

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Borough of Spring Lake Heights*

*in the*

*County of Monmouth  
New Jersey*

*for the*

*Year Ended  
December 31, 2020*



BOROUGH OF SPRING LAKE HEIGHTS

I N D E X

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-3
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	4-5
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheet - Regulatory Basis	A
Statements of Operations and Changes in Fund Balance - Regulatory Basis	A-1
Statement of Revenues - Regulatory Basis	A-2
Statement of Expenditures - Regulatory Basis	A-3
<u>Trust Fund:</u>	
Balance Sheet - Regulatory Basis	B
<u>General Capital Fund:</u>	
Balance Sheet - Regulatory Basis	C
Statement of Fund Balance - Regulatory Basis	C-1
<u>Water/Sewer Utility Fund:</u>	
Comparative Balance Sheet - Regulatory Basis	D
Statement of Operations and Changes in Fund Balance - Regulatory Basis	D-1
Statement of Fund Balance - Regulatory Basis	D-2
Statement of Revenues - Regulatory Basis	D-3
Statement of Expenditures - Regulatory Basis	D-4
<u>Public Assistance Trust Fund:</u>	
Balance Sheet - Regulatory Basis	E
<u>General Fixed Asset Account Group:</u>	
Balance Sheet - Regulatory Basis	F
	<u>PAGES</u>
Notes to Financial Statements - Year Ended December 31, 2020	6-41

BOROUGH OF SPRING LAKE HEIGHTS

I N D E X (CONTINUED)

Supplementary Schedules - All Funds

SCHEDULES

Current Fund:

Schedule of Cash -Treasurer	1-A
Schedule of Change Funds	2-A
Schedule of Due to State of New Jersey - Senior Citizens' and Veterans Deductions	3-A
Schedule of Taxes Receivable and Analysis of Property Tax Levy	4-A
Schedule of Tax Title Liens Receivable	5-A
Schedule of Revenue Accounts Receivable	6-A
Schedule of Reserve for SCART	7-A
Schedule of 2019 Appropriation Reserves	8-A
Schedule of Encumbrances Payable	9-A
Schedule of Prepaid Taxes	10-A
Schedule of County Taxes Payable	11-A
Schedule of Local District School Tax Payable	12-A
Schedule of Interfunds	13-A
Schedule of Foreclosed Property	14-A
Schedule of Tax Overpayments	15-A
Schedule of Municipal Open Space Tax-Due to Open Space Trust	16-A
Schedule of Due to State of New Jersey	17-A
Schedule of Various Reserves	18-A
Schedule of Grants Receivable	19-A
Schedule of Reserve for Grants - Appropriated	20-A
Schedule of Reserve for Grants - Unappropriated	21-A

Trust Fund:

Schedule of Cash - Treasurer	1-B
Schedule of Due State of New Jersey	2-B
Schedule of Reserve for Animal Control Expenditures	3-B
Schedule of Various Trust Fund Reserves	4-B
Schedule of Reserve for Unemployment Compensation	5-B
Schedule of Reserve for Payroll	6-B
Schedule of Due Current Fund	7-B
Schedule of Encumbrances Payable	8-B
Schedule of Investments	9-B
Schedule of Miscellaneous Reserves	10-B
Schedule of Due Grant Fund	11-B

BOROUGH OF SPRING LAKE HEIGHTS

I N D E X (CONTINUED)

SCHEDULES

General Capital Fund:

Schedule of Cash - Treasurer	1-C
Schedule of Analysis of Capital Cash and Investments	2-C
Schedule of Deferred Charges to Future Taxation - Funded	3-C
Schedule of Deferred Charges to Future Taxation - Unfunded	4-C
Schedule of General Serial Bonds	5-C
Schedule of Grants Receivable	6-C
Schedule of Improvement Authorizations	7-C
Schedule of Capital Improvement Fund	8-C
Schedule of Various Capital Improvements	9-C
Schedule of Reserve for Encumbrances	10-C
Schedule of Due To/From Current Fund	11-C
Schedule of Bond Anticipation Notes	12-C
Schedule of Bonds and Notes Authorized But Not Issued	13-C
Schedule of Due To/From Utility Fund	14-C

Water/Sewer Utility Fund:

Schedule of Cash - Treasurer	1-D
Schedule of Water/Sewer Utility Capital-Cash	2-D
Schedule of Consumer Accounts Receivable	3-D
Schedule of Utility Liens Receivable	4-D
Schedule of Fixed Capital	5-D
Schedule of Fixed Capital Authorized and Uncompleted	6-D
Schedule of Appropriation Reserves	7-D
Schedule of Encumbrances Payable	8-D
Schedule of Water/Sewer Overpayments	9-D
Schedule of Capital Improvement Fund	10-D
Schedule of Improvement Authorizations	11-D
Schedule of Reserve for Amortization	12-D
Schedule of Deferred Reserve for Amortization	13-D
Schedule of Serial Bonds	14-D
Schedule of Accrued Interest on Bonds and Notes	15-D
Schedule of Contracts Payable	16-D
Schedule of Bond Anticipation Notes	17-D
Schedule of Due from Grant Fund	18-D
Schedule of Reserve for Various Utility Capital Improvements	19-D
Schedule of Due From/To Current Fund	20-D
Schedule of Due To General Capital Fund	21-D
Schedule of Bonds and Notes Authorized But Not Issued	22-D

BOROUGH OF SPRING LAKE HEIGHTS

I N D E X (CONTINUED)

Public Assistance Trust Fund:

SCHEDULES

Schedule of Cash - Treasurer  
Schedule of Cash and Reconciliation per N.J.S.A. 40A:5-5  
Schedule of Cash and Reconciliation

1-E  
2-E  
3-E

PAGES

PART II

Statistical Data  
Officials in Office and Surety Bonds  
General Comments and Recommendations

42-45  
46  
47-50

BOROUGH OF SPRING LAKE HEIGHTS

PART I

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

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2020



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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Spring Lake Heights  
County of Monmouth  
Spring Lake Heights, New Jersey 07762

### ***Report on the Financial Statements***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Spring Lake Heights, as of December 31, 2020 and 2019, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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



## SUPLEE, CLOONEY & COMPANY

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

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 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough of Spring Lake Heights on the basis of the financial reporting provisions prescribed by 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 New Jersey.

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

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of Spring Lake Heights as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2020.

### ***Basis for Qualified Opinion on Regulatory Basis of Accounting***

The financial activities of the Length of Service Award Program (LOSAP) are presented in the financial statements of the Borough's Trust Fund. These financial statements of the LOSAP have not been audited and were not required to be in accordance with the regulations of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

# SUPLEE, CLOONEY & COMPANY

## ***Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of such adjustments, if any, that might have been necessary had the LOSAP Fund Financial Statements been audited, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2020 and 2019, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## ***Other Matters***

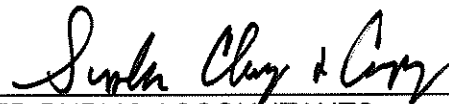
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Spring Lake Heights's regulatory financial statements. The supplementary information, schedules and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

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

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2020 on our consideration of the Borough of Spring Lake Heights's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Spring Lake Heights's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 31, 2021



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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Spring Lake Heights  
County of Monmouth  
Spring Lake Heights, New Jersey 07762

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Spring Lake Heights, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated July 31, 2021. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Spring Lake Heights prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

## SUPLEE, CLOONEY & COMPANY

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

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

### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

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

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 31, 2021

CURRENT FUND

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

BALANCE SHEET - REGULATORY BASIS

December 31, 2020 and 2019

<u>Assets</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Current Fund:			
Cash and Cash Equivalents	1-A	\$ 4,811,402.11	\$ 4,813,873.20
Change Fund	2-A	<u>655.00</u>	<u>655.00</u>
		<u>4,812,057.11</u>	<u>4,814,528.20</u>
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	4-A	206,110.99	193,109.80
Tax Title Liens Receivable	5-A	54,817.40	48,667.02
Property Acquired for Taxes - Assessed Valuation	14-A	28,900.00	28,900.00
Interfunds Receivable	13-A	4,010.25	2,966.05
Revenue Accounts Receivable	6-A	<u>21,698.07</u>	<u>24,031.34</u>
		<u>315,536.71</u>	<u>297,674.21</u>
		<u>5,127,593.82</u>	<u>5,112,202.41</u>
Federal and State Grants:			
Cash and Cash Equivalents	1-A	28,121.47	499,380.20
Due from Trust Other	A		2,625.87
Grants Receivable	19-A	<u>664,106.00</u>	<u>757,569.02</u>
		<u>692,227.47</u>	<u>1,259,575.09</u>
Total Assets		\$ <u>5,819,821.29</u>	\$ <u>6,371,777.50</u>

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

BALANCE SHEET - REGULATORY BASIS

December 31, 2020 and 2019

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Appropriation Reserves	3-A,8-A	\$ 366,162.04	\$ 262,142.40
Encumbrances Payable	9-A	100,319.52	276,929.55
Prepaid Taxes	10-A	190,245.27	188,173.43
Accounts Payable		44,457.37	
County Taxes Payable	11-A	10,063.17	17,898.05
Local District School Tax Payable	12-A	3,146,399.00	3,108,135.00
Due To:			
State of New Jersey	17-A	250.00	1,597.24
State of New Jersey - Seniors' and and Veterans' Deductions	3-A	1,782.67	1,032.67
Reserve for SCART	7-A	200.00	200.00
Various Reserves	18-A	59,406.08	65,372.48
		<u>3,919,285.12</u>	<u>3,921,480.82</u>
Reserve for Receivables and Other Assets	A	315,536.71	297,674.21
Fund Balance	A-1	892,771.99	893,047.38
		<u>1,208,308.70</u>	<u>1,190,721.59</u>
		<u>5,127,593.82</u>	<u>5,112,202.41</u>
Federal and State Grants:			
Due to Utility Capital Fund			500,000.00
Reserve for Encumbrances	20-A	6,796.00	6,150.00
Reserve for Appropriated Grants	20-A	685,431.47	750,962.87
Reserve for Unappropriated Grants	21-A		2,462.22
		<u>692,227.47</u>	<u>1,259,575.09</u>
Total Liabilities, Reserves and Fund Balance		\$ <u>5,819,821.29</u>	\$ <u>6,371,777.50</u>

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS

December 31, 2020 and 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 550,000.00	\$ 450,000.00
Miscellaneous Revenue Anticipated	A-2	1,807,084.94	1,172,353.76
Receipts From Delinquent Taxes	A-2	191,620.33	169,512.33
Non-Budget Revenue	A-2	89,626.09	85,307.74
Receipt From Current Taxes	A-2	17,915,919.96	17,761,868.05
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	8-A	135,725.65	178,737.29
Reserve for School Tax Levy	12-A		17,617.23
Interfunds Returned		30.00	
Federal & State Appropriated Grants Canceled	20-A	149,218.35	
Total Revenue		<u>20,839,225.32</u>	<u>19,835,396.40</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	2,872,202.44	2,737,552.00
Other Expenses	A-3	1,996,880.00	2,027,000.00
Deferred Charges and Statutory Expenditures	A-3	757,067.00	728,719.00
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	370,000.00	45,600.00
Other Expenses	A-3	699,019.08	413,346.44
Capital Improvements	A-3		116,500.00
Municipal Debt Service	A-3	353,349.97	328,784.58
County Taxes	11-A	3,706,191.83	3,597,579.25
County Share of Added Taxes	11-A	10,063.17	17,898.05
Local District School Taxes	12-A	9,224,250.00	9,129,575.00
Municipal Open Space Tax	16-A	133,234.00	130,563.00
Federal and State Grants Receivable Canceled	19-A	167,069.02	
Interfunds Advanced	13-A	174.20	2,966.05
Total Expenditures		<u>20,289,500.71</u>	<u>19,276,083.37</u>
Excess in Revenue		549,724.61	559,313.03
Fund Balance, January 1	A	893,047.38	783,734.35
		1,442,771.99	1,343,047.38
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	550,000.00	450,000.00
Fund Balance, December 31	A	<u>\$ 892,771.99</u>	<u>\$ 893,047.38</u>

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



BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year Ended December 31, 2020

	<u>Reference</u>	<u>Budget</u>	<u>Special N.J.S 40A: 4-87</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	\$ 550,000.00	\$	\$ 550,000.00	\$
Miscellaneous Revenues:					
Alcoholic Beverages	6-A	20,000.00		20,250.00	250.00
Fees and Permits	A-2,A-6	71,882.17		71,361.20	(520.97)
Municipal Court	6-A	55,000.00		32,344.94	(22,655.06)
Interest and Costs on Taxes	6-A	40,000.00		54,048.21	14,048.21
Interest on Investments and Deposits	6-A	51,800.00		65,867.00	14,067.00
Energy Receipts Tax	6-A	399,325.00		399,325.00	
Uniform Construction Code Fees	6-A	50,000.00		114,513.02	64,513.02
Spring Lake Heights School -					
Ground Maintenance	6-A	20,000.00		20,000.00	
Uniform Fire Safety Act	6-A	4,000.00		4,416.75	416.75
Uniform Fire Safety Act (Local Fees)	6-A	3,000.00		3,712.00	712.00
Cable TV Franchise Fees	6-A	70,000.00		73,745.00	3,745.00
Cell Tower Fees	6-A	130,000.00		154,151.40	24,151.40
Fiber Optic Franchise Fees	6-A	30,000.00		32,481.34	2,481.34
Open Space Debt Contribution	6-A	75,000.00		75,000.00	
Body Armor Grant	19-A		1,759.02	1,759.02	
NJDOT Emerson Avenue	19-A		200,000.00	200,000.00	
Recycling Tonnage	19-A	2,462.22		2,462.22	
2020 Community Development Block Grant	19-A		114,106.00	114,106.00	
Bulletproof Vest	19-A		5,044.00	5,044.00	
2018 Monmouth County Municipal Open					
Space Grant - Ocean Road Park	19-A		125,000.00	125,000.00	
NJDOT Lake Drive	19-A		225,000.00	225,000.00	
Clean Communities	19-A		12,497.84	12,497.84	
<b>Total Miscellaneous Revenues</b>	<b>A-1</b>	<b>1,022,469.39</b>	<b>683,406.86</b>	<b>1,807,084.94</b>	<b>101,208.69</b>
Receipts From Delinquent Taxes	A-1	150,000.00		191,620.33	41,620.33
Property Taxes for Support of Municipal					
Budget Appropriations:					
Local Tax for Municipal Purposes					
Including Reserve for Uncollected Taxes	A-2	5,023,292.27		5,207,180.96	183,888.69
<b>Budget Totals</b>		<b>6,745,761.66</b>	<b>683,406.86</b>	<b>7,755,886.23</b>	<b>326,717.71</b>
Non-Budget Revenue	A-1,A-2			89,626.09	89,626.09
<b>Total General Revenues</b>	<b>A-3</b>	<b>\$ 6,745,761.66</b>	<b>\$ 683,406.86</b>	<b>\$ 7,845,512.32</b>	<b>\$ 416,343.80</b>

