECEMBER 31, 2021
State Grants:						
Body Armor Grant	\$ -	\$ 2,403	-	\$ 2,403	\$ -	\$ -
Body-Worn Camera Grant	-	-	85,596	21,399	-	64,197
Clean Communities Program	-	-	42,268	42,268	-	-
Community Development Block Grant:						
125-21 Handicap Access Improvements	-	-	35,000	-	-	35,000
CCDBG Health & Safety Child Care Grant	4,000	-	-	4,000	-	-
Recycling Tonnage Grant	-	-	29,401	29,401	-	-
Federal Grants:						
Bulletproof Vest Partnership Grant	13,151	-	-	-	-	13,151
Drive Sober or Get Pulled Over	6,000	-	-	4,800	-	1,200
Distracted Driving Crackdown	-	-	6,000	1,680	4,320	-
Ocean County CARES Act	118,315	-	-	118,315	-	-
NJ Transportation Trust Fund/Municipal Aid Program:						
2019 NJ DOT - Shore Blvd.	154,202	-	-	-	-	154,202
2020 NJ DOT - Oriole Way, Rue Rivoli & Rue Lido	385,045	-	-	-	-	385,045
2021 NJ DOT - Various Road Reconstruction Projects	401,500	-	-	-	-	401,500
2021 NJ DOT - Summit Drive	-	-	286,000	-	-	286,000
County Grants:						
Senior Services County Grant	-	17,918	15,615	33,533	-	-
Total Grant Funds	\$ 1,082,213	\$ 20,321	\$ 499,880	\$ 257,799	\$ 4,320	\$ 1,340,295

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2021**

	BALANCE DECEMBER 31, 2020	TRANSFER FROM 2021 BUDGET APPROPRIATION	CHAPTER 159	EXPENDED	PRIOR YEAR ENCUMBRANCES	CURRENT YEAR ENCUMBRANCES	CANCELLED	BALANCE DECEMBER 31, 2021
State Grants:								
Clean Communities Program	\$ 21,866	-	\$ 42,268	\$ 21,262	\$ 4,901	\$ 9,114	-	\$ 38,659
Alcohol Education Rehabilitation Fund	5,828	-	-	1,400	-	-	-	4,428
Pedestrian Safety Education and Enforcement	8,743	-	-	-	46	-	-	8,789
Body Armor Replacement Grant	281	2,403	-	3,126	3,126	2,422	-	262
Body-Worn Camera Grant	-	-	85,596	17,511	-	55,828	-	12,257
Donation for Safety Equipment	297	-	-	-	-	-	-	297
Community Development Block Grant:								
125-21 Handicap Access Improvements	-	-	35,000	-	-	6,500	-	28,500
CDBG Health & Safety Child Care Grant	2,581	-	-	-	-	-	-	2,581
Recycling Tonnage Grant	743	-	29,401	7,586	752	800	-	22,510
Drunk Driving Enforcement Fund	5,462	-	-	2,231	-	-	-	3,231
Federal Grants:								
Bullet Proof Vest Partnership Grant	8,494	-	-	3,126	3,126	2,422	-	6,072
Distracted Driving Crackdown	-	-	6,000	1,680	-	-	4,320	-
Drive Sober Grant	3,745	-	-	1,920	-	-	-	1,825
NJ Transportation Trust Fund/Municipal Aid Program:								
2019 NJ DOT - Shore Blvd.	68,449	-	-	266,305	266,305	-	-	68,449
2020 NJ DOT - Oriole Way, Rue Rivoli & Rue Lido	325,000	-	-	321,691	-	-	-	3,309
2021 NJ DOT - Various Road Reconstruction Project	401,500	-	-	365,054	-	8,221	-	28,225
2021 NJ DOT - Summit Drive	-	-	286,000	-	-	-	-	286,000
County Grants:								
Senior Services County Grant	-	17,918	15,615	17,092	880	16,043	-	1,278
Total	\$ 852,989	\$ 20,321	\$ 499,880	\$ 1,029,984	\$ 279,136	\$ 101,350	\$ 4,320	\$ 516,672

**BOROUGH OF POINT PLEASANT
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2021**

	BALANCE DECEMBER 31, 2020	RECEIVED 2021	UTILIZED AS REVENUE	BALANCE DECEMBER 31, 2021
American Rescue Plan	\$ -	\$ 982,419	\$ -	\$ 982,419
Total	\$ -	\$ 982,419	\$ -	\$ 982,419

TRUST FUND

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**BOROUGH OF POINT PLEASANT
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2021**

