

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY**

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2020**

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COUNTY OF MONMOUTH, NEW JERSEY
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COUNTY OF MONMOUTH, NEW JERSEY
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**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Keansburg
Keansburg, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

As described in Note 1, the financial statements are prepared by the Borough of Keansburg on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

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

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough, as of December 31, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2020 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 2, 2021 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
June 2, 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**

Honorable Mayor and Members
of the Borough Council
Borough of Keansburg
Keansburg, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Keansburg, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 2, 2021. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
June 2, 2021

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

<u>Assets</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Cash and Investments - Treasurer	A-4	\$ 7,114,256.95	\$ 6,843,964.99
Change Fund and Petty Cash Fund	A-5	625.00	625.00
Due From State of New Jersey - Chap. 73, P.L. 1976	A-6	<u>3,585.23</u>	<u>4,585.23</u>
		<u>7,118,467.18</u>	<u>6,849,175.22</u>
Receivables and Other Assets With Full Reserves:			
Taxes Receivable	A-7	655,476.15	739,144.17
Tax Title Liens	A-8	182,367.85	335,604.44
Property Acquired for Taxes			
Assessed Valuation	A-9	307,010.40	186,800.00
Due from Animal Control	B	<u>787.32</u>	<u>236.20</u>
		<u>1,145,641.72</u>	<u>1,261,784.81</u>
Deferred Charges:			
Community Disaster Loan	A	1,810,730.62	1,784,183.84
Special Emergency Appropriations	A	<u>240,000.00</u>	<u>300,000.00</u>
		<u>2,050,730.62</u>	<u>2,084,183.84</u>
Total Operating Fund		<u>10,314,839.52</u>	<u>10,195,143.87</u>
State and Federal Grant Fund:			
Cash	A-4	3,287.17	18,993.84
Grants Receivable	A-24	<u>436,548.48</u>	<u>376,548.48</u>
Total Grant Fund		<u>439,835.65</u>	<u>395,542.32</u>
Total Assets		<u>\$ 10,754,675.17</u>	<u>\$ 10,590,686.19</u>

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - 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	A-3	\$ 2,001,182.90	\$ 1,025,221.52
Accounts Payable	A-14	348,884.87	287,754.18
Encumbrances Payable	A-15	288,915.40	868,480.38
Prepaid Taxes	A-16	172,998.10	165,532.81
County Taxes Payable	A-19	5,509.23	8,832.39
Community Disaster Loan - Payable	A	1,623,250.17	1,623,250.17
Community Disaster Loan - Interest Payable	A	187,480.45	160,933.67
School Taxes Payable	A-18	-	73,995.42
Outside Liens Payable	A-20	-	94,557.99
Payroll Deductions Payable	A-21	401,159.00	90,620.82
Due to Trust Other Fund	B	-	31,612.00
Due To State of New Jersey:			
Marriage License Fees	A-22	648.00	798.00
Reserve for:			
FEMA	A-23	20.00	-
Revaluation	A-23	9,614.75	324,614.75
Demolitions	A-23	49,178.40	49,178.40
Tax Appeals	A-23	200,000.00	200,000.00
		<u>5,288,841.27</u>	<u>5,005,382.50</u>
Reserve for Receivables	A	1,145,641.72	1,261,784.81
Fund Balance	A-1	<u>3,880,356.53</u>	<u>3,927,976.56</u>
		<u>10,314,839.52</u>	<u>10,195,143.87</u>
Total Operating Fund			
State and Federal Grant Fund:			
Encumbrances Payable	A-25	133.35	133.35
Due to General Capital	A	50,000.00	-
Reserve for Grants:			
Appropriated	A-11	360,918.17	350,439.51
Unappropriated	A-12	28,784.13	44,969.46
		<u>439,835.65</u>	<u>395,542.32</u>
Total Grant Fund			
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,754,675.17</u>	<u>\$ 10,590,686.19</u>