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year Ended December 31, 2020

	<u>Reference</u>	
<u>Analysis of Realized Revenue</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1,4-A	\$ 17,915,919.96
School, County and Special District Taxes	11-A,12-A,16-A	<u>13,073,739.00</u>
Balance for Support of Municipal Budget Appropriations		4,842,180.96
Add: "Appropriation Reserve for Uncollected Taxes"	A-3	<u>365,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 5,207,180.96</u>
Fees and Permits - Other:		
Housing Certificate of Occupancy		\$ 45,595.00
Zoning Fees		10,685.00
Registrar Fees		1,380.00
Planning Board Fees		750.00
Board of Adjustment Fees		3,650.00
Board of Health Fees		6,811.20
Raffle License		960.00
Community Center Rental		1,400.00
Property Lists		<u>130.00</u>
	A-2	<u>\$ 71,361.20</u>

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

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year Ended December 31, 2020

Reference

Miscellaneous Revenue Not Anticipated:		
Police Fees		\$ 697.00
Local Fire Safety		324.00
Garage Sale		115.00
Copier Fees		81.05
Street Openings		7,200.00
Tax Sale Premiums Forfeited		45,900.00
Senior Citizen & Veteran Administrative Fees		1,045.00
Tax Sale Costs		625.00
Miscellaneous		<u>33,639.04</u>
		\$ <u>89,626.09</u>
Analysis:		
Cash Receipts	1-A	\$ <u>89,626.09</u>
		\$ <u>89,626.09</u>

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2020

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
\$	52,000.00 \$	52,000.00 \$	51,869.03 \$	130.97 \$	
	70,000.00	70,000.00	68,904.93	1,095.07	
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	20,000.00	20,000.00	17,557.01	2,442.99	
Other Expenses	2,000.00	2,000.00	765.99	1,234.01	
Mayor and Council:					
Salaries and Wages	92,780.00	92,780.00	90,193.10	2,586.90	
Other Expenses	17,500.00	17,500.00	16,218.27	1,281.73	
Municipal Clerk:					
Salaries and Wages	50,000.00	50,000.00	48,255.16	1,744.84	
Other Expenses	52,000.00	52,000.00	51,354.50	645.50	
Financial Administration (Treasury):					
Salaries and Wages	20,000.00	20,000.00	20,000.00		
Other Expenses	58,250.00	58,250.00	47,283.52	10,966.48	
Audit Services:	32,000.00	32,000.00	23,285.04	8,714.96	
Other Expenses	41,000.00	43,100.00	43,080.48	19.52	
Revenue Administration (Tax Collection):	3,000.00	3,000.00	802.55	2,197.45	
Salaries and Wages	14,000.00	14,000.00	11,000.00	3,000.00	
Other Expenses	65,000.00	80,000.00	75,415.61	4,584.39	
Tax Assessment Administration:					
Salaries and Wages	28,000.00	38,000.00	36,712.50	1,287.50	
Other Expenses	2,000.00	2,000.00	1,062.98	937.02	
Assessment PILOT					
Department of Law:					
Other Expenses					
Division of Engineering:					
Salaries and Wages					
Other Expenses					

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2020

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS					
Operations - Within "CAPS" (Continued)					
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	4,000.00 \$	4,000.00 \$	3,257.12 \$	742.88 \$	
Other Expenses	10,000.00	10,000.00	2,831.71	7,168.29	
Zoning Board of Adjustment:					
Salaries and Wages	4,000.00	4,000.00	3,257.12	742.88	
Other Expenses	4,000.00	4,000.00	1,490.28	2,509.72	
Beautification Committee:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Zoning /Code Enforcement:					
Salaries and Wages	35,000.00	35,000.00	34,696.75	303.25	
Other Expenses	2,000.00	2,000.00		2,000.00	
INSURANCE					
Group Insurance	515,000.00	515,000.00	463,659.55	51,340.45	
Workmen's Compensation	200,000.00	200,000.00	184,000.00	16,000.00	
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	1,711,579.00	1,645,949.00	1,598,526.04	47,422.96	
Other Expenses	105,000.00	125,000.00	123,150.90	1,849.10	
Emergency Management Services:					
Salaries and Wages	3,100.00				
Other Expenses	7,500.00	7,500.00	5,250.00	2,250.00	
First Aid Contributions	25,000.00	25,000.00	25,000.00		
Fire Safety Act:					
Salaries and Wages	15,000.00	11,500.00	11,500.00		
Other Expenses	2,000.00	2,000.00	1,116.00	884.00	

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2020

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS					
Operations - Within "CAPS" (Continued)					
Prosecutor's Office:					
Salaries and Wages	\$ 15,500.00	\$ 15,500.00	\$ 14,343.18	\$ 1,156.82	\$
Other Expenses	1,000.00				
Municipal Court:					
Salaries and Wages	19,000.00	19,000.00	16,317.68	2,682.32	
Other Expenses	3,500.00	3,500.00	405.37	3,094.63	
Public Defender					
Other Expenses	1,000.00	1,000.00		1,000.00	
Fire Department					
Other Expenses	75,000.00	75,000.00	74,967.91	32.09	
Volunteer Fire Contributions	65,000.00	65,000.00	65,000.00		
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	721,621.44	765,121.44	764,692.41	429.03	
Other Expenses	12,000.00	15,030.00	15,029.25	0.75	
Streets and Roads Other Expense	22,000.00	22,000.00	13,399.26	8,600.74	
Solid Waste Collection:					
Other Expenses	2,500.00	5,500.00	3,792.04	1,707.96	
Buildings and Grounds:					
Other Expenses	45,000.00	45,000.00	32,571.39	12,428.61	
Vehicle Maintenance:					
Other Expenses	70,000.00	70,000.00	63,144.45	6,855.55	
Snow Removal					
Salaries and Wages	15,000.00	7,500.00	7,500.00		
Other Expenses	15,000.00	7,500.00	7,500.00	7,500.00	

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2020

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS					
Operations - Within "CAPS" (Continued)					
HEALTH AND HUMAN SERVICES (CONTINUED)					
Public Health Services (Board of Health):					
Salaries and Wages	\$ 1,500.00	\$ 1,500.00	\$ 1,338.48	\$ 161.52	\$
Other Expenses	250.00	250.00	95.00	155.00	
Environmental Health Services:					
Other Expenses	1,500.00	1,500.00		1,500.00	
Animal Control Services:					
Other Expenses	6,000.00	6,000.00	3,850.00	2,150.00	
PARK AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	7,000.00	9,000.00	8,009.36	990.64	
Other Expenses	4,000.00	9,000.00	8,786.44	213.56	
Accumulated Leave Compensation	1.00	1.00		1.00	
UTILITY EXPENSE AND BULK PURCHASES					
Utilities	250,000.00	240,600.00	197,177.13	43,422.87	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Sanitary Landfill:					
Other Expenses	245,000.00	245,000.00	215,723.07	29,276.93	
Salary and Wage Adjustment	1.00	1.00		1.00	
Total Operations Within "CAPS"	4,862,082.44	4,868,082.44	4,567,638.56	300,443.88	
Contingent	1,000.00	1,000.00		1,000.00	
Total Operations Including Contingent Within "CAPS"	4,863,082.44	4,869,082.44	4,567,638.56	301,443.88	
Detail:					
Salaries and Wages	2,894,332.44	2,872,202.44	2,798,388.94	73,813.50	
Other Expenses	1,968,750.00	1,996,880.00	1,769,249.62	227,630.38	

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2020

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures - Statutory Expenditures: Contribution To:					
Public Employees Retirement System	\$ 102,250.00	\$ 102,250.00	\$ 102,250.00	\$	
Social Security System (O.A.S.I.)	220,000.00	215,000.00	200,764.54	14,235.46	
Police and Firemen's Retirement System of NJ	429,817.00	429,817.00	429,817.00		
Unemployment Compensation Insurance	10,000.00	10,000.00	10,000.00		
DCRP - Employer Contribution	1,000.00				
Total Deferred and Statutory Expenditures - Municipal - Within "CAPS"	763,067.00	757,067.00	742,831.54	14,235.46	
Total General Appropriations for Municipal Purposes Within "CAPS"	5,626,149.44	5,626,149.44	5,310,470.10	315,679.34	
Operations Excluded from "CAPS"					
Stormwater Management:	2,400.00	2,400.00		2,400.00	
Recycling Tax	5,500.00	5,500.00	5,500.00		
Reserve for Tax Appeals	500.00	500.00	500.00		
LOSAP First Aid	13,500.00	13,500.00	9,775.00	3,725.00	
LOSAP Fire Company	30,000.00	30,000.00	5,419.00	24,581.00	
Total Other Operations Excluded From "CAPS"	51,900.00	51,900.00	21,194.00	30,706.00	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Southern Monmouth Community Alliance To Prevent Alcoholism and Drug Abuse - Other Expenses	4,400.00	4,400.00		4,400.00	
Shared Services - Monmouth County Transportation Other Expenses	3,600.00	3,600.00	2,418.00	1,182.00	
County of Monmouth - Pub Safety Ans: Other Expenses	2,000.00	2,000.00		2,000.00	

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



BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2020

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS (CONTINUED)</b>					
Spring Lake Heights - BOE - Grounds Maintenance:					
Salaries and Wages	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$	\$
Facilities Charge	4,250.00	4,250.00		4,250.00	
Monmouth County Regional Health Commission	55,000.00	55,000.00	52,634.00	2,366.00	
Belmar - Dispatch Services	117,000.00	117,000.00	115,924.00	1,076.00	
Spring Lake - Construction	59,000.00	59,000.00	55,986.30	3,013.70	
Shared Services - Municipal Court - Other Expenses	66,000.00	66,000.00	64,511.00	1,489.00	
Total Interlocal Municipal Service Agreements	<u>331,250.00</u>	<u>331,250.00</u>	<u>311,473.30</u>	<u>19,776.70</u>	
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
Body Armor Replacement Fund (Ch. 159)		1,759.02	1,759.02		
Clean Communities Program (Ch. 159)		12,497.84	12,497.84		
Recycling Tonnage	2,462.22	2,462.22	2,462.22		
Bulletproof Vest (Ch. 159)		5,044.00	5,044.00		
NJDOT - Lake Drive (Ch. 159)		225,000.00	225,000.00		
Monmouth County Open Space - Ocean Road (Ch. 159)		125,000.00	125,000.00		
NJDOT - Emerson (Ch. 159)		200,000.00	200,000.00		
CDBG (Ch. 159)		114,106.00	114,106.00		
Total Public and Private Programs Offset by Revenues	<u>2,462.22</u>	<u>685,869.08</u>	<u>685,869.08</u>		
Total Operations - Excluded From "CAPS"	385,612.22	1,069,019.08	1,018,536.38	50,482.70	
Detail:					
Salaries and Wages	20,000.00	20,000.00	370,000.00		
Other Expenses	365,612.22	1,049,019.08	648,536.38	50,482.70	

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2020

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	120,000.00	120,000.00	120,000.00		
Interest on Bonds	42,000.00	42,000.00	36,168.32		5,831.68
Payment of Bond Anticipation Notes Principal	34,000.00	34,000.00	34,000.00		
Interest on Notes	47,000.00	47,000.00	46,734.60		265.40
Capital Lease Obligations Approved Prior to 7/1/2007 Principal and Interest- Fire	90,000.00	90,000.00	89,876.08		123.92
Principal and Interest- Police	36,000.00	36,000.00	26,570.97		9,429.03
<b>Total Municipal Debt Service - Excluded From "CAPS"</b>	<b>369,000.00</b>	<b>369,000.00</b>	<b>353,349.97</b>		<b>15,650.03</b>
<b>Total General Appropriations for Municipal Purposes - Excluded From "CAPS"</b>	<b>754,612.22</b>	<b>1,438,019.08</b>	<b>1,371,886.35</b>	<b>50,482.70</b>	<b>15,650.03</b>
<b>Subtotal General Appropriations</b>	<b>6,380,761.66</b>	<b>7,064,168.52</b>	<b>6,682,356.45</b>	<b>366,162.04</b>	<b>15,650.03</b>

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2020

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
Reserve for Uncollected Taxes	\$ 365,000.00	\$ 365,000.00	\$ 365,000.00	\$	
Total General Appropriations	\$ 6,745,761.66	\$ 7,429,168.52	\$ 7,047,356.45	\$ 366,162.04	\$ 15,650.03
	Reference	A-2	A-2	A-1	A
Analysis of Paid or Charged:					
Cash Disbursements (Net)			\$ 5,896,167.85		
Reserve for Uncollected Taxes			365,000.00		
Transferred to:					
Encumbrances Payable			100,319.52		
Grants - Appropriated			685,869.08		
			\$ 7,047,356.45		

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

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TRUST FUND

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

BALANCE SHEET - REGULATORY BASIS

December 31, 2020 and 2019

<u>Assets</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Cash	1-B	\$ <u>1,815.83</u>	\$ <u>3,566.83</u>
		<u>1,815.83</u>	<u>3,566.83</u>
Other Trust Funds:			
Cash	1-B	302,453.20	456,117.65
Due from Payroll Fund	B	140,000.00	135,000.00
Deferred Charge:			
Overexpenditure of Reserve	4-B	<u>895.00</u>	<u>895.00</u>
		<u>443,348.20</u>	<u>592,012.65</u>
Unemployment Compensation Trust Fund:			
Cash	1-B	<u>12,910.11</u>	<u>1,194.40</u>
		<u>12,910.11</u>	<u>1,194.40</u>
Payroll Fund:			
Cash	1-B	<u>145,544.22</u>	<u>140,545.07</u>
		<u>145,544.22</u>	<u>140,545.07</u>
Length of Service Award Program "LOSAP" - Unaudited:			
Investment in LOSAP	9-B	<u>487,898.19</u>	<u>408,556.75</u>
		<u>487,898.19</u>	<u>408,556.75</u>
Total Assets		\$ <u><u>1,091,516.55</u></u>	\$ <u><u>1,145,875.70</u></u>