	OTHER	OPEN SPACE	DOG LICENSE
Balance December 31, 2020	\$ 1,727,004	\$ 276,644	\$ 52,765
Increased by Receipts:			
Various Reserves	\$ 2,353,649	\$ -	\$ -
Interfunds	-	66,371	-
Interest Earnings	-	275	-
State Registration Fees	-	-	3,225
Budget Allocations	-	-	34,000
License Fees & Others	-	-	24,887
Total Increases	<u>2,353,649</u>	<u>66,646</u>	<u>62,112</u>
Total Increases & Balances	<u>4,080,653</u>	<u>343,290</u>	<u>114,877</u>
Decreased by Disbursements:			
Various Reserves	1,883,087	-	-
Reserve for Municipal Open Space	-	8,318	-
State Registration Fees	-	-	3,225
Expenditures Under R.S.4:19-15.11	-	-	47,225
Total Disbursements	<u>1,883,087</u>	<u>8,318</u>	<u>50,450</u>
Balance December 31, 2021	<u><u>\$ 2,197,566</u></u>	<u><u>\$ 334,972</u></u>	<u><u>\$ 64,427</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, 2021**

Balance December 31, 2020	\$ -
Increased by:	
State Registration Fees	<u>3,225</u>
	3,225
Decreased by:	
Disbursements	<u>3,225</u>
	3,225
Balance December 31, 2021	<u><u>\$ -</u></u>

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ 52,790
Increased by:	
Dog License Fees Collected	\$ 24,887
Transfer from Current	<u>34,000</u>
	<u>58,887</u>
	111,677
Decreased by:	
Transfer to Current	27,682
Expenditures Under R.S. 4:19-15.11	<u>47,225</u>
	<u>74,907</u>
Balance December 31, 2021	<u><u>\$ 36,770</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2019	\$ 22,658
2020	<u>14,112</u>
Total	<u><u>\$ 36,770</u></u>

**BOROUGH OF POINT PLEASANT
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020		\$ 276,644
Increased by:		
Open Space Tax Levied	\$ 66,371	
Interest Earnings	<u>275</u>	
		<u>66,646</u>
		343,290
Decreased by:		
Open Space Expenditures		<u>8,318</u>
Balance December 31, 2021		<u><u>\$ 334,972</u></u>

**SCHEDULE OF INTERFUND RECEIVABLE - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020		\$ -
Increased by:		
Open Space Tax Levy		<u>66,371</u>
		66,371
Decreased by:		
Cash Receipts		<u>66,371</u>
Balance December 31, 2021		<u><u>\$ -</u></u>

**BOROUGH OF POINT PLEASANT
TRUST FUND - OTHER
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	BALANCE DECEMBER 31, 2020	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2021
Reserve For:				
Law Enforcement	\$ 4,205	\$ 4,013	\$ 2,735	\$ 5,483
Affordable Housing	54,660	45	24,614	30,091
Public Defender	66,123	11,025	5,760	71,388
Recreation	48,244	563,208	491,673	119,779
POAA Funds	762	82	130	714
Pedestrian Safety	42,017	10,517	-	52,534
Safety Awards	546	-	-	546
Environmental Commission	6,389	1,000	3,000	4,389
Demolition Permits	11,700	19,000	15,000	15,700
Escrow Zoning Board	51,266	62,862	66,916	47,212
Planning Board	41,013	29,008	27,251	42,770
Recycling	7,321	886	-	8,207
Police Outside Services	154,942	401,857	353,500	203,299
Lien & Premium Account	665,940	1,130,728	746,929	1,049,739
Forfeited Funds	3,168	-	-	3,168
Unemployment Trust	134,454	52,616	26,808	160,262
Engineering Escrow	43,363	6,000	21,533	27,830
Police - Dare, Explorer, Summer	4,361	1,554	275	5,640
Grading Escrow	14,970	13,700	5,900	22,770
Performance Bond Escrow	224,647	18,245	64,550	178,342
Due to Board of Education	2,321	-	-	2,321
Centennnial Celebration	25,120	1,900	26,513	507
Accumulated Absences	-	23,503	-	23,503
Storm Recovery	119,465	1,900	-	121,365
Total	<u>\$ 1,726,997</u>	<u>\$ 2,353,649</u>	<u>\$ 1,883,087</u>	<u>\$ 2,197,559</u>

**BOROUGH OF POINT PLEASANT
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$	1,259,593
Increased by:			
Borough Contributions	\$	101,251	
Appreciation on Investments		140,604	
Interest Earnings		<u>5,350</u>	
			<u>247,205</u>
			1,506,798
Decreased by:			
Charges and Asjustments		1,595	
Withdrawals		<u>209,984</u>	
			<u>211,579</u>
Balance, December 31, 2021		\$	<u><u>1,295,219</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, 2021**

Balance December 31, 2020		\$	1,969,595
Increased by:			
Bond Anticipation Notes Issued	\$	8,000,000	
Grants Received		20,000	
Capital Improvement Fund		58,000	
			<u>8,078,000</u>
			10,047,595
Decreased by:			
Bond Anticipation Note Matured		4,500,000	
Improvement Authorizations		2,493,567	
			<u>6,993,567</u>
Balance December 31, 2021		\$	<u><u>3,054,028</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2021**