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 2,000,000.00	\$ 2,000,000.00
Miscellaneous Revenues Anticipated	4,401,509.36	3,933,873.09
Receipts From Delinquent Taxes	804,413.03	749,924.26
Receipts From Current Taxes	18,407,961.76	17,802,534.53
Non-Budget Revenue	214,093.94	249,397.61
Other Credit To Income:		
Interfunds Returned	236.20	-
Unexpended Balance of Appropriation Reserves	931,043.37	685,783.58
Cancel Outstanding Checks	-	245,430.07
Cancellation of Hurricane Sandy Reserve	-	12,454.21
Cancellation of Grants Reserves	-	27,290.79
CDL Loan Interest Accrual	26,546.78	26,546.78
Cancellation of Accounts Payable	25,234.63	21,676.00
	<hr/>	<hr/>
Total Revenue	26,811,039.07	25,754,910.92
	<hr/>	<hr/>
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	7,391,868.00	7,209,868.00
Other Expenses	6,457,450.00	6,044,200.00
Deferred Charges and Statutory		
Expenditures	1,737,854.00	1,735,646.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	261,332.00	261,332.00
Other Expenses	162,549.46	145,560.96
Capital Improvement Fund	50,000.00	50,000.00
Municipal Debt Service	1,729,925.26	1,492,103.11
Deferred Charges	60,000.00	300,000.00
Local District School Tax	5,294,981.00	5,269,598.00
County Taxes Payable	1,712,699.38	1,603,060.61
Adjustment to Payroll	-	13,450.80
Cancellation of Grants Receivables	-	24,927.08
	<hr/>	<hr/>
Total Expenditures	24,858,659.10	24,149,746.56
	<hr/>	<hr/>
Excess/(Deficit) in Revenue	1,952,379.97	1,605,164.36
Adjustment To Income Before Fund Balance:		
Expenditures Above Which Are By Statute		
Deferred Charges To Budget of Succeeding Year:		
Emergency Authorizations	-	300,000.00
	<hr/>	<hr/>
	-	300,000.00
	<hr/>	<hr/>
Statutory Excess To Fund Balance	1,952,379.97	1,905,164.36
Fund Balance, January 1	3,927,976.56	4,022,812.20
	<hr/>	<hr/>
	5,880,356.53	5,927,976.56
Decreased By:		
Utilized as Anticipated Revenue	2,000,000.00	2,000,000.00
	<hr/>	<hr/>
Fund Balance, December 31	\$ 3,880,356.53	\$ 3,927,976.56
	<hr/>	<hr/>

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 2,000,000.00	\$ 2,000,000.00	\$ -
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	15,000.00	18,290.00	3,290.00
Other	30,000.00	30,696.00	696.00
Fees and Permits	500,000.00	541,109.93	41,109.93
Fines and Costs:			
Municipal Court	275,000.00	252,815.01	(22,184.99)
Interest and Costs on Taxes	150,000.00	229,358.55	79,358.55
Parking Meters	200,000.00	306,233.43	106,233.43
Interest on Investments and Deposits	150,000.00	73,423.91	(76,576.09)
PILOT:			
Keansburg Housing Authority	15,000.00	5,291.00	(9,709.00)
Grandview Apartments	80,000.00	80,000.00	-
Rental of Borough Property	45,000.00	41,250.00	(3,750.00)
Cove on The Bay	300,000.00	343,853.01	43,853.01
Consolidated Municipal Property Tax Relief Aid	386,732.00	386,732.00	-
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)	1,438,899.00	1,438,899.01	0.01
Uniform Construction Code Fees	125,000.00	112,713.00	(12,287.00)
Interlocal Service Agreement - School Resource Officer	61,200.00	245,788.31	184,588.31
Public and Private Revenues Offset with Appropriations:			
Safe and Secure Communities Program	60,000.00	60,000.00	-
Drunk Driving Enforcement	2,440.71	2,440.71	-
Highway Safety	4,840.00	4,840.00	-
Clean Communities	20,772.75	20,772.75	-
Recycling Tonnage Grant	16,916.00	16,916.00	-
Other Special Items:			
Uniform Fire Safety Act	1,500.00	9,907.65	8,407.65
Cable TV Fees	125,000.00	136,029.77	11,029.77
Leased Property - Cingular Wireless	40,000.00	44,149.32	4,149.32
Total Miscellaneous Revenues	<u>4,043,300.46</u>	<u>4,401,509.36</u>	<u>358,208.90</u>
Receipts From Delinquent Taxes	<u>765,000.00</u>	<u>804,413.03</u>	<u>39,413.03</u>
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>12,047,538.39</u>	<u>12,400,281.38</u>	<u>352,742.99</u>
Budget Totals	18,855,838.85	19,606,203.77	750,364.92
Non-Budget Revenue	<u>-</u>	<u>214,093.94</u>	<u>214,093.94</u>
	<u>\$ 18,855,838.85</u>	<u>\$ 19,820,297.71</u>	<u>\$ 964,458.86</u>