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

BALANCE SHEET - REGULATORY BASIS

December 31, 2020 and 2019

<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Reserve For Animal Control Fund Expenditures	3-B	\$ <u>1,815.83</u>	\$ <u>3,566.83</u>
		<u>1,815.83</u>	<u>3,566.83</u>
Other Trust Funds:			
Due To Current Fund	7-B	4,010.25	2,936.05
Encumbrances Payable	8-B	1,913.15	12,546.33
Due to Grant Fund	11-B		2,625.87
Various Trust Fund Reserves	4-B	<u>437,424.80</u>	<u>573,904.40</u>
		<u>443,348.20</u>	<u>592,012.65</u>
Unemployment Compensation Trust Fund:			
Reserve for Unemployment Compensation	5-B	<u>12,910.11</u>	<u>1,194.40</u>
		<u>12,910.11</u>	<u>1,194.40</u>
Payroll Fund:			
Due to Trust Other	B	140,000.00	135,000.00
Due To Various Agencies	6-B	<u>5,544.22</u>	<u>5,545.07</u>
		<u>145,544.22</u>	<u>140,545.07</u>
Length of Service Award Program "LOSAP" - Unaudited:			
Reserve for LOSAP Funds	10-B	<u>487,898.19</u>	<u>408,556.75</u>
Total Liabilities and Reserves		\$ <u>1,091,516.55</u>	\$ <u>1,145,875.70</u>

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

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GENERAL CAPITAL FUND

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

BALANCE SHEET- REGULATORY BASIS

December 31, 2020 and 2019

<u>Assets</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	1-C,2-C	\$ 539,814.72	\$ 1,028,700.17
Grant Receivable	6-C	188,000.00	188,000.00
Due From Utility Fund	14-C		227,623.06
Deferred Charges To Future Taxation:			
Funded	3-C	830,000.00	950,000.00
Unfunded	4-C	<u>3,391,988.92</u>	<u>3,425,988.92</u>
		4,949,803.64	5,820,312.15
Est Proceeds of Bonds & Notes Authorized but not Issued	13-C	<u>224,988.92</u>	<u>224,988.92</u>
<b>Total Assets</b>		<b>\$ <u>5,174,792.56</u></b>	<b>\$ <u>6,045,301.07</u></b>
 <u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	5-C	\$ 830,000.00	\$ 950,000.00
Improvement Authorizations:			
Funded	7-C	28,644.02	96,646.44
Unfunded	7-C	677,126.35	1,137,870.40
Capital Improvement Fund	8-C	3,015.63	3,015.63
Bond Anticipation Notes	12-C	3,167,000.00	3,201,000.00
Reserve for Encumbrances	10-C	101,631.85	292,852.17
Reserve for:			
Debt Service		37,937.76	8,089.48
Reserve for Various Capital Improvements	9-C	54,142.98	80,532.98
Fund Balance	1-C	<u>50,305.05</u>	<u>50,305.05</u>
		4,949,803.64	5,820,312.15
Proceeds of Bonds & Notes Authorized but not issued	13-C	<u>224,988.92</u>	<u>224,988.92</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<b>\$ <u>5,174,792.56</u></b>	<b>\$ <u>6,045,301.07</u></b>

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE-REGULATORY BASIS

Years Ended December 31, 2020 and 2019

	<u>Reference</u>	
Balance, December 31, 2019 and 2020	C	<u>50,305.05</u>

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

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WATER/SEWER UTILITY FUND

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Reference</u>	BALANCE DECEMBER <u>31, 2020</u>	BALANCE DECEMBER <u>31, 2019</u>
Operating Fund:			
Cash and Cash Equivalents	1-D	\$ 243,127.73	\$ 453,157.17
Receivables With Full Reserves:			
Consumer Accounts Receivable	3-D	87,947.40	80,079.18
Water/Sewer Liens	4-D	8,923.43	7,948.43
		<u>96,870.83</u>	<u>88,027.61</u>
Total Operating Fund		\$ <u>339,998.56</u>	\$ <u>541,184.78</u>
Capital Fund:			
Cash and Cash Equivalents	1-D,2-D	\$ 1,951,344.86	\$ 1,129,853.04
Due from Grant Fund	18-D		500,000.00
Fixed Capital	5-D	3,488,699.47	3,488,699.47
Fixed Capital Authorized and Uncompleted	6-D	7,207,125.00	4,307,125.00
Total Capital Fund		<u>12,647,169.33</u>	<u>9,425,677.51</u>
Total Assets		\$ <u><u>12,987,167.89</u></u>	\$ <u><u>9,966,862.29</u></u>

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Reference</u>	BALANCE DECEMBER 31, 2020	BALANCE DECEMBER 31, 2019
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	4-D,7-D	\$ 71,951.05	\$ 40,506.48
Due to Current Fund	20-D		30.00
Due to General Capital Fund	21-D		227,623.06
Overpayments	9-D	6,691.89	10,648.14
Encumbrances Payable	8-D	17,628.04	56,498.20
Accounts Payable	7-D	9,500.00	
Accrued Interest on Bonds and Notes	15-D	7,251.00	10,622.67
		<u>113,021.98</u>	<u>345,928.55</u>
Reserve for Receivables	D	96,870.83	88,027.61
Fund Balance	1-D	130,105.75	107,228.62
		<u>226,976.58</u>	<u>195,256.23</u>
Total Operating Fund		<u>339,998.56</u>	<u>541,184.78</u>
Capital Fund:			
Serial Bonds	14-D	80,000.00	155,000.00
Bond Anticipation Notes	17-D	3,000,000.00	3,000,000.00
Improvement Authorizations:			
Funded	11-D	151,905.42	151,905.42
Unfunded	11-D	4,420,770.45	847,547.07
Capital Improvement Fund	10-D	34,285.62	34,285.62
Reserve for Amortization	12-D	3,555,781.25	3,480,781.25
Deferred Reserve for Amortization	13-D	1,160,043.22	1,160,043.22
Reserve for Encumbrances	16-D	136,496.40	420,484.12
Reserve to Pay Debt Service	D	3,145.91	3,145.91
Reserve for Various Utility Capital Improvements	19-D	101,381.13	169,124.97
Fund Balance	2-D	3,359.93	3,359.93
		<u>12,647,169.33</u>	<u>9,425,677.51</u>
Total Capital Fund		<u>12,647,169.33</u>	<u>9,425,677.51</u>
Total Liabilities, Reserves and Fund Balances		\$ <u>12,987,167.89</u>	\$ <u>9,966,862.29</u>

There were bonds and notes authorized but not issued at December 31, 2020 of \$2,900,000.00  
Schedule 22-D

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS

Years Ended December 31, 2020 and 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	\$ 100,000.00	\$ 200,000.00
Water and Sewer Rents and Charges	D-3	2,227,576.13	2,172,355.49
Non-Budget Revenue	D-3	30,573.93	25,635.57
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	7-D	38,028.58	43,305.15
Total Revenue		\$ <u>2,396,178.64</u>	\$ <u>2,441,296.21</u>
Expenditures:			
Operating	4-D	2,067,445.00	2,178,224.00
Capital Improvements	4-D		19,051.39
Debt Service	4-D	126,301.51	114,059.53
Statutory Expenditures	4-D	79,555.00	90,474.61
		<u>2,273,301.51</u>	<u>2,401,809.53</u>
Excess in Revenue		122,877.13	39,486.68
Fund Balance, January 1	D	107,228.62	267,741.94
		\$ <u>230,105.75</u>	\$ <u>307,228.62</u>
Decreased By:			
Utilized as Anticipated Revenue	3-D	<u>100,000.00</u>	<u>200,000.00</u>
Fund Balance, December 31	D	\$ <u><u>130,105.75</u></u>	\$ <u><u>107,228.62</u></u>

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



BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE  
REGULATORY BASIS

Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019 and 2020	D	\$ <u>3,359.93</u>

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

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year Ended December 31, 2020

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 100,000.00	\$ 100,000.00	\$
Water & Sewer Rents	2,175,000.00	2,227,576.13	52,576.13
Miscellaneous Revenue Not Anticipated	<u>                    </u>	<u>30,573.93</u>	<u>30,573.93</u>
	<u>\$ 2,275,000.00</u>	<u>\$ 2,358,150.06</u>	<u>\$ 83,150.06</u>

	<u>Reference</u>	D-4
<u>Analysis of Water Rents</u>		
Collections	1-D	\$ 2,216,927.99
Overpayments Applied	9-D	<u>10,648.14</u>
	D-3	<u>\$ 2,227,576.13</u>
<u>Analysis of Miscellaneous Revenue Not Anticipated</u>		
Interest on Investments		\$ 15,989.28
Interest on Rents		9,245.34
Other		<u>5,339.31</u>
	D-3,1-D	<u>\$ 30,573.93</u>

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

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
Year Ended December 31, 2020

	Appropriations				
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 360,267.00	\$ 362,567.00	\$ 362,539.26	\$ 27.74	
Other Expenses	375,000.00	329,200.00	260,580.77	68,619.23	
NJSWA Raw Water Charge	146,000.00	149,500.00	149,467.46	32.54	
NJSWA Treat/Trans Charge	537,000.00	537,000.00	536,932.00	68.00	
South Monmouth Regional Sewer Authority	641,678.00	681,678.00	680,716.79	961.21	
Wall Twp. Sewer Charges	7,500.00	7,500.00	6,427.28	1,072.72	
<b>Total Operating</b>	<u>2,067,445.00</u>	<u>2,067,445.00</u>	<u>1,996,663.56</u>	<u>70,781.44</u>	
Debt Service:					
Payment on Bond Principal	75,000.00	75,000.00	75,000.00		
Interest on Bonds	8,000.00	8,000.00	7,753.00		247.00
Interest on Notes	45,000.00	45,000.00	43,548.51		1,451.49
<b>Total Debt Service</b>	<u>128,000.00</u>	<u>128,000.00</u>	<u>126,301.51</u>		<u>1,698.49</u>
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	43,555.00	43,555.00	43,555.00		
Social Security System (O.A.S.I.)	35,000.00	35,000.00	33,830.39	1,169.61	
Unemployment Insurance	1,000.00	1,000.00	1,000.00		
<b>Total Statutory Expenditures</b>	<u>79,555.00</u>	<u>79,555.00</u>	<u>78,385.39</u>	<u>1,169.61</u>	
<b>Total Water/Sewer Utility Appropriations</b>	<u>\$ 2,275,000.00</u>	<u>\$ 2,275,000.00</u>	<u>\$ 2,201,350.46</u>	<u>\$ 71,951.05</u>	<u>\$ 1,698.49</u>
	Reference	D-3		D,D-1	
Cash Disbursements	1-D		\$ 2,132,420.91		
Encumbrances Payable	8-D		17,628.04		
Accrued Interest on Bonds and Notes	15-D		51,301.51		
			<u>\$ 2,201,350.46</u>		

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

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PUBLIC ASSISTANCE TRUST FUND

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

BALANCE SHEET - REGULATORY BASIS

December 31, 2020 and 2019

<u>Assets</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Cash	1-E	\$ <u>15,133.94</u>	\$ <u>15,133.94</u>
Total Assets		\$ <u><u>15,133.94</u></u>	\$ <u><u>15,133.94</u></u>
<u>Liabilities and Reserves</u>			
Reserve for Public Assistance Expenditures	1-E	\$ <u>15,133.94</u>	\$ <u>15,133.94</u>
<u>Total Liabilities and Reserves</u>		\$ <u><u>15,133.94</u></u>	\$ <u><u>15,133.94</u></u>

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

GENERAL FIXED ASSET ACCOUNT GROUP

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL FIXED ASSETS ACCOUNT GROUP  
 BALANCE SHEET - REGULATORY BASIS

December 31, 2020 and 2019

	BALANCE DECEMBER <u>31, 2020</u>	BALANCE DECEMBER <u>31, 2019</u>
Fixed Assets:		
Land	\$ 16,456,500.00	\$ 16,456,500.00
Buildings	2,719,000.00	2,719,000.00
Machinery and Equipment	<u>5,090,519.06</u>	<u>4,892,162.59</u>
<u>Total Fixed Assets</u>	<u>\$ 24,266,019.06</u>	<u>\$ 24,067,662.59</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 24,266,019.06</u>	<u>\$ 24,067,662.59</u>

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



NOTES TO FINANCIAL STATEMENTS

BOROUGH OF SPRING LAKE HEIGHTS

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Spring Lake Heights is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Spring Lake Heights include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Spring Lake Heights, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Spring Lake Heights do not include the operations of the Independent Fire Company No.1 of Spring Lake Heights and Spring Lake First Aid and Emergency Squad or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

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

The accounting policies of the Borough of Spring Lake Heights conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Spring Lake Heights are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account groups:

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

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

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

Water/Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally operated Water/Sewer utility

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

General Fixed Asset Account Group - Utilized to account for property, land, buildings and equipment that has been acquired by other governmental funds

C. Basis of Accounting

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31<sup>st</sup>, are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31<sup>st</sup> of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

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

Interfunds - 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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C 5:30.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

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

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

Fixed Capital - Water/Sewer Utility

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

Property and equipment purchased by the Water/Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2020 was not available, therefore the information dated June 30, 2019 is disclosed.

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough of Spring Lake Heights had the following cash and cash equivalents at December 31, 2020:

<u>Fund</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Change Funds</u>	<u>Total</u>
Checking Accounts	\$7,994,731.00	\$56,937.19		\$8,051,668.19
Change Funds			\$655.00	655.00
	<u>\$7,994,731.00</u>	<u>\$56,937.19</u>	<u>\$655.00</u>	<u>\$8,052,323.19</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2020, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on deposit in the bank of \$7,994,731.00, \$250,000.00 was covered by Federal Depository Insurance and \$7,744,731.00 was covered under the provisions of NJGUDPA.

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;



NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

- d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
- e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2020, the Borough had no investments.

NOTE 3: MUNICIPAL DEBT

Long-Term Debt

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

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2020</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
Issued:			
General:			
Bonds, Notes and Loans	\$3,997,000.00	\$4,151,000.00	\$3,316,000.00
Water/Sewer Utility:			
Bonds and Notes	3,080,000.00	3,155,000.00	1,610,000.00
Net Debt Issued	<u>\$7,077,000.00</u>	<u>\$7,306,000.00</u>	<u>\$4,926,000.00</u>
Less: Reserve to Pay Bonds	37,937.76	8,089.48	8,089.48
	<u>\$7,039,062.24</u>	<u>\$7,297,910.52</u>	<u>\$4,917,910.52</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	\$224,988.92	\$224,988.92	\$224,988.92
Water/Sewer Utility:			
Bonds and Notes	2,900,000.00		1,615,000.00
Total Authorized but not Issued	<u>\$3,124,988.92</u>	<u>\$224,988.92</u>	<u>\$1,839,988.92</u>
Net Bonds and Notes Issued and and Authorized but not issued	<u>\$10,164,051.16</u>	<u>\$7,522,899.44</u>	<u>\$6,757,899.44</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

SUMMARY OF STATUTORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.322%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$10,845,000.00	\$10,845,000.00	-0-
Water Sewer Utility Debt	5,980,000.00	5,980,000.00	-0-
General Debt	4,221,988.92	37,937.76	4,184,051.16
	<u>\$21,046,988.92</u>	<u>\$16,862,937.76</u>	<u>\$4,184,051.16</u>

NET DEBT \$4,184,051.16 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$1,300,540,554.67 EQUALS 0.322%.