Fund Balance	\$ 59,541
Capital Improvement Fund	54,906
Reserve for Encumbrances	1,704,159
Reserve for Debt Service	83,228

Improvement Authorizations:

ORDINANCE NUMBER	DESCRIPTION	
10-18	Surveillance Equipment at Parks	27,673
12-15	Various Capital Improvements	13,285
13-13	Various Capital Improvements	-
13-19	Various Capital Improvements	301
14-08	Various Capital Improvements	39,841
15-18	Various Capital Improvements	73,505
16-07	Various Capital Improvements	60,782
17-05	Renovations to Bay Ave Boat Ramp	9,230
17-06	Renovations to Heritage Park	5,811
17-09	Various General Improvements	212,306
17-22	Heritage Park Renovation	8,752
18-02	Various General Improvements	168,690
18-16	Recreation Facility Improvements	2,001
19-10	Various General Improvements	124,614
19-16	Various General Improvements	6,932
20-04	Various Capital Improvements	(32,674)
20-07	Purchase of Police Vehicle	482
21-06	Various Capital Improvements	639,863
21-16	Acquisition of an Ambulance	(209,200)
		<hr/>
	Total	<u><u>\$ 3,054,028</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020		\$	14,923,400
Decreased by:			
Budget Appropriation:			
Serial Bonds Payable	\$	2,075,000	
Green Acres Loan Payable		<u>5,787</u>	
			<u>2,080,787</u>
Balance, December 31, 2021		\$	<u><u>12,842,613</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2021**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE DECEMBER 31, 2021				UNEXPENDED BALANCE
		BALANCE DECEMBER 31, 2020	2021 AUTHORIZATIONS	BALANCE DECEMBER 31, 2021	BOND ANTICIPATION NOTES	
17-09	Various General Improvements	\$ 1,501,695	\$ -	\$ 1,501,695	\$ 1,501,695	\$ -
18-02	Various General Improvements	1,247,791	-	1,247,791	1,247,791	-
19-10	Various General Improvements	1,807,089	-	1,807,089	1,807,089	-
19-16	Various General Improvements	225,304	-	225,304	225,304	-
20-04	Various Capital Improvements	1,527,400	-	1,527,400	1,000,400	494,326
21-06	Various Capital Improvements	-	2,386,300	2,386,300	2,217,721	168,579
21-16	Acquisition of an Ambulance	-	213,100	213,100	-	3,900
					209,200	
Total		\$ 6,309,279	\$ 2,599,400	\$ 8,908,679	\$ 8,000,000	\$ 666,805