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue From Collections	\$ 18,407,961.76
Allocated To School and County Taxes	<u>7,007,680.38</u>

Balance for Support of Municipal Budget

Appropriations	<u>11,400,281.38</u>
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Add:

Reserve for Uncollected Taxes	<u>1,000,000.00</u>
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Amount for Support of Municipal Budget

Appropriations	<u><u>\$ 12,400,281.38</u></u>
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Receipts From Delinquent Taxes:

Delinquent Tax Collections	\$ 739,144.17
Tax Title Lien Collections	<u>65,268.86</u>

\$ 804,413.03

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

PILOTs	\$ 43,547.80
Insurance Reimbursement	29,824.93
Miscellaneous Construction Fees	24,062.36
Tax Assessor	300.00
Fuel Reimbursements	58,298.48
Payroll Reimbursement - Non Health	11,985.00
Senior Citizen & Veteran Admin Fee	845.00
Tax Sale Premiums Returned	17,100.00
Various Misc. Refunds/Reimbursements	<u>28,130.37</u>

\$ 214,093.94

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

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations				Paid or Charged	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications					
General Appropriations Operations - Within "CAPS"								
GENERAL GOVERNMENT								
Borough Council:								
Salaries and Wages	\$ 35,000.00	\$ -	\$ 35,000.00	\$ 34,999.80	\$ -	\$ 0.20		
Other Expenses	9,000.00	-	9,000.00	4,997.04	150.00	3,852.96		
Office of Borough Manager:								
Salaries and Wages	235,000.00	-	235,000.00	204,615.01	-	30,384.99		
Other Expenses	26,600.00	-	26,600.00	10,320.87	139.97	16,139.16		
Office of the Borough Clerk:								
Salaries and Wages	170,500.00	-	170,500.00	161,769.13	-	8,730.87		
Other Expenses	22,500.00	-	22,500.00	20,238.57	736.77	1,524.66		
Legal Services and Costs:								
Other Expenses	170,000.00	-	170,000.00	143,630.16	1,164.00	25,205.84		
Elections:								
Other Expenses	18,500.00	-	18,500.00	9,788.22	-	8,711.78		
DEPARTMENT OF FINANCE								
Office of Director of Finance:								
Salaries and Wages	165,000.00	-	165,000.00	143,457.16	-	21,542.84		
Other Expenses	20,400.00	-	20,400.00	16,589.34	517.19	3,293.47		
Annual Audit	72,000.00	-	72,000.00	-	-	72,000.00		
Division of Tax Collector:								
Salaries and Wages	58,000.00	-	58,000.00	44,962.20	-	13,037.80		
Other Expenses	30,500.00	-	30,500.00	15,153.62	4,043.39	11,302.99		
Division of Tax Assessor:								
Salaries and Wages	71,500.00	-	76,500.00	75,266.36	-	1,233.64		
Other Expenses	10,500.00	-	10,500.00	2,602.51	7,000.00	897.49		
DEPARTMENT OF PUBLIC SAFETY								
Police:								
Salaries and Wages	4,681,868.00	-	4,681,868.00	4,674,608.28	-	7,259.72		
Other Expenses	192,600.00	-	192,600.00	82,033.46	94,401.65	16,164.89		