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

Equalized Valuation Basis* - December 31, 2020	\$1,300,540,554.67
3-1/2 of Equalized Valuation Basis	45,518,919.41
Net Debt	4,184,051.16
Remaining Borrowing Power	<u>\$41,334,868.25</u>

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

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

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year	\$	2,354,778.39
Deductions:		
Operating and Maintenance Cost	\$	2,075,048.95
Debt Service		126,301.51
Total Deductions		<u>2,201,350.46</u>
Excess in Revenue	\$	<u>153,427.93</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2020

CALENDAR YEAR	PUBLIC IMPROVEMENT		WATER/SEWER UTILITY		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2021	\$125,000.00	\$30,050.00	\$80,000.00	\$4,000.00	\$239,050.00
2022	130,000.00	23,800.00			153,800.00
2023	135,000.00	18,600.00			153,600.00
2024	145,000.00	13,200.00			158,200.00
2025	145,000.00	8,850.00			153,850.00
2026	150,000.00	4,500.00			154,500.00
	<u>\$830,000.00</u>	<u>\$99,000.00</u>	<u>\$80,000.00</u>	<u>\$4,000.00</u>	<u>\$1,013,000.00</u>

The Public Improvement Bond issues are comprised of the following:

<u>ISSUE</u>	OUTSTANDING BALANCE DECEMBER 31, 2020
\$1,740,000.00 in General Improvement Bonds dated December 1, 2011, due in remaining annual installments ranging between \$125,000.00 and \$150,000.00 beginning December 1, 2021 and ending December 1, 2026 with interest from 3.00% to 5.00%	<u>\$830,000.00</u>

The Water/Sewer Utility Bonds are comprised of the following issues:

<u>ISSUE</u>	OUTSTANDING BALANCE DECEMBER 31, 2020
\$645,000.00 in General Improvement Bonds dated December 1, 2011, due in one remaining annual installment of \$80,000.00 on December 1, 2021 with interest at 5.00%	<u>\$80,000.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Short-Term Debt

The Borough had the following Bond Anticipation Notes outstanding at December 31, 2020:

General Capital Fund:

<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
2017-03	12/28/2017	10/10/2019	10/9/2020	1.46%	\$636,000.00
2018-04	10/11/2018	10/10/2019	10/9/2020	1.46%	1,615,000.00
2019-05	10/10/2019	10/10/2019	10/9/2020	1.46%	950,000.00
					\$3,201,000.00

Water/Sewer Utility Capital Fund

05-2018	10/11/2018	10/11/2018	10/9/2020	1.46%	\$1,385,000.00
05-2018	10/10/2019	10/10/2019	10/9/2020	1.46%	1,615,000.00
					\$3,000,000.00

Bonds and Notes Authorized But Not Issued

At December 31, 2020, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$ 224,988.92</u>
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NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2020, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2021 were as follows:

Current Fund	\$550,000.00
Water/Sewer Utility	120,000.00

NOTE 5: PROPERTY TAXES

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

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

	BALANCE DECEMBER 31, <u>2020</u>	BALANCE DECEMBER 31, <u>2019</u>
Prepaid Taxes	<u>\$190,245.27</u>	<u>\$188,173.43</u>

NOTE 6: PENSION PLANS

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Vesting and Benefit Provisions

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

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

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

Funding Policy

The contribution policy 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 life insurance benefits is based on actual claims paid. For 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. During 2020, PERS provides for employee contributions of 7.50% of employees' base salary.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

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. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2020, the State contributed an amount less than the actuarially determined amount. During 2020, PFRS provides for employee contributions of 10.00% of employees' base salary.

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

Year Ended	Total	Public Employees Retirement System	Police & Firemens Retirement System
<u>December 31</u>	<u>Total</u>	<u>System</u>	<u>System</u>
2020	\$575,232.00	\$145,415.00	\$429,817.00
2019	567,279.00	154,560.00	412,719.00
2018	524,615.92	152,079.92	372,536.00

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

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

Accounting and Financial Reporting for Pensions – GASB #68

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

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



NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$2,648,760.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Borough's proportion was 0.00162427050 percent, which was an increase of 0.0012931638 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$74,195.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$145,415.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 48,230.00	\$ 9,367.00
Changes of assumptions	85,929.00	1,109,061.00
Net difference between projected and actual earnings on pension plan investments	90,537.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>268,583.00</u>	<u>162,196.00</u>
	<u>\$ 493,279.00</u>	<u>\$ 1,280,624.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

Year Ended June 30,	Amount
2021	(\$311,093.60)
2022	(281,743.60)
2023	(151,891.60)
2024	(48,749.60)
2025	6,133.40
	(\$787,345.00)

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

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

Discount Rate

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

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

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$3,334,347.00	\$2,648,760.00	\$2,067,021.00

Pension plan fiduciary net position

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$5,248,006.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2020, the Borough's proportion was 0.0406150947 percent, which was an decrease of 0.0019363845 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$364,335.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$429,817.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 52,909.00	\$ 18,834.00
Changes of assumptions	13,207.00	1,406,959.00
Net difference between projected and actual earnings on pension plan investments	307,715.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>126,133.00</u>	<u>255,920.00</u>
	<u>\$ 499,964.00</u>	<u>\$ 1,681,713.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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

Year Ended		<u>Amount</u>
<u>June 30</u>		
2021	\$	(516,872.40)
2022		(357,265.40)
2023		(160,835.40)
2024		(76,909.40)
2025		<u>(69,866.40)</u>
	\$	<u>(1,181,749.00)</u>

Actuarial Assumptions

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

	<u>June 30, 2020</u>
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%

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions (Continued)

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.



NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions (Continued)

Long-Term Rate of Return

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$6,978,768.00	\$5,248,006.00	\$3,810,476.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

At June 30, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$814,467.00 and \$822,254.00, respectively.

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

Borough's Proportionate Share of Net Pension Liability	\$5,248,006.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>814,467.00</u>
	<u>\$6,062,473.00</u>

Pension plan fiduciary net position

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

NOTE 7: COMPENSATED ABSENCES

Under the terms of various contracts certain Borough employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date with the exception of sick leave. It is estimated that the current cost of such unpaid compensation would approximate \$245,359.96. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2020. The Borough has accumulated \$243.67 for this purpose in the Trust Other Fund and continues to budget funds to provide for these liabilities as they arise.

NOTE 8: SCHOOL TAXES

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

	<u>Local District School Tax</u>	
	<u>Balance</u> <u>December 31,</u> <u>2020</u>	<u>Balance</u> <u>December 31,</u> <u>2019</u>
Balance of Tax	\$4,230,293.75	\$4,192,029.75
Deferred	<u>1,083,894.75</u>	<u>1,083,894.75</u>
Tax (Payable)	<u><u>\$3,146,399.00</u></u>	<u><u>\$3,108,135.00</u></u>

NOTE 9: LITIGATION

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

NOTE 10: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2020, the Borough does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough participates in a self-insurance program through the Middlesex County Municipal Joint Insurance Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. The Fund is also a member of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance coverage for each of the various risks noted above. The Borough's contribution to the Fund for claim payments is based on actuarial assumption determined by the Fund's actuary. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough.

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

<u>Year</u>	<u>Contributions</u>		<u>Amount Reimbursed</u>	<u>Ending Balance</u>
	<u>Other</u>	<u>Employee</u>		
2020	11,000.00	\$4,272.27	\$3,556.56	\$12,910.11
2019	2,000.00	4,426.90	5,280.84	1,194.40
2018	-0-	4,123.98	17,053.05	48.34

NOTE 12: LENGTH OF SERVICE AWARDS PROGRAM

On February 10, 2003, the Borough of Spring Lake Heights adopted an ordinance establishing a Length of Service Awards Program for the members of the Spring Lake Heights First Aid Squad pursuant to N.J.S.A. 40A:14-183 et seq.

In 2012, the Borough assumed the Plan for the Volunteer Fire Department that was previously administered by the Spring Lake Heights Fire District, which was dissolved.

Under this program, each volunteer that performs the minimum amount of service will have an annual amount of \$1,558.00 deposited into a tax deferred income account that will earn interest for the volunteer. The cost will be provided for annually in the budget of the Borough and is anticipated to be \$43,500.00 per year. The Plan is administrated by Lincoln Financial Group.

The Borough's Length of Service Awards Program's financial statements are also required to be contained in a separate review report.

NOTE 13: DEFERRED COMPENSATION PLAN

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

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

All assets of the plan are held by an independent administrator, Prudential Life Insurance Company.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities.

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

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" which is effective for fiscal years beginning after June 15, 2017. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

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

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

Plan Description and Benefits Provided

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

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

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

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

Contributions

The Borough's annual contributions to the Plan for retirees were \$74,193.30 for 2019, \$71,570.52 for 2018 and \$98,477.04 for 2017 which equaled the required contributions for that year.

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.

Total OPEB Liability

At June 30, 2019, the Plan reported a liability of \$3,149,326.00 for the Borough's proportionate share of the collective net OPEB liability. The total OPEB liability measured as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The Borough's proportion of the OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019.

At June 30, 2019, the Borough's proportion was 0.023429000 percent, which was an increase of 0.002006000 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the State reported OPEB benefit of \$5,683.00. This OPEB benefit was based on the OPEB plans June 30, 2019 measurement date.



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

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	-	\$920,986
Changes of assumptions	-	1,116,051
Net difference between projected and actual earnings on OPEB plan investments	\$2,594	-
Changes in proportion	<u>773,701</u>	<u>416,042</u>
	<u>\$776,295</u>	<u>\$2,453,079</u>

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

Year Ended <u>June 30,</u>	<u>Amount</u>
2020	(\$259,813)
2021	(259,813)
2022	(260,016)
2023	(260,345)
2024	(260,645)
Total Thereafter	<u>(376,151)</u>
	<u>(\$1,676,784)</u>

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

Actuarial Assumptions and Other Inputs

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

	<u>2019</u>	<u>2018</u>
Inflation rate	2.50%	2.50%
Salary Increases:		
Public Employees Retirement System (PERS):		
Initial Fiscal Year Applied		
Rate Through 2026	2.00% to 6.00%	
Rate Thereafter	3.00% to 7.00%	
Police and Firemen's Retirement System (PFRS):		
Rate for All Future Years	3.25% to 15.25%	
All Pensions:		
Rate Through 2026	1.65% to 8.98%	
Rate Thereafter	2.65% to 9.98%	
Mortality:		
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2019	
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2019	

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

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

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

Health Care Trend Assumptions

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

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

Actuarial Assumptions and Other Inputs (Continued)

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the Net OPEB Liability associated with the Borough as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	1.00% <u>Decrease (2.50%)</u>	At Discount Rate (3.50)	1.00% <u>Increase (4.50%)</u>
Borough's proportionate share of the Net OPEB Liability	\$3,641,422	\$3,149,326	\$2,749,433

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

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

	June 30, 2019		
	1.00% <u>Decrease</u>	Healthcare Cost Trend Rate	1.00% <u>Increase</u>
Borough's proportionate share of the Net OPEB Liability	\$2,657,643	\$3,149,326	\$3,776,550

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

Special Funding Situation

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

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

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

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

At June 30, 2019 and 2018, the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$4,263,092.00 and \$4,464,772.00 respectively.

At June 30, 2019, the Borough's and State of New Jersey's proportionate share of the OPEB liability were as follows:

Borough's proportionate share of the Net OPEB Liability	\$3,149,326
State of New Jersey's proportionate share of Net OPEB Liability associated with the Borough	<u>4,263,092</u>
	<u><u>\$7,412,418</u></u>

OPEB Plan Fiduciary Net Position

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

NOTE 15: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2020 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Borough has made provision, from tax revenues, in the amount of \$25,447.18 for these appeals in the event that the tax reductions are granted.

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2020:

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$4,010.25	
Trust Other Fund	140,000.00	\$4,010.25
Payroll Fund		140,000.00
	<u>\$144,010.25</u>	<u>\$144,010.25</u>

NOTE 17: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, the following deferred charges are shown on the balance sheets of the various funds:

	<u>BALANCE DECEMBER 31, 2020</u>	<u>2021 BUDGET APPROPRIATION</u>
Trust Fund:		
Overexpenditure of Reserve	<u>\$895.00</u>	<u>\$895.00</u>
	<u>\$895.00</u>	<u>\$895.00</u>

NOTE 18: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through July 31, 2021 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that no subsequent events needed to be disclosed.

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BOROUGH OF SPRING LAKE HEIGHTS  
SUPPLEMENTARY SCHEDULES – ALL FUNDS  
YEAR ENDED DECEMBER 31, 2020

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH - TREASURER

Year Ended December 31, 2020

	Reference	Current Fund	Grant Fund
Balance, December 31, 2019	A	\$ 4,813,873.20	\$ 499,380.20
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 89,626.09	\$
State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	52,250.00	
Tax Collections	4-A	17,871,661.06	
Revenue Accounts Receivable	6-A	1,121,215.86	
Reserve for SCART	7-A	720.00	
Prepaid Taxes	10-A	190,245.27	
Interfunds	13-A	780.00	20,476.54
Tax Overpayments	15-A	16,728.02	
Due to State of New Jersey	17-A	3,882.98	
Various Reserves	18-A	1,884.60	
Grants Receivable	19-A		607,338.64
		19,348,993.88	\$ 627,815.18
		24,162,867.08	1,127,195.38
Decreased by Disbursements:			
2020 Budget Appropriation	A-3	5,896,167.85	
Appropriation Reserves	8-A	358,888.93	
County Taxes	11-A	3,724,089.88	
Local District School Taxes	12-A	9,185,986.00	
Interfunds	13-A	18,750.67	500,000.00
Refunds of Prior Years Revenues	1-A	20,546.42	
Municipal Open Space Tax	16-A	133,234.00	
Reserve for:			
Due to State of New Jersey	17-A	5,230.22	
Various Reserves	18-A	7,851.00	
SCART	7-A	720.00	
Grants - Appropriated	20-A		599,073.91
		19,351,464.97	1,099,073.91
Balance, December 31, 2019	A	\$ 4,811,402.11	\$ 28,121.47



BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

Year Ended December 31, 2020

	<u>Reference</u>	
Balance December 31, 2019 and 2020	A	\$ <u>655.00</u>
Analysis of Balance:		
Tax/Utility Collector		\$ 355.00
Clerk		200.00
Registrar		<u>100.00</u>
		\$ <u>655.00</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO/(FROM) STATE OF NEW JERSEY -  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year Ended December 31, 2020

	<u>Reference</u>			
Balance, December 31, 2019	A		\$	1,032.67
Increased by:				
Cash Receipts	1-A	\$		52,250.00
Senior Citizens Deductions Disallowed by Collector	4-A			<u>750.00</u>
				<u>53,000.00</u>
				54,032.67
Decreased by:				
Senior Citizens' Deductions per Billing	4-A	\$		3,500.00
Veterans' Deductions per Tax Billing	4-A			48,000.00
2020 Veterans' Deduction Allowed	4-A			<u>750.00</u>
				<u>52,250.00</u>
Balance, December 31, 2020	A		\$	<u><u>1,782.67</u></u>