Improvement Authorizations Unfunded Per C-8	\$ 1,438,214
Less: Unexpended Proceeds of Bond Anticipation Notes:	
19-10	124,614
19-16	6,932
21-06	639,863
	<u>\$ 666,805</u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ 134,506
Increased by:	
Receipts - Current Fund Appropriations	<u>58,000</u>
Subtotal	192,506
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>137,600</u>
Balance December 31, 2021	<u><u>\$ 54,906</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2021**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2020	INCREASED	DECREASED	BALANCE DECEMBER 31, 2021
17-09	Various General Improvements	10/18/19	10/14/21	3/15/22	0.22%	\$ 1,501,695	\$ 1,501,695	\$ 1,501,695	\$ 1,501,695
18-02	Various General Improvements	10/18/19	10/14/21	3/15/22	0.22%	1,247,791	1,247,791	1,247,791	1,247,791
19-10	Various General Improvements	10/18/19	10/14/21	3/15/22	0.22%	1,750,514	1,807,089	1,750,514	1,807,089
19-16	Heritage Park Renovation	10/14/21	10/14/21	3/15/22	0.22%	-	225,304		225,304
20-04	Various Capital Improvements	10/14/21	10/14/21	3/15/22	0.22%	-	1,000,400	-	1,000,400
21-06	Various Capital Improvements	10/14/21	10/14/21	3/15/22	0.22%	-	2,217,721	-	2,217,721
						<u>\$ 4,500,000</u>	<u>\$ 8,000,000</u>	<u>\$ 4,500,000</u>	<u>\$ 8,000,000</u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	2021 AUTHORIZATIONS										RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2021	
		BALANCE DECEMBER 31, 2020		CAPITAL IMPROVEMENT FUND		BONDS AND NOTES AUTHORIZED BUT NOT ISSUED		PRIOR YEAR ENCUMBRANCES RECLASSIFIED		EXPENDED	CANCELLED		FUNDED	UNFUNDED
		FUNDED	UNFUNDED											
01-12	Various General Improvements	\$ 1,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,444	\$ -	\$ -	-
08-10, 09-03, 10-05	Various Capital Improvements	684	-	-	-	-	-	-	-	-	684	-	-	-
10-07	Various Capital Improvements	32	-	-	-	-	-	-	-	32	-	-	-	-
10-18	Surveillance Equipment at Parks	28,958	-	-	-	-	-	-	-	1,285	-	-	-	-
12-15, 15-02	Various Capital Improvements	24,730	-	-	-	-	-	-	-	-	11,445	-	27,673	-
13-13	Various Capital Improvements	333	-	-	-	-	-	-	-	-	333	-	13,285	-
13-19, 15-03	Various Capital Improvements	323	-	-	-	-	-	78	-	-	100	-	301	-
14-08	Various Capital Improvements	44,476	-	-	-	-	-	-	-	-	4,635	-	39,841	-
15-18	Various Capital Improvements	82,923	-	-	-	-	-	13,465	-	14,334	8,549	-	73,505	-
16-07	Various General Improvements	73,391	-	-	-	-	-	175,974	-	186,551	928	1,104	60,782	-
17-05	Renovations to Bay Ave Boat Ramp	13,557	-	-	-	-	-	-	-	-	4,327	-	9,230	-
17-06	Renovations to Heritage Park	8,730	-	-	-	-	-	-	-	2,919	-	-	5,811	-
17-09	Various General Improvements	215,079	6	-	-	-	-	204,635	-	206,319	-	1,095	212,306	-
17-22	Heritage Park Renovation	8,752	-	-	-	-	-	-	-	-	-	-	8,752	-
18-02	Various General Improvements	323,539	-	-	-	-	-	237,986	-	331,531	-	61,304	168,690	-
18-16	Recreation Facility Improvements	3,520	-	-	-	-	-	-	-	1,519	-	-	2,001	-
19-10	Various General Improvements	-	227,522	-	-	-	-	595,862	-	605,315	-	93,455	-	124,614
19-16	Various General Improvements	-	6,932	-	-	-	-	11,821	-	-	-	11,821	-	6,932
20-04	Various Capital Improvements	-	689,461	-	-	-	-	559,349	-	717,762	-	36,722	494,326	-
20-07	Purchase of Police Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
21-06	Various Capital Improvements	482	-	-	-	-	-	-	-	-	-	-	482	-
21-16	Acquisition of an Ambulance	-	-	-	-	126,300	2,386,300	-	-	205,500	-	1,498,658	-	808,442
		-	-	11,300	213,100	-	-	-	-	220,500	-	-	-	3,900
Total		\$ 830,953	\$ 923,921	\$ 137,600	\$ 2,599,400	\$ 1,799,170	\$ 2,493,567	\$ 32,445	\$ 1,704,159	\$ 622,659	\$ 1,438,214			

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE		PAID BY		BALANCE	
						DECEMBER 31, 2020	DECEMBER 31, 2021	BUDGET APPROPRIATION	DECEMBER 31, 2021		
General Improvements	7/7/2010	\$ 14,890,000	7/15/2022	\$ 1,480,000	3.250%	\$	5,740,000	\$	1,300,000	\$ 4,440,000	
			7/15/2023	1,480,000	3.500%						
			7/15/2024	1,480,000	4.000%						
General Improvements	11/15/2015	7,300,000	11/15/2022	650,000	2.000%		3,820,000		650,000	3,170,000	
			11/15/2023	650,000	2.000%						
			11/15/2024	650,000	2.125%						
			11/15/2025	1,220,000	2.250%						
General Improvements	7/10/2019	5,395,000	7/15/2022	145,000	4.000%		5,300,000		125,000	5,175,000	
			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						\$	14,860,000	\$	2,075,000	\$	12,785,000

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2021**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2020	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2021
2010 Program	11/5/2010	113,000	2/5/2022	\$ 2,937	2.00%	\$ 63,400	\$ 5,787	\$ 57,613
			8/5/2022	2,966	2.00%			
			2/5/2023	2,996	2.00%			
			8/5/2023	3,026	2.00%			
			2/5/2024	3,056	2.00%			
			8/5/2024	3,087	2.00%			
			2/5/2025	3,118	2.00%			
			8/5/2025	3,149	2.00%			
			2/5/2026	3,181	2.00%			
			8/5/2026	3,212	2.00%			
			2/5/2027	3,245	2.00%			
			8/5/2027	3,277	2.00%			
			2/5/2028	3,310	2.00%			
			8/5/2028	3,343	2.00%			
			2/5/2029	3,376	2.00%			
			8/5/2029	3,410	2.00%			
			2/5/2030	3,444	2.00%			
			8/5/2030	3,482	2.00%			
Total						\$ 63,400	\$ 5,787	\$ 57,613