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

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations			Paid or Charged	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications				
Dispatchers:							
Salaries and Wages	182,500.00	-	182,500.00	161,831.39	-	20,668.61	
Other Expenses	1,000.00	-	1,000.00	-	568.00	432.00	
Detective Bureau:							
Other Expenses	15,000.00	-	15,000.00	5,662.69	1,943.87	7,393.44	
Bureau of Street Crossing Guards:							
Salaries and Wages	63,000.00	-	63,000.00	62,334.04	-	665.96	
Other Expenses	3,500.00	-	3,500.00	-	-	3,500.00	
DIVISION OF FIRE							
Emergency Medical Services							
Other Expenses	33,000.00	-	33,000.00	29,024.35	1,965.59	2,010.06	
Fire Department:							
Other Expenses	119,600.00	-	119,600.00	69,590.44	38,434.24	11,575.32	
UNIFORM CONSTRUCTION CODE							
Code Enforcement:							
Salaries and Wages	199,000.00	-	199,000.00	193,660.62	-	5,339.38	
Other Expenses	6,000.00	-	6,000.00	1,351.39	-	4,648.61	
Uniform Fire Safety Act:							
Salaries and Wages	47,500.00	-	47,500.00	39,766.82	-	7,733.18	
Other Expenses	6,000.00	-	6,000.00	3,768.33	-	2,231.67	
PUBLIC WORKS							
Division of Engineering:							
Other Expenses	300,000.00	-	300,000.00	244,952.52	1,987.69	53,059.79	
Division of Streets and Roads:							
Salaries and Wages	638,000.00	-	638,000.00	617,953.91	-	20,046.09	
Other Expenses	93,000.00	-	93,000.00	50,674.03	19,271.24	23,054.73	
Division of Snow Removal:							
Salaries and Wages	15,000.00	-	15,000.00	8,072.95	-	6,927.05	
Other Expenses	20,000.00	-	20,000.00	5,514.60	5,700.00	8,785.40	
Division of Parking Meter Maintenance:							
Salaries and Wages	33,000.00	-	33,000.00	25,826.10	-	7,173.90	
Other Expenses	35,500.00	-	35,500.00	15,026.36	1,800.00	18,673.64	

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

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations			Paid or	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications	Charged			
Division of Buildings and Grounds:	142,500.00	-	142,500.00	97,739.38	7,301.58	37,459.04	
Other Expenses							
Municipal Garage:	140,000.00	-	140,000.00	140,000.00	-	-	
Salaries and Wages							
Other Expenses	92,000.00	-	92,000.00	79,750.47	12,076.00	173.53	
Sanitation:							
Contract	600,000.00	-	600,000.00	446,353.40	-	153,646.60	
Landfill Solid Waste Disposal Fees	654,000.00	-	654,000.00	579,142.74	10,550.00	64,307.26	
DEPARTMENT OF HEALTH AND WELFARE							
Division of Health:	10,000.00	-	10,000.00	9,917.08	-	82.92	
Salaries and Wages							
Other Expenses	1,000.00	-	1,000.00	120.88	-	879.12	
Dog Regulation	37,000.00	-	37,000.00	25,760.00	9,167.00	2,073.00	
DEPARTMENT OF RECREATION PARKS AND PLAYGROUNDS							
Recreation, Parks and Playgrounds:							
Salaries and Wages	19,000.00	-	19,000.00	19,000.00	-	-	
Other Expenses	31,000.00	-	31,000.00	18,279.00	-	12,721.00	
Historical Society:							
Other Expenses	3,000.00	-	3,000.00	440.37	-	2,559.63	
MUNICIPAL PROSECUTOR							
Municipal Prosecutor:	23,000.00	-	23,000.00	23,000.00	-	-	
Salaries and Wages							
OTHER MUNICIPAL OPERATIONS							
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)							
Planning Board of Adjustment:							
Salaries and Wages	40,000.00	-	40,000.00	34,711.11	-	5,288.89	
Other Expenses	24,350.00	-	24,350.00	15,892.18	446.00	8,011.82	
Emergency Management Services:							
Salaries and Wages	25,000.00	-	25,000.00	19,336.68	-	5,663.32	
Other Expenses	5,000.00	-	5,000.00	2,962.89	739.05	1,298.06	