CALCULATION OF STATE'S SHARE OF  
2020 SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens and Veterans Deductions:				
Per Tax Duplicate			\$	51,500.00
Allowed by Collector				<u>750.00</u>
	4-A		\$	<u><u>52,250.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year Ended December 31, 2020

Year	Balance December 31, <u>2019</u>	2020 Levy	Collections		Cancelled	Transferred to Tax Title Liens	Balance December 31, <u>2020</u>
			<u>2019</u>	<u>2020</u>			
2019	\$ 193,109.80	\$	\$	191,620.33	1,489.47	\$	
	193,109.80			191,620.33	1,489.47		
2020		18,144,671.82	167,651.21	17,748,268.75	16,490.49	6,150.38	206,110.99
	\$ 193,109.80	18,144,671.82	167,651.21	17,939,889.08	17,979.96	6,150.38	206,110.99

Reference	A	4-A	10-A	A-2	5-A	A
Collector						
Senior Citizens and Veterans Deductions						
		\$ 17,871,661.06				
		51,500.00				
		\$ 17,939,889.08				

Analysis of Property Tax Levy

Tax Yield	Reference
General Property Tax	4-A
Added and Omitted Taxes	4-A
6% Penalty	4-A
	\$ 18,093,208.46
	49,254.96
	2,208.40
	\$ 18,144,671.82

Tax Levy:

County Taxes	11-A	\$ 3,115,649.20
County Library Tax	11-A	226,762.33
County Open Space Tax	11-A	363,780.30
Due County for Added Taxes	11-A	10,063.17
		\$ 3,716,255.00
Local District School Tax	12-A	9,224,250.00
Municipal Open Space Tax	16-A	133,234.00
Local Taxes for Municipal Purposes	A-2	5,023,292.27
Add: Additional Tax Levied		47,640.55
		5,204,166.82
		\$ 18,144,671.82

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019	A	\$ 48,667.02
Increased by:		
Transferred from Taxes Receivable	4-A	<u>6,150.38</u>
Balance, December 31, 2020	A	<u>\$ 54,817.40</u>

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year Ended December 31, 2020

Reference	Balance December 31, 2019	Accrued in 2020	Collections	Balance December 31, 2020
A-2	\$	20,250.00 \$	20,250.00 \$	
A-2		71,361.20	71,361.20	
A-2	4,031.34	30,011.67	32,344.94	1,698.07
A-2		54,048.21	54,048.21	
A-2		65,867.00	65,867.00	
A-2		399,325.00	399,325.00	
A-2		114,513.02	114,513.02	
A-2	20,000.00	20,000.00	20,000.00	20,000.00
A-2		4,416.75	4,416.75	
A-2		3,712.00	3,712.00	
A-2		73,745.00	73,745.00	
A-2		154,151.40	154,151.40	
A-2		32,481.34	32,481.34	
A-2		75,000.00	75,000.00	
	\$ 24,031.34 \$	1,118,882.59 \$	1,121,215.86 \$	21,698.07

Reference

A

1-A

A

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR SCART

Year Ended December 31, 2020

	<u>Reference</u>		
Balance, December 31, 2019	A	\$	200.00
Increased by:			
Cash Receipts	1-A	\$	<u>720.00</u>
			920.00
Decreased by:			
Cash Disbursements	1-A	\$	<u>720.00</u>
Balance, December 31, 2020	A	\$	<u><u>200.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF 2019 APPROPRIATION RESERVES

Year Ended December 31, 2020

	Balance December 31, <u>2019</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>				
General Administration:				
Salaries and Wages	\$ 682.49	\$ 682.49	\$	\$ 682.49
Other Expenses	266.75	4,783.31	4,614.76	168.55
Mayor and Council:				
Salaries and Wages	65.85	65.85		65.85
Other Expenses		1,283.41	1,283.41	
Municipal Clerk:				
Salaries and Wages	768.89	768.89		768.89
Other Expenses	4,902.75	6,857.87	3,553.73	3,304.14
Financial Administration (Treasury):				
Salaries and Wages	5,771.58	5,771.58		5,771.58
Other Expenses	1,588.67	2,477.97	1,819.20	658.77
Revenue Administration (Tax Collection):				
Salaries and Wages	235.96	235.96		235.96
Other Expenses	2,331.17	2,500.62	169.45	2,331.17
Tax Assessment Administration:				
Salaries and Wages	3,158.65	3,158.65		3,158.65
Other Expenses	861.25	861.25	290.75	570.50
Department of Law:				
Other Expenses	9,733.15	9,874.24	3,673.59	6,200.65
Division of Engineering:				
Salaries and Wages	4,712.50	4,712.50	1,687.50	3,025.00
<b>LAND USE ADMINISTRATION</b>				
Planning Board:				
Salaries and Wages	95.97	95.97		95.97
Other Expenses	4,400.33	5,460.38	1,060.05	4,400.33
Zoning Board of Adjustment:				
Salaries and Wages	95.97	95.97		95.97
Other Expenses	1,961.33	1,961.33		1,961.33
Beautification Committee:				
Other Expenses	1,000.00	1,000.00		1,000.00
Zoning /Code Enforcement:				
Salaries and Wages	85.00	85.00		85.00
Other Expenses	915.00	915.00		915.00
<b>INSURANCE</b>				
Group Insurance	58,534.52	122,695.79	120,902.55	1,793.24
<b>PUBLIC SAFETY</b>				
Police Department:				
Salaries and Wages	23,843.29	11,243.29		11,243.29
Other Expenses	520.12	58,803.47	58,515.18	288.29
Emergency Management Services:				
Salaries and Wages	600.00	600.00		600.00
Other Expenses	96.27	3,971.27	3,875.00	96.27
Fire Safety Act:				
Salaries and Wages	3,780.00	3,780.00		3,780.00
Other Expenses	1,604.00	1,604.00		1,604.00

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF 2019 APPROPRIATION RESERVES

Year Ended December 31, 2020

	Balance December 31, <u>2019</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Prosecutor's Office:				
Salaries and Wages	\$ 938.61	\$ 938.61	\$	\$ 938.61
Other Expenses	500.00	500.00		500.00
Municipal Court:				
Salaries and Wages	503.11	503.11		503.11
Other Expenses	193.54	994.00	800.46	193.54
Fire Department:				
Other Expenses	102.57	35,114.70	35,054.75	59.95
<b>PUBLIC WORKS</b>				
Streets and Road Maintenance:				
Salaries and Wages	7,196.44	7,196.44		7,196.44
Other Expenses	878.70	2,302.26	1,437.46	864.80
Streets & Roads Other Expense	5,222.52	8,181.66	2,959.14	5,222.52
Solid Waste Collection:				
Other Expenses	315.18	315.18		315.18
Buildings and Grounds:				
Other Expenses	7,974.47	15,819.76	7,906.28	7,913.48
Vehicle Maintenance:				
Other Expenses	453.22	14,445.13	13,277.12	1,168.01
Snow Removal:				
Other Expenses	11,546.91	14,356.51	2,809.60	11,546.91
Public Health Services (Board of Health):				
Salaries and Wages	75.00	75.00		75.00
Other Expenses	168.26	168.26		168.26
Environmental Health Services:				
Other Expenses	1,042.40	1,042.40		1,042.40
Animal Control:				
Other Expenses	2,000.00	2,000.00	1,050.00	950.00
Recreation Services and Programs:				
Salaries and Wages	583.21	583.21		583.21
<b>UTILITY EXPENSE AND BULK PURCHASES</b>				
Utilities	19,479.06	32,519.01	24,501.70	8,017.31
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS</b>				
Sanitary Landfill:				
Other Expenses	9,670.00	40,546.51	40,494.29	52.22
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	11,700.04	11,700.04	4,767.24	6,932.80



BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2019 APPROPRIATION RESERVES

Year Ended December 31, 2020

	Balance December 31, <u>2019</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Stormwater Management:				
Other Expenses	\$ 400.00	\$ 400.00	\$	\$ 400.00
LOSAP First Aid	4,875.00	4,875.00		4,875.00
LOSAP Fire Company	21,974.00	21,974.00	21,974.00	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS				
Southern Monmouth Community Alliance to Prevent Alcoholism and Drug Abuse:				
Other Expenses	310.67	310.67		310.67
Shared Services Wall Public Assistance:				
Other Expenses				
Monmouth County Regional Health Commission	6,167.00	6,167.00		6,167.00
Monmouth County Transportation				
Belmar - Dispatch Services	349.00	349.00		349.00
Spring Lake - Construction	1,982.03	1,982.03		1,982.03
Shared Services Monmouth County Transportation	376.00	376.00	376.00	
County of Monmouth - Pub Safety Ans:				
Other Expenses	2,000.00	2,000.00		2,000.00
Shared Services - Municipal Court				
Capital Improvements:				
Reserve for Fire Equipment	5,854.00	17,500.00	11,702.69	5,797.31
Reserve for Public Works Vehicle and Equipment		9,000.00	9,000.00	
Reserve for Road and Drainage Improvements	4,700.00	8,490.40	3,790.40	4,700.00
Reserve for Police Equipment		20,000.00	20,000.00	
<b>Total General Appropriations</b>	<b>\$ <u>262,142.40</u></b>	<b>\$ <u>539,071.95</u></b>	<b>\$ <u>403,346.30</u></b>	<b>\$ <u>135,725.65</u></b>
	<u>Reference</u>	A		A-1
Appropriation Reserves	A	\$ 262,142.40		
Encumbrances Payable	9-A	<u>276,929.55</u>		
		<u>\$ 539,071.95</u>		
Cash Disbursements	1-A		\$ 358,888.93	
Accounts Payable	A		<u>44,457.37</u>	
			<u>\$ 403,346.30</u>	

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019	A	\$ 276,929.55
Increased by:		
Transferred from 2020 Appropriations	A-3	<u>100,319.52</u>
		377,249.07
Decreased by:		
Transferred to Appropriation Reserves	8-A	<u>276,929.55</u>
Balance, December 31, 2020	A	\$ <u><u>100,319.52</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year Ended December 31, 2020

	<u>Reference</u>		
Balance, December 31, 2019	A	\$	188,173.43
Increased by:			
Cash Receipts	1-A	\$	<u>190,245.27</u>
			<u>190,245.27</u>
			378,418.70
Decreased by:			
Applied to Taxes Receivable	4-A		<u>188,173.43</u>
Balance, December 31, 2020	A	\$	<u><u>190,245.27</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year Ended December 31, 2020

	<u>Reference</u>			
Balance, December 31, 2019	A		\$	17,898.05
Increased by:				
2020 Tax Levy:				
County Tax		\$ 3,115,649.20		
County Library Tax		226,762.33		
County Open Space Fund Tax		<u>363,780.30</u>		
Due County for Added Taxes	A-1,4-A A-1,4-A		\$ 3,706,191.83	
			<u>10,063.17</u>	
				<u>3,716,255.00</u>
				3,734,153.05
Decreased by:				
Cash Disbursements	1-A			<u>3,724,089.88</u>
Balance, December 31, 2020	A		\$	<u><u>10,063.17</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Year Ended December 31, 2020

	<u>Reference</u>			
Balance, December 31, 2019:				
School Tax Payable	A	3,108,135.00		
School Tax Deferred		<u>1,083,894.75</u>		
			\$	4,192,029.75
Increased by:				
Levy (School Year July 1, 2020 to June 30, 2021)	4-A			<u>9,224,250.00</u>
				13,416,279.75
Decreased by:				
Cash Disbursements	1-A	9,185,986.00		
				<u>9,185,986.00</u>
Balance, December 31, 2020:				
School Tax Payable	A	\$ 3,146,399.00		
School Tax Deferred		<u>1,083,894.75</u>		
			\$	<u><u>4,230,293.75</u></u>
<u>2020 Liability for Local District School Tax</u>				
Tax Payable, December 31, 2020	12-A		\$	3,146,399.00
Tax Paid	12-A			<u>9,185,986.00</u>
				12,332,385.00
Less:				
Tax Payable, December 31, 2019	12-A			<u>3,108,135.00</u>
Amount Charged to 2020 Operations	A-1		\$	<u><u>9,224,250.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF INTERFUNDS

Year Ended December 31, 2020

	<u>REF.</u>	<u>TOTAL</u>	<u>TRUST OTHER FUND</u>	<u>UTILITY OPERATING FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2019: Interfunds Receivable	A	\$ 2,966.05	\$ 2,936.05	\$ 30.00	
Receipts	1-A	18,630.67	750.00	30.00	17,850.67
Disbursements	1-A	18,750.67	900.00		17,850.67
2020 Escrow Interest	A-2	<u>924.20</u>	<u>924.20</u>		
Balance, December 31, 2020: Interfunds Receivable	A	\$ <u>4,010.25</u>	\$ <u>4,010.25</u>	\$	

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF FORECLOSED PROPERTY

Year Ended December 31, 2020

Reference

Balance, December 31, 2019  
and December 31, 2020

A

\$ 28,900.00

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year Ended December 31, 2020

	<u>Reference</u>		
Increased by:			
Cash Receipts	1-A	\$ <u>16,728.02</u>	\$ <u>16,728.02</u>
			<u>16,728.02</u>
Decreased by:			
Overpayments Applied to Tax	4-A	<u>16,728.02</u>	\$ <u><u>16,728.02</u></u>



BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX-DUE TO OPEN SPACE TRUST

Year Ended December 31, 2020

	<u>Reference</u>		
Increased by:			
2020 Levy	A-1,4-A	\$	133,234.00
Decreased by:			
Cash Disbursements	1-A	\$	<u>133,234.00</u>

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year Ended December 31, 2020

	Balance December 31, <u>2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2020</u>
Marriage License Fees	\$ 400.00	\$ 750.00	\$ 900.00	\$ 250.00
DCA Training Fees	<u>1,197.24</u>	<u>3,132.98</u>	<u>4,330.22</u>	<u>          </u>
	<u>\$ 1,597.24</u>	<u>\$ 3,882.98</u>	<u>\$ 5,230.22</u>	<u>\$ 250.00</u>
<u>Reference</u>	A	1-A	1-A	A

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year Ended December 31, 2020

	Balance December 31, <u>2019</u>	<u>Increased</u>	Cash <u>Disbursed</u>	Balance December 31, <u>2020</u>
Reserve for:				
Codification	\$ 7,091.40		\$ 3,124.00	\$ 3,967.40
Tax Appeals	30,174.18		4,727.00	25,447.18
Insurance Proceeds		1,884.60		1,884.60
Revaluation	<u>28,106.90</u>			<u>28,106.90</u>
	<u>\$ 65,372.48</u>	<u>\$ 1,884.60</u>	<u>\$ 7,851.00</u>	<u>\$ 59,406.08</u>
<u>Ref</u>	A	1-A	1-A	A