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 20,000
Decreased By:	
Grants Received	<u>20,000</u>
Balance, December 31, 2021	<u><u>\$ -</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2021**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2020	2021 AUTHORIZATIONS	BAN ISSUED	BALANCE DECEMBER 31, 2021
19-10	Renovations to Heritage Park	\$ 56,575	\$ -	\$ 56,575	\$ -
19-16	Heritage Park Renovation	225,304	-	225,304	-
20-04	Various Capital Improvements	1,527,400	-	1,000,400	527,000
21-06	Various Capital Improvements	-	2,386,300	2,217,721	168,579
21-16	Acquisition of an Ambulance	-	213,100	-	213,100
	Total	<u>\$ 1,809,279</u>	<u>\$ 2,599,400</u>	<u>\$ 3,500,000</u>	<u>\$ 908,679</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, 2021**

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance December 31, 2020	\$ 1,392,724	\$ 560,922
Increased by Receipts:		
Miscellaneous Revenues	\$ 104,721	\$ -
Consumer Rents	6,926,021	-
Interest on Delinquent Accounts	23,616	-
Reserve for COVID-19	69,285	-
Capital Fund Surplus	150,000	-
Bond Anticipation Notes	-	1,100,000
Capital Improvement Fund	-	15,000
	<u>7,273,643</u>	<u>1,115,000</u>
Subtotal	<u>7,273,643</u>	<u>1,115,000</u>
Total	<u>8,666,367</u>	<u>1,675,922</u>
Decreased by Disbursements:		
Budget Appropriations	7,028,502	-
Appropriation Reserves	109,588	-
Interfund - Capital Improvement Fund	15,000	-
Capital Surplus to Operating Fund	-	150,000
Bond Anticipation Notes	-	1,100,000
Improvement Authorizations	-	125,025
	<u>7,153,090</u>	<u>1,375,025</u>
Total Disbursements	<u>7,153,090</u>	<u>1,375,025</u>
Balance December 31, 2021	<u><u>\$ 1,513,277</u></u>	<u><u>\$ 300,897</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, 2021**

	Balance December 31, 2021
	<hr/>
Fund Balance	\$ 23,175
Capital Improvement Fund	248,907
Encumbrances Payable	70,912
Down Payment on Improvements	13,600
Reserve for Debt Service	6,669
 Improvement Authorizations:	
03-16 Various Improvements	11,565
05-22 Various Improvements	2,199
06-20, 12-02 Various Improvements	3
10-08 Various Improvements	11,758
10-15, 12-03 Various Improvements	52,624
11-21 Purchase of Various Equipment and Improvements	2,100
12-16 Various Improvements	809
15-19 Various Improvements	49
16-08 Various Improvements	134,075
17-10 Various Improvements	2,536
18-03 Various Improvements	(173,003)
19-07 Drinking Water System	391
19-12 Replacement of Filter Vessels	1,599
19-17 Various Improvements	13,544
20-05 Various Improvements	(47,182)
21-07 Various Improvements	(75,433)
	<hr/>
Total	<u><u>\$ 300,897</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ 725,842
Increased by:	
Water-Sewer Levy	<u>7,046,919</u>
	7,772,761
Decreased by:	
Collections	\$ 7,019,070
Overpayments Applied	3,775
Canceled/Refunded by Resolution, Net	<u>6,109</u>
	<u>7,028,954</u>
Balance, December 31, 2021	<u><u>\$ 743,807</u></u>

**SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>BALANCE DECEMBER 31, 2020</u>		BALANCE		
	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>AFTER</u>	<u>PAID OR</u>	<u>BALANCE</u>
			<u>TRANSFERS</u>	<u>CHARGED</u>	<u>LAPSED</u>
Operating:					
Salaries and Wages	\$ -	\$ 782	\$ 782	\$ -	\$ 782
Other Expenses	154,574	33,107	186,681	61,485	125,196
Ocean County Utilities Authority	74,650	26,325	100,975	-	100,975
Public Works:					
Salaries and Wages	-	1,553	11,553	8,408	3,145
Other Expenses	27,291	12,984	46,275	40,590	5,685
Statutory Expenditures					
Public Employees' Retirement System	-	57	57	-	57
Social Security System (O.A.S.I.)	-	5,535	5,535	-	5,535
Group Health Insurance	2,078	140,896	127,974	-	127,974
Liability and Workers Compensation	-	10,215	10,215	-	10,215
Total	<u>\$ 258,593</u>	<u>\$ 231,454</u>	<u>\$ 490,047</u>	<u>\$ 110,483</u>	<u>\$ 379,564</u>
Cash Disbursements				\$ 109,588	
Accounts Payable				<u>895</u>	
Total Paid or Charged				<u><u>\$ 110,483</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, 2021**

Balance December 31, 2020	\$ 125,964
Increased by:	
Interest Expense	<u>283,000</u>
	408,964
Decreased by:	
Interest Paid	<u>289,808</u>
Balance December 31, 2021	<u><u>\$ 119,156</u></u>