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

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations			Paid or	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications	Charged			
INSURANCES: N.J.S.A. 40A:4-45.3(00)							
Group Insurance Plan for Employees	2,200,000.00	-	2,180,000.00	1,326,126.03	4,821.61	849,052.36	
Group Salary Insurance	25,000.00	-	25,000.00	10,375.60	-	14,624.40	
Workers Compensation	425,000.00	-	425,000.00	386,488.74	8,793.56	29,717.70	
Other Insurance - Liability Insurance	400,000.00	-	400,000.00	310,375.25	-	89,624.75	
Disability Insurance	25,000.00	-	25,000.00	-	-	25,000.00	
SENIOR CITIZENS							
Transportation of Senior Citizens:							
Other Expenses	11,000.00	-	11,000.00	8,050.00	1,575.00	1,375.00	
Senior Citizens Center:							
Other Expenses	1,000.00	-	1,000.00	1,000.00	-	-	
MUNICIPAL COURT							
Municipal Court:							
Salaries and Wages	227,000.00	-	227,000.00	200,957.48	-	26,042.52	-
Other Expenses	13,800.00	-	13,800.00	5,914.20	4,727.34	3,158.46	-
MUNICIPAL LIBRARY							
Library:							
Salaries and Wages	40,000.00	-	40,000.00	31,797.03	-	8,202.97	-
Other Expenses	7,600.00	-	7,600.00	2,755.05	808.12	4,036.83	-
PUBLIC EMPLOYEES OCCUPATIONAL SAFETY AND HEALTH ACT							
Board of Health:							
Other Expenses	2,000.00	-	2,000.00	-	-	2,000.00	-
UNIFORM CONSTRUCTION CODE APPROPRIATIONS							
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)							
State Uniform Construction Code Officials:							
Salaries and Wages	243,000.00	-	243,000.00	240,057.15	-	2,942.85	-
Other Expenses	6,500.00	-	6,500.00	2,271.27	509.00	3,719.73	-

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

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations				Paid or Charged	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications					
UNCLASSIFIED								
Utilities:								
Electricity	95,000.00	-	95,000.00		66,370.82	6,157.19	22,471.99	-
Street Lighting	120,000.00	-	120,000.00		88,123.83	7,718.92	24,157.25	-
Telephone	80,000.00	-	95,000.00		95,000.00	-	-	-
Natural Gas	32,000.00	-	32,000.00		25,008.86	3,963.13	3,028.01	-
Telecommunications Costs	8,500.00	-	8,500.00		97.46	-	8,402.54	-
Gasoline and Fuel Oil	155,000.00	-	155,000.00		59,755.06	8,538.30	86,706.64	-
Celebration of Public Events	35,000.00	-	35,000.00		16,309.93	200.00	18,490.07	-
Contingent	50,000.00	-	50,000.00		24,174.00	21,000.00	4,826.00	-
Total Operations - Within "CAPS"	13,849,318.00	-	13,849,318.00		11,593,456.21	288,915.40	1,966,946.39	-
Detail:								
Salaries and Wages	7,386,868.00	-	7,391,868.00		7,178,275.90	-	213,592.10	-
Other Expenses	6,462,450.00	-	6,457,450.00		4,415,180.31	288,915.40	1,753,354.29	-
Statutory Expenditures:								
Contribution To:								
Public Employees' Retirement System	305,376.00	-	305,376.00		305,376.00	-	-	-
Social Security System (O.A.S.I.)	295,000.00	-	295,000.00		292,155.49	-	2,844.51	-
Police and Firemen's Retirement System of N.J.	1,137,478.00	-	1,137,478.00		1,137,478.00	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	1,737,854.00	-	1,737,854.00		1,735,009.49	-	2,844.51	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	15,587,172.00	-	15,587,172.00		13,328,465.70	288,915.40	1,969,790.90	-
General Appropriations for Municipal Purposes - Excluded from "CAPS"								
Length of Service Award Program ("LOSAP")	56,000.00	-	56,000.00		51,400.00	-	4,600.00	-
911 Emergency Dispatch - Police:								
Other Expenses	15,000.00	-	15,000.00		13,208.00	-	1,792.00	-
	71,000.00	-	71,000.00		64,608.00	-	6,392.00	-