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year Ended December 31, 2020

	Balance December 31, 2019	Increased By Revenue Anticipated 2020	Transferred From Grants Unappropriated	Cash Receipts	Cancelled	Balance December 31, 2020
NCRS Grant	\$ 167,069.02	\$	\$	\$	167,069.02	\$
FEMA Hazard Mitigation	585,000.00			585,000.00		
NJDOT - Emerson		200,000.00				200,000.00
NJDOT - Lake Drive		225,000.00				225,000.00
Monmouth County Open Space		125,000.00				125,000.00
Body Armor Grant		1,759.02		1,759.02		
Clean Communities		12,497.84		12,497.84		
Recycling Tonnage Grant		5,044.00	2,462.22	2,581.78		
Bulletproof Vest		114,106.00				114,106.00
CDBG				5,500.00		
Drive Sober Get Pulled Over Holiday Ch159	5,500.00					
	<u>\$ 757,569.02</u>	<u>\$ 683,406.86</u>	<u>\$ 2,462.22</u>	<u>\$ 607,338.64</u>	<u>\$ 167,069.02</u>	<u>\$ 664,106.00</u>

Reference A A-2 A-1 A

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year Ended December 31, 2020

	Balance December 31, 2019	Prior Year Encumbrances	2020 Authorizations	Cash Disbursements	Transfer to Encumbrances	Cancelled	Balance December 31, 2020
NJ HAVA Section 261	\$ 694.25					\$ 694.25	
NCRS Grant CY13	148,524.10					148,524.10	
Body Armor Replacement Fund			1,759.02				1,759.02
Clean Communities		6,150.00		5,640.00			510.00
FEMA Hazard Mitigation	585,000.00			585,000.00			
NJDOT - Emerson			200,000.00				200,000.00
Clean Communities			12,497.84		6,736.00		5,761.84
Recycling Tonnage			2,462.22				2,462.22
NJDOT - Lake Drive			225,000.00				225,000.00
CDBG			114,106.00				114,106.00
Monmouth County Open Space			125,000.00				125,000.00
Drunk Driving Enforcement CY18	84.52			84.52			
Bulletproof Vest Partnership	4,040.00		5,044.00	2,581.78			2,021.39
Drunk Driving Enforcement	6,160.00			1,958.61	60.00	2,462.22	6,160.00
Distracted Driving	330.00						330.00
Drive Sober Get Pulled Over	2,500.00			179.00			151.00
Drunk Driving Enforcement Ch159	3,630.00			3,630.00			2,500.00
Drive Sober Get Pulled Over Holiday Ch159							
	\$ 750,962.87	\$ 6,150.00	\$ 685,869.08	\$ 599,073.91	\$ 6,796.00	\$ 151,680.57	\$ 685,431.47
Reference	A	A	A-3	1-A	A	A-1	A

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year Ended December 31, 2020

	<u>Reference</u>		
Balance, December 31, 2019	A	\$	2,462.22
Decreased by:			
Transferred to Grants Receivable	19-A	\$	<u>2,462.22</u>

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH - TREASURER

Year Ended December 31, 2020

Reference	Animal Control Fund	Other Trust Funds	Unemployment Compensation Trust Fund	Payroll Fund
Balance, December 31, 2019	B \$ 3,566.83 \$	456,117.65 \$	1,194.40 \$	140,545.07
Increased by Receipts:				
Due State of New Jersey	2-B 390.60			
Due Current Fund	7-B	1,074.20		
Due to Trust Other	1-B	135,000.00		140,000.00
Various Trust Funds	4-B	388,704.17		
Reserve for:				
Animal Control Trust Fund	3-B 1,843.00			
Unemployment Compensation	5-B		12,188.72	
Payroll	6-B			4,143,115.61
		<u>524,778.37</u>	<u>12,188.72</u>	<u>4,283,115.61</u>
	<u>5,800.43</u>	<u>980,896.02</u>	<u>13,383.12</u>	<u>4,423,660.68</u>
Decreased by Disbursements:				
Due State of New Jersey	2-B 390.60			
Due from Payroll Fund	1-B	140,000.00		
Due to Trust Other	1-B			135,000.00
Due to Grant Fund	11-B	2,625.87		
Reserve for:				
Animal Control Trust Fund	3-B 3,594.00			
Various Trust Funds	4-B	535,816.95	473.01	
Unemployment Compensation	5-B			4,143,116.46
Payroll	6-B			4,278,116.46
		<u>678,442.82</u>	<u>473.01</u>	<u>4,278,116.46</u>
Balance, December 31, 2020	B \$ <u>1,815.83 \$</u>	<u>302,453.20 \$</u>	<u>12,910.11 \$</u>	<u>145,544.22</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

Year Ended December 31, 2020

	<u>Reference</u>		
Increased by:			
Cash Receipts	1-B	\$	390.60
Decreased by:			
Cash Disbursements	1-B	\$	<u>390.60</u>



BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Year Ended December 31, 2020

	<u>Reference</u>		
Balance, December 31, 2019	B	\$	3,566.83
Increased by:			
Dog License Fees Collected	1-B	\$	<u>1,843.00</u>
			<u>1,843.00</u>
			5,409.83
Decreased by:			
Expenditures Under R.S. 4:19-15:11	1-B	\$	<u>3,594.00</u>
			<u>3,594.00</u>
Balance, December 31, 2020	B	\$	<u><u>1,815.83</u></u>

License Fees Collected

2019	\$	1,941.00
2018		<u>2,228.00</u>
	\$	<u><u>4,169.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF VARIOUS TRUST FUND RESERVES

Year Ended December 31, 2020

	Balance December 31, 2019	Balance After Modifications	Increase	Decrease	Balance December 31, 2020
Accumulated Absence Trust	\$ 243.67	\$ 243.67	\$	\$	243.67
Cash Performance Bond	303,694.91	303,694.91	36,809.25	249,667.56	90,836.60
Community Center - Donation Rider	945.34	945.34			945.34
Escrow Trust	49,020.40	59,292.20	44,956.00	70,091.35	34,156.85
Fire Safety Trust	899.29	899.29			899.29
Kids Safe Program	57.00	57.00			57.00
Law Enforcement	3,728.22	3,728.22	339.83		4,068.05
Tax Sale Premium	51,900.00	51,900.00	81,100.00	45,900.00	87,100.00
Open Space Trust	512.28	512.28	133,234.00	79,620.00	54,126.28
P.O.A.A.	450.01	450.01			450.01
Public Defender			600.00	600.00	
Recreation Trust	9,275.64	11,550.17	33,055.26	41,499.66	3,105.77
Recycling Trust	44,720.19	44,720.19	6,553.55		51,273.74
Storm Recovery Trust (Snow Removal Formerly)	26,841.07	26,841.07		12,568.99	14,272.08
Police Evidence	4,923.57	4,923.57			4,923.57
Third Party Employment - Police	72,642.81	72,642.81	52,056.28	37,782.54	86,916.55
Water/Sewer Escrow	4,050.00	4,050.00			4,050.00
	\$ 573,904.40	\$ 586,450.73	\$ 388,704.17	\$ 537,730.10	\$ 437,424.80

Reference B

1-B

B

Reserves 4-B 573,904.40  
 Transferred from Encumbrances Payable 8-B 12,546.33

586,450.73

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

UNEMPLOYMENT COMPENSATION TRUST FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION

Year Ended December 31, 2020

	<u>Reference</u>		
Balance, December 31, 2019	B	\$	1,194.40
Increased by:			
Cash Receipts			
Employee Contributions		\$ 11,188.72	
Budget Contribution		<u>1,000.00</u>	
	1-B		<u>12,188.72</u>
			<u>13,383.12</u>
Decreased by:			
Cash Disbursements	1-B	\$ <u>473.01</u>	
			<u>473.01</u>
Balance, December 31, 2020	B	\$	<u><u>12,910.11</u></u>

Schedule 6-B

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL

Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019	B	\$ 5,545.07
Increased by:		
Cash Receipts	1-B	<u>4,143,115.61</u>
		\$ 4,148,660.68
Decreased by:		
Cash Disbursements	1-B	<u>4,143,116.46</u>
Balance, December 31, 2020	B	<u><u>5,544.22</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND

SCHEDULE OF DUE CURRENT FUND

Year Ended December 31, 2020

	<u>Reference</u>	<u>Total</u>	<u>Trust Other Funds</u>
Balance, December 31, 2019			
Due From	B	\$ 2,936.05	\$ 2,936.05
Receipts	1-B	<u>1,074.20</u>	<u>1,074.20</u>
Balance, December 31, 2020			
Due To	B	\$ <u>4,010.25</u>	\$ <u>4,010.25</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019	B	\$ 12,546.33
Increased by:		
Transferred from Reserve for Various Trust Funds	4-B	<u>1,913.15</u>
		14,459.48
Decreased by:		
Transferred to Reserve for Various Trust Funds	4-B	<u>12,546.33</u>
Balance, December 31, 2020	B	<u><u>\$ 1,913.15</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year Ended December 31, 2020  
(UNAUDITED)

	<u>Reference</u>		
Balance, December 31, 2019	B	\$	408,556.75
Increased by:			
Borough Contributions	10-B	\$	27,393.00
Appreciation on Investments	10-B		<u>61,568.31</u>
			<u>88,961.31</u>
			497,518.06
Decreased by:			
Account Charge/Taxes	10-B	\$	1,308.95
Withdrawals	10-B		<u>8,310.92</u>
			<u>9,619.87</u>
Balance, December 31, 2020	B	\$	<u><u>487,898.19</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year Ended December 31, 2020  
(UNAUDITED)

	<u>Reference</u>			
Balance, December 31, 2019	B		\$	408,556.75
Increased by:				
Borough Contributions	9-B	\$		27,393.00
Appreciation on Investments	9-B			<u>61,568.31</u>
				<u>88,961.31</u>
				497,518.06
Decreased by:				
Account Charge/Taxes	9-B	\$		1,308.95
Withdrawals	9-B			<u>8,310.92</u>
				<u>9,619.87</u>
Balance, December 31, 2020	B		\$	<u><u>487,898.19</u></u>



BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND

SCHEDULE OF DUE GRANT FUND

Year Ended December 31, 2020

	<u>Reference</u>	<u>Total</u>	<u>Other Trust Funds</u>
Balance, December 31, 2019			
Due To	B	\$ 2,625.87	\$ 2,625.87
Disbursements	1-B	\$ <u>2,625.87</u>	\$ <u>2,625.87</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

## GENERAL CAPITAL FUND

## SCHEDULE OF CASH - TREASURER

Year Ended December 31, 2020

	<u>Reference</u>		
Balance, December 31, 2019	C		\$ 1,028,700.17
Increased by:			
Premium on Bond Anticipation Notes		\$ 29,848.28	
Due from Utility Fund	14-C	227,623.06	
Bond Anticipation Notes	12-C	<u>3,167,000.00</u>	
			<u>3,424,471.34</u>
			4,453,171.51
Decreased by:			
Improvement Authorizations	7-C	\$ 512,493.14	
Reserve for Encumbrances	10-C	211,473.65	
Various Reserves	9-C	22,390.00	
Bond Anticipation Notes	12-C	<u>3,167,000.00</u>	
			<u>3,913,356.79</u>
Balance, December 31, 2020	C		\$ <u><u>539,814.72</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Year Ended December 31, 2020

		Balance December 31, <u>2020</u>
Capital Improvement Fund	\$	3,015.63
Fund Balance		50,305.05
Reserve for Encumbrances		101,631.85
Grant Receivable		(188,000.00)
Reserve for Various Capital Improvements		54,142.98
Reserve for Debt Service		37,937.76
Unexpended Proceeds of Bond Anticipation Notes:		
Ord 04-2018		240.34
Ord 05-2019		618,651.15
Improvement Authorizations Funded (Listed on Schedule 7-C)		28,644.02
Improvement Authorization Expenditures (Listed on Exhibit 4-C)		<u>(166,754.06)</u>
	\$	<u><u>539,814.72</u></u>
<u>Reference</u>		C

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019	C	\$ 950,000.00
Decreased by:		
Bonds Paid by Budget Appropriation	5-C	<u>120,000.00</u>
Balance, December 31, 2020	C	\$ <u><u>830,000.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year Ended December 31, 2020

Ordinance No.	Improvement Description	Balance December 31, 2019	Funded by Budget Appropriation	Balance December 31, 2020	Bond Anticipation Notes	Analysis of Balance		Unexpended Improvement Authorizations
						Expenditures		
10-2008	Improvements to Beverly Avenue	\$ 74,488.92	\$	\$ 74,488.92	\$	\$ 22,484.09	\$	52,004.83
15-2010	Improvements to Park Avenue	150,000.00		150,000.00		143,769.97		6,230.03
17-2011	Various Capital Improvements and Acquisition of Various Equipments	500.00		500.00		500.00		
03-2017	Various Capital Improvements	636,000.00	34,000.00	602,000.00	602,000.00			
04-2018	Various Capital Improvements	1,615,000.00		1,615,000.00	1,615,000.00			
05-2019	Various Capital Improvements	950,000.00		950,000.00	950,000.00			
		<u>\$ 3,425,988.92</u>	<u>34,000.00</u>	<u>\$ 3,391,988.92</u>	<u>\$ 3,167,000.00</u>	<u>166,754.06</u>		<u>58,234.86</u>
<u>Reference</u>		C	12-C	C	12-C	2-C		7-C
	Improvement Authorizations - Unfunded						\$	677,126.35
	Less Unexpended Proceeds of BANs Issued:							
	Ord 04-2018			\$		(240.34)		
	Ord 05-2019					(618,651.15)		
							\$	(618,891.49)
								<u>58,234.86</u>

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>	<u>Interest Rate</u>	<u>Balance December 31, 2019</u>	<u>Decreased</u>	<u>Balance December 31, 2020</u>
General Improvements	12/29/11	1,740,000.00	12/1/21 \$ 125,000.00 12/1/22 130,000.00 12/1/23 135,000.00 12/1/24 145,000.00 12/1/25 145,000.00 12/1/26 150,000.00	5.00% 4.00% 4.00% 3.00% 3.00% 3.00%			
					\$ 950,000.00	\$ 120,000.00	\$ 830,000.00
					\$ 950,000.00	\$ 120,000.00	\$ 830,000.00
					C	3-C	C

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Year Ended December 31, 2020

Reference

Balance, December 31, 2019 and 2020	C	\$ <u>188,000.00</u>
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Analysis of Balance

I/A # 10-2012 Monmouth County Open Space Grant Program		\$ <u>188,000.00</u>
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		\$ <u>188,000.00</u>
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BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year Ended December 31, 2020