PRINCIPAL OUTSTANDING 12/31/2021 AMOUNT		RATE	FROM	TO	PERIOD	AMOUNT
2010 Serial Bonds	\$ 2,585,000	Various	7/15/2020	12/31/2021	5 1/2 Months	\$ 45,856
2015 Serial Bonds	600,000	Various	11/15/2020	12/31/2021	1 1/2 Months	1,570
2019 Serial Bonds	4,045,000	Various	7/15/2020	12/31/2021	5 1/2 Months	67,558
NJEIT Loan	290,000	Various	8/1/2020	12/31/2021	5 Months	<u>4,172</u>
Total						<u><u>\$ 119,156</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
RENT OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020		\$	19,886	
Increased By:				
Overpayments			<u>457</u>	
				20,343
Decreased By:				
Overpayments Refunded	\$	457		
Overpayments Applied		<u>3,775</u>		
				<u>4,232</u>
Balance December 31, 2021		\$	<u><u>16,111</u></u>	

EXHIBIT D-11

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER-SEWER OPERATING INTERFUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ -
Increased by:	
Budgeted Capital Improvement Fund	<u>15,000</u>
	15,000
Decreased by:	
Interfunds Liquidated	<u>15,000</u>
	15,000
Balance December 31, 2021	<u><u>\$ -</u></u>

EXHIBIT D-12

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ 247,707
Increased by:	
Receipts - Utility Fund Appropriation	<u>15,000</u>
	262,707
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>13,800</u>
	13,800
Balance December 31, 2021	<u><u>\$ 248,907</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2021**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2020	IMPROVEMENTS AUTHORIZED	BALANCE DECEMBER 31, 2021
01-13	Various Improvements	\$ 28,780	\$ -	\$ 28,780
03-16	Various Improvements	619,300	-	619,300
04-16	Various Improvements	263,399	-	263,399
05-22	Various Improvements	1,672,970	-	1,672,970
06-08	Interconnect	85,000	-	85,000
06-20, 12-02	Various Improvements	1,304,478	-	1,304,478
06-26	Improvements to Water Facilities	200,000	-	200,000
07-12	Various Improvements	455,654	-	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	472,168	-	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
20-05	Various Water & Sewer Improvements	146,800	-	146,800
21-07	Various Water & Sewer Improvements	-	269,700	269,700
Total		<u>\$ 14,336,377</u>	<u>\$ 269,700</u>	<u>\$ 14,606,077</u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	BALANCE DECEMBER 31, 2021
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	<u><u>\$ 30,197,184</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ 528,151
Increased by:	
Authorization Funded by Capital Improvement Fund	<u>13,800</u>
Balance December 31, 2021	<u><u>\$ 541,951</u></u>

**SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ 34,086,871
Increased by:	
Serial Bonds Paid by Budget	\$ 570,000
NJEIT Loans Paid/Cancelled	<u>40,906</u>
	<u>610,906</u>
Balance December 31, 2021	<u><u>\$ 34,697,777</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AUTHOR- IZED DATE	AMOUNT	BALANCE DECEMBER 31, 2020		2021 AUTHORIZATIONS		PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	RESERVE FOR		BALANCE DECEMBER 31, 2021	
				FUNDED	UNFUNDED	IMPROVEMENT FUND	BONDS & NOTES AUTHORIZED BUT NOT ISSUED			ENCUMBRANCES	ENCUMBRANCES	FUNDED	UNFUNDED
03-16	Various Improvements	8/5/2003	\$ 621,361	\$	\$	-	\$	-	\$	-	\$	11,565	\$
05-22	Various Improvements	9/6/2005	1,679,975		2,900	-	-	-	701	-	-	2,199	-
06-20, 12-02	Various Improvements	3/20/2012	1,427,447		3,720	-	-	-	3,717	-	-	3	-
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		52,624	-	-	-	-	-	-	52,624	-
11-21	Purchase of Various Equipment & Various Improvements												
12-05	Replacement of Pumping Stations	10/20/2009	473,400		2,100	-	-	-	-	-	-	2,100	-
12-16	Various Improvements	3/20/2012	2,027,500		1,073	-	-	-	1,073	-	-	-	-
15-19	Various Improvements	8/21/2012	243,600		1,359	-	-	-	550	-	-	809	-
16-08	Various Improvements	7/21/2015	589,500		49	-	-	-	-	-	-	49	-
17-10	Various Water & Sewer Improvements	6/9/2016	1,006,500		136,674	-	-	-	4,132	16,609	-	134,075	-
18-03	Various Improvements	3/21/2017	386,500		11,444	-	-	-	8,908	1,314	-	2,536	-
18-07	Drinking Water System	3/6/2018	925,500		116,657	-	-	-	3,571	4,827	-	-	108,259
19-07	Replacement of Filter Vessel	3/25/2019	50,694		391	-	-	-	2,800	19,373	-	391	-
19-12	Replacement of Filter Vessel	5/28/2019	89,110		4,399	-	-	-	2,800	-	-	1,599	-
19-17	Various Improvements	08/26/19	622,800		99,689	-	-	-	710	-	-	82,748	-
20-05	Various Water & Sewer Improvements	06/22/20	146,800		108,877	-	-	-	17,046	-	-	92,118	-
21-07	Various Water & Sewer Improvements	03/08/21	269,700		-	-	13,800	-	61,154	28,079	-	180,467	-
Total				\$ 235,266	\$ 330,013	\$ 13,800	\$ 255,900	\$ 44,258	\$ 125,025	\$ 70,912	\$ 217,718	\$ 465,582	