Ordinance Date	Improvement Description	Balance 12/31/2019		Paid or Charged	Encumbrances Canceled	Balance 12/31/2020		Reference
		Funded	Unfunded			Funded	Unfunded	
10-08	Improvements to Beverly Avenue	\$	\$	\$	\$	\$	\$	
15-10	Improvements to Park Avenue		52,004.83				52,004.83	
09-11	Handicapped Accessible Improvements to Allaire Park Road		6,230.03				6,230.03	
17-11	Various Capital Improvements and Acquisition of Various Equipment	18,425.38		68,502.42		18,425.38		
9-12	Public Facility Improvements	68,002.42	500.00					
10-12	Improvements to Ocean Rd/Allaire Rd Park	4,010.00				4,010.00		
06-15	Fire Equipment/Vehicle Purchase	6,203.44				6,203.44		
03-17	Various Capital Improvements	5.20		51,884.33		5.20		
04-18	Various Capital Improvements			335,938.40	20,640.17		240.34	
05-19	Various Capital Improvements			93,533.69	472.20		618,651.15	
		\$	\$	\$	\$	\$	\$	
		96,646.44	1,137,870.40	549,858.84	21,112.37	28,644.02	677,126.35	
		C	C		10-C	C; 2-C	C; 4-C	

Cash Disbursed  
 Reserve for Encumbrances

\$ 512,493.14  
 37,365.70

\$ 549,858.84



BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019 and 2020	C	\$ <u>3,015.63</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR VARIOUS CAPITAL IMPROVEMENTS

Year Ended December 31, 2020

	Balance December 31, <u>2019</u>	<u>Decreased</u>	Balance December 31, <u>2020</u>
Public Works Vehicle and Equipment	\$ 5,028.74		\$ 5,028.74
Fire Equipment	30,100.00	13,871.00	16,229.00
Road and Drainage Improvements	28,200.00	4,360.00	23,840.00
Public Works Vehicle	1,372.53		1,372.53
Preliminary Costs - Site Remediation	58.45		58.45
Public Works Vehicle and Equipment	796.26		796.26
Fire Equipment	4,637.00		4,637.00
Road and Drainage Improvements	340.00	340.00	
Fire Emergency Notification System	<u>10,000.00</u>	<u>7,819.00</u>	<u>2,181.00</u>
	<u>\$ 80,532.98</u>	<u>\$ 26,390.00</u>	<u>\$ 54,142.98</u>
	<u>Ref.</u>	C	C
Cash Disbursed	1-C	\$ 22,390.00	
Reserve for Encumbrances	10-C	<u>4,000.00</u>	
		<u>\$ 26,390.00</u>	

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Year Ended December 31, 2020

	<u>Reference</u>	<u>Various Reserves</u>	<u>Improvement Authorizations</u>	<u>Total</u>
Balance, December 31, 2019	C	\$ 2,400.00	\$ 290,452.17	\$ 292,852.17
Increased by				
Transferred from:				
Improvement Authorizations	7-C		37,365.70	37,365.70
Various Reserves	9-C	4,000.00		4,000.00
		<u>4,000.00</u>	<u>37,365.70</u>	<u>41,365.70</u>
		<u>6,400.00</u>	<u>327,817.87</u>	<u>334,217.87</u>
Decreased by:				
Cash Disbursements	1-C		211,473.65	211,473.65
Cancelled	7-C		21,112.37	21,112.37
			<u>232,586.02</u>	<u>232,586.02</u>
Balance, December 31, 2020	C	<u>\$ 6,400.00</u>	<u>\$ 95,231.85</u>	<u>\$ 101,631.85</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE TO/FROM CURRENT FUND

Year Ended December 31, 2020

Not Applicable in 2020

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year Ended December 31, 2020

Ordinance Number	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2019	Increase	Decrease	Balance December 31, 2020
2017-03	Various Capital Improvements	10/10/2019	10/9/2020	1.46%	\$ 636,000.00	\$ 602,000.00	\$ 636,000.00	602,000.00
2017-03	Various Capital Improvements	10/9/2021	10/7/2021	1.00%		602,000.00		
2018-04	Various Capital Improvements	10/10/2019	10/9/2020	1.46%	1,615,000.00		1,615,000.00	1,615,000.00
2018-04	Various Capital Improvements	10/9/2021	10/7/2021	1.00%		1,615,000.00		
2019-05	Various Capital Improvements	10/10/2019	10/9/2020	1.46%	950,000.00		950,000.00	1,615,000.00
2019-05	Various Capital Improvements	10/9/2021	10/7/2021	1.00%		950,000.00		
					<u>\$ 3,201,000.00</u>	<u>\$ 3,167,000.00</u>	<u>\$ 3,201,000.00</u>	<u>\$ 3,167,000.00</u>

Reference

1-C, 4-C

C

C, 4-C

Cash Disbursed  
 Budget Appropriation

3,167,000.00  
34,000.00

3,201,000.00

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year Ended December 31, 2020

Ordinance No.	<u>Improvement Description</u>	Balance December 31, 2019	Balance December 31, 2020
10-2008	Improvements to Beverly Avenue	\$ 74,488.92	\$ 74,488.92
15-2010	Improvements to Park Avenue	150,000.00	150,000.00
17-2011	Various Capital Improvements and Acquisition of Various Equipment	<u>500.00</u>	<u>500.00</u>
		<u>\$ 224,988.92</u>	<u>\$ 224,988.92</u>
		C	C

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE TO/FROM UTILITY FUND

Year Ended December 31, 2020

Reference

Balance, December 31, 2019	C	\$ 227,623.06
Receipts	1-C	\$ <u>227,623.06</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

Year Ended December 31, 2020

	Reference	Operating	Capital
Balance, December 31, 2019	D	\$ 453,157.17	\$ 1,129,853.04
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	D-3	\$ 30,573.93	\$
Consumer Accounts Receivable	D-3	2,216,927.99	
Overpayments	9-D	6,691.89	
Due from Current Fund	20-D	140.00	
Due from Grant Fund	18-D		1,085,000.00
Proceeds- Bond Anticipation Notes	17-D		3,000,000.00
		2,254,333.81	4,085,000.00
		<u>2,707,490.98</u>	<u>5,214,853.04</u>
Decreased by Disbursements:			
2020 Budget Appropriations	D-4	2,132,420.91	
2019 Appropriation Reserves	7-D	49,476.10	
Accrued Interest	15-D	54,673.18	
Contracts Payable	16-D		85,520.36
Various Utility Capital Reserves	19-D		67,743.84
Bond Anticipation Notes	17-D		3,000,000.00
Improvement Authorizations	11-D		110,243.98
Due from Current Fund	20-D	170.00	
Due to General Capital Fund	21-D	227,623.06	
		2,464,363.25	3,263,508.18
Balance, December 31, 2020	D	\$ 243,127.73	\$ 1,951,344.86



BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF WATER/SEWER UTILITY CAPITAL CASH

Year Ended December 31, 2020

	Balance December 31, <u>2020</u>
Capital Improvement Fund	\$ 34,285.62
Encumbrances Payable	136,496.40
Fund Balance	3,359.93
Reserve to Pay Debt Service	3,145.91
Various Utility Capital Reserves	101,381.13

<u>Ordinance Number</u>	<u>Improvement Description</u>	
02-06	Water Meter Upgrades	1,248.46
01-14	Various Improvements	4,242.44
03-2016	Utility Jet-Vac Vehicle	97.00
04-2017	Various Improvements	146,317.52
05-2018	Various Improvements	<u>1,520,770.45</u>
		\$ <u><u>1,951,344.86</u></u>

Reference 1-D

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year Ended December 31, 2020

	<u>Reference</u>		
Balance, December 31, 2019	D	\$	80,079.18
Increased by:			
Water Sewer Rents Levied			<u>2,236,419.35</u>
			2,316,498.53
Decreased by:			
Collections	D-3,1-D	\$	2,216,927.99
Overpayments Applied	D-3;9-D		10,648.14
Transferred to Lien	4-D		<u>975.00</u>
			<u>2,228,551.13</u>
Balance, December 31, 2020	D	\$	<u><u>87,947.40</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF UTILITY LIENS RECEIVABLE  
Year Ended December 31, 2020

	<u>Reference</u>		
Balance, December 31, 2019	D	\$	7,948.43
Increased by:			
Transferred from 2020 Consumer Accounts	3-D	\$	<u>975.00</u>
			<u>975.00</u>
Balance, December 31, 2019 and 2020	D	\$	<u><u>8,923.43</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year Ended December 31, 2020

<u>Improvement Description</u>	<u>Balance</u> <u>December 31,</u> <u>2019 and 2020</u>
Walls, Pumping Stations and Equipment	\$ 420,852.83
Distribution Mains and Accessories	156,422.80
Land	340.00
Engineering Fees	7,545.55
Interest During Construction	2,823.66
Legal and Accounting Fees	4,715.01
Miscellaneous	1,842.46
Water Towers, Pumps and Equipment	96,487.80
Construction of Well (Year 1978)	75,000.00
Construction of Storage Tank with Pumping Station (Year 1979)	300,000.00
Purchase and Installation of Pipes and Accessories	27,500.00
Improvement to Wells (Year 1986)	134,000.00
Improvement to Wells (Year 1990)	60,000.00
Improvement to Water Treatment Plant Old Mill Road (Year 1990)	231,328.42
Construction of Three Bay Garage and Various Improvements (Year 1994)	109,264.33
Construction of Sewer Mains	669,725.22
Construction of Force Mains	95,670.00
Construction of Sewer Plant	316,369.33
Land and Easements	28,829.00
Engineering Fees	60,840.65
Interest During Construction	52,268.81
Inspection Fees	20,342.31
Legal and Accounting Fees	15,818.00
Other Costs	3,401.27
Equipment	5,000.00
Rehabilitation of Water Storage Tanks	180,000.00
Hydrant Replacement/Repair	4,629.00
Water Service Installation/Maintenance	1,892.11
Water Meter Upgrades-Acquisition of Equipment (Ord 04-04)	351,923.96
Utility Improvements (Ord 14-07;11-11)	53,866.95
	<hr/>
	\$ 3,488,699.47
	<hr/> <hr/>

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY  
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Description</u>	Balance December 31, 2019	Increased	Balance December 31, 2020
02-06/04-11	Water Meter Upgrades-Acquisition of Equipment	\$ 805,125.00	\$	\$ 805,125.00
01-2014	Various Capital Improvements	175,000.00		175,000.00
03-2016	Utility Jet-Vac Vehicle	77,000.00		77,000.00
04-2017	Various Improvements	250,000.00		250,000.00
05-2018	Various Improvements	3,000,000.00		3,000,000.00
08-2020	Various Improvements		2,900,000.00	2,900,000.00
		\$ 4,307,125.00	\$ 2,900,000.00	\$ 7,207,125.00
	<u>Reference</u>	D	11-D	D

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

SCHEDULE OF APPROPRIATION RESERVES

Year Ended December 31, 2020

	Balance December 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 1,804.79	\$ 1,804.79		\$ 1,804.79
Other Expenses	5,772.18	25,420.29	22,126.01	3,294.28
NJSWA Raw Water Charge	22,801.02	59,651.11	36,850.09	22,801.02
South Monmouth Regional Sewer Authority Wall Twp. Sewer Charges	3,212.71	3,212.71		3,212.71
Statutory Expenditures:	3,861.17	3,861.17		3,861.17
Contributions to:				
Social Security System (O.A.S.I.)	3,054.61	3,054.61		3,054.61
	<u>\$ 40,506.48</u>	<u>\$ 97,004.68</u>	<u>\$ 58,976.10</u>	<u>\$ 38,028.58</u>

Reference D D-1

Appropriation Reserves	\$ 40,506.48
Encumbrances Payable	<u>56,498.20</u>
	<u>\$ 97,004.68</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE  
Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019	D	\$ 56,498.20
Increased by:		
Charged to Budget Appropriations	D-4	<u>17,628.04</u>
		74,126.24
Decreased by:		
Transferred to Appropriation Reserves	7-D	<u>56,498.20</u>
Balance, December 31, 2020	D	<u><u>\$ 17,628.04</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF WATER/SEWER OVERPAYMENTS

Year Ended December 31, 2020

	<u>Reference</u>		
Balance, December 31, 2019	D	\$	10,648.14
Increased by:			
Cash Receipts	1-D		<u>6,691.89</u>
			17,340.03
Decreased By:			
Applied	3-D	\$	<u>10,648.14</u>
			<u>10,648.14</u>
Balance, December 31, 2020	D	\$	<u><u>6,691.89</u></u>



BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019 and 2020	D	\$ <u>34,285.62</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year Ended December 31, 2020

Ordinance Number	Description	Ordinance Amount	Balance December 31, 2019		2020 Authorizations	Paid or Charged	Encumbrances Payable Canceled	Reimbursements	Balance December 31, 2020	
			Funded	Unfunded					Funded	Unfunded
02-06/04-11	Water Meter Upgrades- Acquisition of Equipment	\$ 805,125.00	\$ 1,248.46	\$	\$	\$	\$	\$	\$ 1,248.46	\$
01-2014	Various Capital Improvements	175,000.00	4,242.44						4,242.44	
03-2016	Utility Jet-Vac Vehicle	77,000.00	97.00						97.00	
04-2017	Various Improvements	250,000.00	146,317.52						146,317.52	
05-2018	Various Improvements	3,000,000.00		847,547.07		246,740.38	334,963.76	585,000.00		1,520,770.45
08-2020	Various Improvements	2,900,000.00			2,900,000.00					2,900,000.00
		\$	<u>151,905.42</u>	<u>847,547.07</u>	<u>2,900,000.00</u>	<u>246,740.38</u>	<u>334,963.76</u>	<u>585,000.00</u>	<u>151,905.42</u>	<u>4,420,770.45</u>

Reference	D	D	D	D	6-D	16-D	18-D	D	D
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Cash Disbursed  
Reserve for Encumbrances

1-D	\$ 110,243.98
11-D	<u>136,496.40</u>
	\$ <u>246,740.38</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019	D	\$ 3,480,781.25
Increased by:		
Serial Bond Payment	14-D	<u>75,000.00</u>
Balance, December 31, 2020	D	<u>\$ 3,555,781.25</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance December 31, 2019</u>	<u>Balance December 31, 2020</u>
02-06/04-11	Water Meter Upgrades-Acquisition of Equipment	02/27/2006	\$ 658,043.22	\$ 658,043.22
01-2014	Various Capital Improvements	01/27/2014	175,000.00	175,000.00
03-2016	Utility Jet-Vac Vehicle	06/13/2016	77,000.00	77,000.00
04-2017	Various Improvements	04/24/2017	250,000.00	250,000.00
			<u>\$ 1,160,043.22</u>	<u>\$ 1,160,043.22</u>
		<u>Reference</u>	D	D

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY  
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Date</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>	<u>Interest Rate</u>	<u>Balance December 31, 2019</u>	<u>Decreased</u>	<u>Balance December 31, 2020</u>
Serial Bonds	12/1/11	\$ 645,000.00	12/1/2021	\$ 80,000.00	5.00%	\$ 155,000.00	\$ 75,000.00	\$ 80,000.00
						\$ 155,000.00	\$ 75,000.00	\$ 80,000.00

Reference

D

D-12

D

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019	D	\$ 10,622.67
Increased by:		
Budget Appropriation	D-4	51,301.51
		61,924.18
Decreased by:		
Cash Disbursement	1-D	54,673.18
		54,673.18
Balance, December 31, 2020	D	\$ <u>7,251.00</u>

Analysis of Balance - December 31, 2020

	<u>Outstanding December 31, 2020</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Days</u>	<u>Amount</u>
Serial Bonds:						
\$80,000.00	5.00%	12/01/20	12/31/20	30	\$	334.00
Bond Anticipation Notes:						
3,000,000.00	1.00%	10/09/20	12/31/20	83		6,917.00
					\$	7,251.00

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

Year Ended December 31, 2020

	<u>Reference</u>		
Balance, December 31, 2019	D	\$	420,484.12
Increased by:			
Improvement Authorizations	11-D		136,496.40
		\$	<u>556,980.52</u>
Decreased by:			
Cash Disbursements	1-D	\$	85,520.36
Canceled to Improvement Authorizations	11-D		<u>334,963.76</u>
			<u>420,484.12</u>
Balance, December 31, 2020	D	\$	<u><u>136,496.40</u></u>

BOROUGH OF SPRING LAKE HEIGHTS  
 COUNTY OF MONMOUTH, NEW JERSEY  
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2019	Increased	Decreased	Balance December 31, 2020
05-2018	Various Improvements	10/11/2018	10/10/2019	10/9/2020	1.46%	\$ 1,385,000.00	\$ 1,385,000.00	\$ 1,385,000.00	\$ 1,385,000.00
05-2018	Various Improvements	10/11/2018	10/8/2020	10/7/2021	1.00%		1,385,000.00		1,385,000.00
05-2018	Various Improvements	10/9/2019	10/10/2019	10/9/2020	1.46%	1,615,000.00		1,615,000.00	1,615,000.00
05-2018	Various Improvements	10/9/2019	10/8/2020	10/7/2021	1.00%		1,615,000.00		1,615,000.00
						<u>\$ 3,000,000.00</u>	<u>\$ 3,000,000.00</u>	<u>\$ 3,000,000.00</u>	<u>\$ 3,000,000.00</u>

Reference

D

1-D

1-D

D



BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY  
  
WATER/SEWER UTILITY CAPITAL FUND  
  
SCHEDULE OF DUE FROM GRANT FUND  
  
Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019	D	\$ 500,000.00
Decreased By:		
Cash Receipts	1-D	\$ <u>500,000.00</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR VARIOUS UTILITY CAPITAL IMPROVEMENTS

Year Ended December 31, 2020

	Balance December 31, <u>2019</u>	<u>Decreased by</u> Cash <u>Disbursed</u>	Balance December 31, <u>2020</u>
Sewer System Improvements	\$ 11,006.06		\$ 11,006.06
Public Works Vehicles and Equipment	70,240.55	\$ 46,029.85	24,210.70
Metering Equipment	562.24		562.24
Hydrant and Valve Replacement	78.56		78.56
Sewer Replacement	37,272.00		37,272.00
Preliminary Expenses	1,104.96		1,104.96
Vehicles and Equipment	28,500.11	3,375.00	25,125.11
Hydrant and Valve Replacement	<u>20,360.49</u>	<u>18,338.99</u>	<u>2,021.50</u>
	<u>\$ 169,124.97</u>	<u>\$ 67,743.84</u>	<u>\$ 101,381.13</u>
<u>Reference</u>	D	1-D	D

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF DUE FROM/TO CURRENT FUND

Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019 (Due to)	D	\$ 30.00
Increased by:		
Cash Disbursements	1-D	<u>140.00</u>
		170.00
Decreased By:		
Cash Receipts	1-D	<u>\$ 170.00</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF DUE TO GENERAL CAPITAL FUND

Year Ended December 31, 2020

	<u>Reference</u>	
Balance, December 31, 2019	D	\$ 227,623.06
Decreased By:		
Cash Disbursements	1-D	\$ <u>227,623.06</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Description</u>	<u>Improvement Authorizations</u>	<u>Balance December 31, 2020</u>
08-2020	Various Improvements	\$ <u>2,900,000.00</u>	\$ <u>2,900,000.00</u>
		\$ <u>2,900,000.00</u>	\$ <u>2,900,000.00</u>
	<u>REF.</u>	11-D	D

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MOMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF CASH - TREASURER

Year Ended December 31, 2020

	<u>Reference</u>	<u>P.A.T.F. Account I</u>	<u>P.A.T.F. Account II</u>	<u>Total</u>
Balance, December 31, 2019 and 2020	E	\$ <u>3,500.00</u>	\$ <u>11,633.94</u>	\$ <u>15,133.94</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF CASH AND RECONCILIATION PER N.J.S.A. 40A:5-5

	<u>Reference</u>			
Balance, December 31, 2020 and June 30, 2021	1-E	\$		\$ <u>15,133.94</u>
	<u>P.A.T.F. Account I</u>		<u>P.A.T.F. Account II</u>	<u>Fund Total</u>
Balance on Deposit Ocean First Bank Account # 13006008296	\$ 3,500.00	\$		\$ 3,500.00
Account # 13006008304	<u>                    </u>		<u>11,633.94</u>	<u>11,633.94</u>
Balance, June 30, 2021	\$ <u>3,500.00</u>	\$	<u>11,633.94</u>	\$ <u>15,133.94</u>

BOROUGH OF SPRING LAKE HEIGHTS  
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF CASH AND RECONCILIATION

Year Ended December 31, 2020

	<u>Reference</u>		
Balance, December 31, 2019 and 2020	E	\$	<u>15,133.94</u>
	<u>P.A.T.F. Account I</u>	<u>P.A.T.F. Account II</u>	<u>Fund Total</u>
Balance on Deposit Ocean First Bank Account # 13006008296	\$ 3,500.00	\$	\$ 3,500.00
Account # 13006008304	<u>                    </u>	<u>11,633.94</u>	<u>11,633.94</u>
Balance, December 31, 2020	<u>\$ 3,500.00</u>	<u>\$ 11,633.94</u>	<u>\$ 15,133.94</u>



BOROUGH OF SPRING LAKE HEIGHTS

PART II

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

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

	YEAR 2020		YEAR 2019	
	AMOUNT	%	AMOUNT	%
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 550,000.00	2.64%	\$ 450,000.00	2.27%
Miscellaneous - From Other Than Local				
Property Tax Levies	2,181,685.03	10.47%	1,454,016.02	7.33%
Collection of Delinquent Taxes and Tax Title Liens	191,620.33	0.92%	169,512.33	0.85%
Collection of Current Tax Levy	17,915,919.96	85.97%	17,761,868.05	89.55%
<b>TOTAL INCOME</b>	<b>\$ 20,839,225.32</b>	<b>100.00%</b>	<b>\$ 19,835,396.40</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
Budget Expenditures	\$ 7,048,518.49	34.74%	\$ 6,397,502.02	33.19%
County Taxes	3,716,255.00	18.32%	3,615,477.30	18.76%
Local School Taxes	9,224,250.00	45.46%	9,129,575.00	47.36%
Municipal Open Space/Recreation Tax	133,234.00	0.66%	130,563.00	0.68%
Other Expenditures	167,243.22	0.82%	2,966.05	0.02%
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,289,500.71</b>	<b>100.00%</b>	<b>\$ 19,276,083.37</b>	<b>100.00%</b>
Excess in Revenue	\$ 549,724.61		\$ 559,313.03	
Fund Balance, January 1	893,047.38		783,734.35	
	\$ 1,442,771.99		\$ 1,343,047.38	
Less: Utilization as Anticipated Revenue	550,000.00		450,000.00	
Fund Balance, December 31	\$ 892,771.99		\$ 893,047.38	

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

	<u>DECEMBER 31, 2020</u>		<u>DECEMBER 31, 2019</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 100,000.00	4.17%	\$ 200,000.00	8.19%
Water and Sewer Rents and Charges	2,227,576.13	92.96%	2,172,355.49	88.98%
Miscellaneous	68,602.51	2.86%	68,940.72	2.82%
<u>TOTAL INCOME</u>	<u>\$ 2,396,178.64</u>	<u>100.00%</u>	<u>\$ 2,441,296.21</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Operating	\$ 2,067,445.00	90.94%	\$ 2,178,224.00	90.69%
Capital Improvements		0.00%	19,051.39	0.79%
Debt Service	126,301.51	5.56%	114,059.53	4.75%
Deferred Charges/Statutory Expenditures	79,555.00	3.50%	90,474.61	3.77%
<u>TOTAL EXPENDITURES</u>	<u>\$ 2,273,301.51</u>	<u>100.00%</u>	<u>\$ 2,401,809.53</u>	<u>100.00%</u>
Excess in Revenue	\$ 122,877.13		\$ 39,486.68	
Fund Balance, January 1	\$ 107,228.62		\$ 267,741.94	
	\$ 230,105.75		\$ 307,228.62	
Less:				
Fund Balance Utilized	100,000.00		200,000.00	
	100,000.00		200,000.00	
Fund Balance, December 31	<u>\$ 130,105.75</u>		<u>\$ 107,228.62</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>1.358</u>	<u>1.372</u>	<u>1.410</u>
Apportionment of Tax Rate:			
Municipal	0.387	0.395	0.396
County	0.278	0.277	0.289
Local School	0.693	0.700	0.725

ASSESSED VALUATIONS:

2020	<u>\$1,332,342,300.00</u>		
2019		<u>\$1,303,504,600.00</u>	
2018			<u>\$1,240,340,300.00</u>

EQUALIZED VALUATIONS - REAL PROPERTY

2020	<u>\$1,320,458,176.00</u>		
2019		<u>\$1,310,713,524.00</u>	
2018			<u>\$1,270,449,964.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTION</u>	<u>PERCENTAGE OF COLLECTIONS</u>
2020	\$18,144,671.77	\$17,917,984.73	98.75%
2019	17,973,549.64	17,761,868.05	98.82%
2018	17,548,187.38	17,332,710.38	98.77%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2020	\$54,817.40	\$206,110.99	\$260,928.39	1.44%
2019	48,667.02	193,109.80	241,776.82	1.35%
2018	42,454.60	169,512.33	211,966.93	1.21%

COMPARISON OF UTILITY RENTS LEVIED

	<u>YEAR</u>	<u>LEVY</u>	<u>PRIOR YEAR DELINQUENT</u>	<u>CASH COLLECTIONS</u>
Water/Sewer	2020	\$2,236,419.35	\$80,079.18	\$2,226,285.05
Utility Fund	2019	2,198,396.73	55,112.94	2,172,355.49
	2018	2,188,719.64	108,947.62	2,241,579.32

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2020	\$892,771.99	\$550,000.00
	2019	893,047.38	550,000.00
	2018	783,734.35	450,000.00
	2017	743,425.87	450,000.00
	2016	745,566.94	450,000.00

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Water/Sewer Utility Operating Fund	2020	\$130,105.75	\$120,000.00
	2019	107,228.62	100,000.00
	2018	267,741.94	200,000.00
	2017	365,770.20	150,000.00
	2016	694,878.81	450,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Christopher Campion, Jr	Mayor	*
William Graetz	Council President	*
James Shuler	Councilmember	*
John Casagrande	Councilmember	*
Leonard Capristo	Councilmember	*
Sara King	Councilmember	*
Christopher Willms	Councilmember	*
Thomas X. Seaman	Chief Financial Officer	*
Mary Ellen Karamus	Tax/Water-Sewer Collector	*
John Barrett	Borough Administrator	*
Janine Gillis	Borough Clerk	*
Colin Quinn	Municipal Court Judge	*
Dennis A. Collins Esq.	Borough Attorney	

The Borough maintains Employee Dishonesty Coverage for all municipal employees through the Monmouth County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.

The Government Crime Policy coverage is as follows:

Employee Theft - Per Loss Coverage	\$1,000,000.00
Forgery or Alteration	1,000,000.00
Inside the Premises - Theft of Money and Securities	100,000.00
Inside the Premises - Robbery or Safe Burglary of Other Property	100,000.00
Outside the Premises - Computer Fraud	1,000,000.00
Funds Transfer Fraud	1,000,000.00

All of the Bonds were examined and appear to be properly executed.

COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

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

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

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

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

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

Real Property Data Collection and Verification Services

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$44,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

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

Auditor  
Financial Reporting and Accounting Services  
Labor Counsel  
Engineering Services  
Legal Services



COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 6, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, real estate taxes are payable on February 1, May 1, August 1 and November 1 of each year, and other assessments are due and payable on dates set forth on the statements assessing said charges; and

WHEREAS, N.J.S.A. 54:67 provides for the fixing rates of interest on delinquent taxes;

NOW, THEREFORE, BE IT RESOLVED that all taxes and assessments are and shall be due on the date stated and, if not paid by said date same shall become delinquent.

The Borough Collector shall collect interest on taxes at the maximum legally allowable rate of 8% under \$1,500.00 and 18% for \$1,500.00 and over, including the provision for an additional 6% for accounts of \$10,000.00 or more. The Collector's ruling of legally allowable amounts shall rule in all instances of all balances delinquent. The provisions for a "grace period" of 10 days for taxes and 30 days for water and sewer shall be computed from the due date printed on the bill to and including the date of actual payment.

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

TAX TITLE LIENS

The last tax sale was held on December 11, 2020 and was complete.

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

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

<u>YEAR</u>	<u>NUMBER</u>
2020	1
2019	1
2018	1

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2020 Taxes	25
Delinquent Taxes	25
Payment of Water/Sewer Utility Rents	25
Delinquent Water/Sewer Utility Rents	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule, all interfund balances should be closed out as of the end of the year. It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

Purchasing

Per N.J.A.C. 5-:30-4 all contracts entered into under N.J.S.A 40A:11-1 et seq. require that the awarding resolution must include the maximum dollar value of the contract. Our examination of Professional Service Contract awards revealed that the resolutions awarding these contracts did not include a maximum dollar value. This amount however was included in the published notice of the award in the designated newspaper. Further, our testing revealed that in three cases the contract award maximum dollar amount was exceeded without obtaining additional authorization of the governing body.

## RECOMMENDATIONS

That all contracts awarded under N.J.S.A. 40A:11-1 et seq include a maximum dollar amount in accordance with N.J.A.C. 5:30-5.4.