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING 12/31/2021		INTEREST RATE	BALANCE DECEMBER 31,		BALANCE DECEMBER 31, 2021
			DATE	AMOUNT		2020	DECREASED	
Water/Sewer Improvements	7/9/2010	\$ 4,980,000	7/13/2022	\$ 260,000	3.250%	\$ 2,835,000	\$ 250,000	\$ 2,585,000
			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	11/15/2022	150,000	2.000%	750,000	150,000	600,000
			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	7/15/2022	185,000	4.000%	4,215,000	170,000	4,045,000
			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						\$ 7,800,000	\$ 570,000	\$ 7,230,000

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN
FOR THE YEAR ENDED DECEMBER 31, 2021**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2020	DECREASED	BALANCE DECEMBER 31, 2021
			DATE	OUTSTANDING 12/31/2021 AMOUNT				
Water/Sewer Improvements	5/21/2014	\$ 405,000	8/1/2022	\$ 20,000	5.000%	\$ 310,000	\$ 20,000	\$ 290,000
			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					\$ 310,000	\$ 20,000	\$ 290,000	

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN
FOR THE YEAR ENDED DECEMBER 31, 2021**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2020	DECREASED	BALANCE DECEMBER 31, 2021
			DATE	12/31/2021 AMOUNT				
Water/Sewer Improvements	5/21/2014	\$ 405,000	2/1/2022	\$ 6,969	0.000%	\$ 218,773	\$ 20,906	\$ 197,867
			8/1/2022	13,937	0.000%			
			2/1/2023	6,969	0.000%			
			8/1/2023	13,937	0.000%			
			2/1/2024	6,969	0.000%			
			8/1/2024	13,937	0.000%			
			2/1/2025	6,969	0.000%			
			8/1/2025	13,937	0.000%			
			2/1/2026	6,969	0.000%			
			8/1/2026	13,937	0.000%			
			2/1/2027	6,969	0.000%			
			8/1/2027	13,937	0.000%			
			2/1/2028	6,969	0.000%			
			8/1/2028	13,937	0.000%			
			2/1/2029	6,969	0.000%			
			8/1/2029	13,937	0.000%			
			2/1/2030	6,969	0.000%			
			8/1/2030	13,937	0.000%			
			2/1/2031	6,969	0.000%			
			8/1/2031	2,744	0.000%			
Total						\$ 218,773	\$ 20,906	\$ 197,867

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2021**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2020	INCREASED	DECREASED	BALANCE DECEMBER 31, 2021
18-03	Various Improvements	10/15/20	10/14/21	3/15/22	0.22%	\$ 529,645	\$ 529,645	\$ 529,645	\$ 529,645
19-07	Drinking Water System	10/15/20	10/14/21	3/15/22	0.22%	48,159	48,159	48,159	48,159
19-17	Various Improvements	10/15/20	10/14/21	3/15/22	0.22%	522,196	522,196	522,196	522,196
						\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DECEMBER 31, <u>2020</u>	2021 <u>AUTHORIZATIONS</u>	BALANCE DECEMBER 31, <u>2021</u>
2018-03	Various Improvements	\$ 281,262	\$ -	\$ 281,262
2019-17	Various Improvements	69,204	-	69,204
2020-05	Various Water & Sewer Improvements	139,300	-	139,300
2021-07	Various Water & Sewer Improvements	-	255,900	255,900
		<u>\$ 489,766</u>	<u>\$ 255,900</u>	<u>\$ 745,666</u>

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PAYROLL FUND

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EXHIBIT F-1

**BOROUGH OF POINT PLEASANT
PAYROLL FUND
SCHEDULE OF PAYROLL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ 199,078
Increased by Receipts:	
Payroll	<u>13,642,012</u>
Subtotal	13,841,090
Decreased by Disbursements:	
Disbursements	<u>13,626,526</u>
Balance December 31, 2021	<u><u>\$ 214,564</u></u>

EXHIBIT F-2

**SCHEDULE OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance December 31, 2020	\$ 154,120
Increased by:	
Payroll Deductions	<u>13,626,526</u>
Subtotal	13,780,646
Decreased by:	
Disbursements	<u>13,611,282</u>
Balance December 31, 2021	<u><u>\$ 169,364</u></u>

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BOROUGH OF POINT PLEASANT

PART II

SINGLE AUDIT SECTION

FOR THE YEAR ENDED DECEMBER 31, 2021

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Borough of Point Pleasant's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Borough of Point Pleasant's major federal programs for the year ended December 31, 2021. The Borough of Point Pleasant's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Point Pleasant complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough of Point Pleasant and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Borough of Point Pleasant's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Borough of Point Pleasant's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Point Pleasant's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough of Point Pleasant's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough of Point Pleasant's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Point Pleasant's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Point Pleasant's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

August 30, 2022
Lakewood, New Jersey

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BOROUGH OF POINT PLEASANT
OCEAN COUNTY, NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDING DECEMBER 31, 2021

FEDERAL AGENCY/PROGRAM TITLE OR CLUSTER	FEDERAL C.F.D.A. NUMBER	PASS-THROUGH ENTITY ID NUMBER	Grant Period	CURRENT EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	TOTAL EXPENDITURES	CUMULATIVE EXPENDITURES
<u>U.S. DEPARTMENT OF JUSTICE</u>							
Direct Funding:							
Bullet Proof Vest Partnership Grant	16.607	N/A	2020	\$ 3,126	-	\$ 3,126	\$ 3,126
Total U.S. Department of Justice				3,126	-	3,126	3,126
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>							
Passed-Through New Jersey Department of Transportation:							
<i>Highway Planning and Construction Cluster:</i>							
Shore Blvd.	20.205	480-078-6320-AN8	2019	266,305	-	266,305	328,013
Ortolo Way, Rue Rivoli, & Rue Lido	20.205	480-078-6320-ANP	2020	321,691	-	321,691	561,870
Various Road Reconstruction Projects	20.205	480-078-6320-XXX	2021	365,054	-	365,054	365,054
Total Highway Planning and Construction Cluster:				953,050	-	953,050	1,254,937
<i>Highway Safety Cluster:</i>							
Distracted Driving Crackdown	20.616	100-066-1160-158	2021	1,680	-	1,680	1,680
Drive Sober or Get Pulled Over	20.616	100-066-1160-157	2021	1,920	-	1,920	1,920
Total Highway Safety Cluster				3,600	-	3,600	3,600
Total U.S. Department of Transportation				956,650	-	956,650	1,258,537
Total Federal Financial Assistance				\$ 959,776	\$ -	\$ 959,776	\$ 1,261,663

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BOROUGH OF POINT PLEASANT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards present the activity of all federal awards of the Borough of Point Pleasant. The Borough is defined in Note 1 of the basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies is included on the schedule of expenditures of federal awards.

Note 2. Summary of Significant Accounting Policies

The accompanying schedule of federal awards is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Borough did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Note 3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements. Expenditures from awards are reported in the Borough's financial statements as follows:

	Federal
State & Federal Grant Fund	\$ 959,776
Total	<u>\$ 959,776</u>

BOROUGH OF POINT PLEASANT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 4. Relationship to Federal Financial Reports

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agencies. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule, which is prepared on the modified accrual basis of accounting as explained in Note 2.

Note 5. Federal Loans Outstanding

The Borough had no loan balances outstanding at December 31, 2021.

Note 6. Contingencies

Each of the grantor agencies reserves the right to conduct additional audits of the Borough's grant program for economy, efficiency and program results. However, the Borough administration does not believe such audits would result in material amounts of disallowed costs.

Note 7. Major Programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**BOROUGH OF POINT PLEASANT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Adverse - GAAP,
Unmodified - Regulatory Basis

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ yes X no

2) Significant deficiency(ies) identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

1) Material weakness(es) identified?

_____ yes X no

2) Significant deficiency(ies) identified?

_____ yes X none reported

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?

_____ yes X no

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

20.205

Highway Planning and Construction Cluster

Dollar threshold used to determine Type A programs

\$ 750,000.00

Auditee qualified as low-risk auditee?

_____ yes X no

**BOROUGH OF POINT PLEASANT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings

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
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section III – Federal Awards & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

**BOROUGH OF POINT PLEASANT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021**

This section identifies the status of prior year findings related to the financial statements and federal awards that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance).

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

N/A – No Federal Single Audit performed during the prior year.

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN**

PART III

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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Honorable Mayor and Members
of the Borough Council
Borough of Point Pleasant
Point Pleasant, 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, 2021.

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 \$44,000 for the year ended December 31, 2021.

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 3, 2021 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 Borough 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 Borough 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.

RECOMMENDATIONS:

None.

OFFICIALS IN OFFICE

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

<u>Name</u>	<u>Title</u>
Robert A. Sabosik	Mayor
Antoinette DePaola	Council President
John Wisniewski	Councilmember
William Borowsky	Councilmember
Valerie Coulson	Councilmember
Joseph Furnato Jr.	Councilmember
Charlene Archer	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

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 # 483

Lakewood, New Jersey
August 30, 2022