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

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations			Paid or	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications	Charged			
Public and Private Programs Offset by Revenues:							
Interlocal Service Agreement - School Resource Office	61,200.00	-	61,200.00	61,200.00	-	-	-
Clean Communities	20,772.75	-	20,772.75	20,772.75	-	-	-
Recycling Tonnage Grant	16,916.00	-	16,916.00	16,916.00	-	-	-
Safe and Secure Communities	60,000.00	-	60,000.00	60,000.00	-	-	-
Safe and Secure Communities - Match:							
Salaries and Wages	140,132.00	-	140,132.00	140,132.00	-	-	-
Other Expenses	46,580.00	-	46,580.00	46,580.00	-	-	-
Highway Safety Grant	4,840.00	-	4,840.00	4,840.00	-	-	-
Drunk Driving Enforcement	2,440.71	-	2,440.71	2,440.71	-	-	-
Total Public and Private Programs Offset by Revenues	352,881.46	-	352,881.46	352,881.46	-	-	-
Total Operations - Excluded from "CAPS"	423,881.46	-	423,881.46	417,489.46	-	6,392.00	-
Detail:							
Salaries and Wages	261,332.00	-	261,332.00	261,332.00	-	-	-
Other Expenses	162,549.46	-	162,549.46	156,157.46	-	6,392.00	-
Capital Improvement Fund:							
Capital Improvement Fund:	25,000.00	-	25,000.00	25,000.00	-	-	-
Acquisition of Equipment/Various Improvements	25,000.00	-	25,000.00	-	-	25,000.00	-
Total Capital Improvement Fund	50,000.00	-	50,000.00	25,000.00	-	25,000.00	-
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	735,000.00	-	735,000.00	735,000.00	-	-	-
Interest on Bonds	474,684.98	-	474,684.98	474,684.98	-	-	-
Interest on Notes	128,927.98	-	128,927.98	128,927.98	-	-	-
Green Trust Loan Program:							
Loan Repayments for Principal and Interest	8,008.88	-	8,008.88	8,008.88	-	-	-
Environmental Infrastructure Trust Loan	212,744.25	-	212,744.25	207,884.12	-	-	4,860.13
Capital Lease Program	175,419.30	-	175,419.30	175,419.30	-	-	-
Total Municipal Debt Service - Excluded From "CAPS"	1,734,785.39	-	1,734,785.39	1,729,925.26	-	-	4,860.13

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

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations			Paid or Charged	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications				
Deferred Charges - Municipal - Excluded From "CAPS"							
Deferred Charges:							
Emergency Authorizations	60,000.00	-	60,000.00	60,000.00	-	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	60,000.00	-	60,000.00	60,000.00	-	-	-
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	2,268,666.85	-	2,268,666.85	2,232,414.72	-	31,392.00	4,860.13
Subtotal General Appropriations	17,855,838.85	-	17,855,838.85	15,560,880.42	288,915.40	2,001,182.90	4,860.13
Reserve for Uncollected Taxes	1,000,000.00	-	1,000,000.00	1,000,000.00	-	-	-
Total General Appropriations	\$ 18,855,838.85	\$ -	\$ 18,855,838.85	\$ 16,560,880.42	\$ 288,915.40	\$ 2,001,182.90	\$ 4,860.13
Reserve for Uncollected Taxes							
Cash Disbursements				\$ 1,000,000.00			
Reserve for Grants-Appropriated				15,211,436.05			
Accounts Payable				104,969.46			
Emergency Appropriations				157,928.13			
CDL Interest Accrual				60,000.00			
				26,546.78			
				\$ 16,560,880.42			

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

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>Assets</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Cash	B-1	\$ 5,615.52	\$ 4,437.60
Change Fund	B	50.00	50.00
		<u>5,665.52</u>	<u>4,487.60</u>
Other Trust Funds:			
Cash	B-1	1,653,721.94	1,504,479.82
Due from Current Fund	B	-	31,612.00
		<u>1,653,721.94</u>	<u>1,536,091.82</u>
Length of Service Award Program Fund ("LOSAP"):			
Cash and Investments - Trustee	B-6	519,158.79	481,547.26
Total Assets		<u>\$ 2,178,546.25</u>	<u>\$ 2,022,126.68</u>
<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Animal Control Trust Fund:			
Due To:			
Current Fund	A	787.32	236.20
Reserve for Animal Control Expenditures	B-3	4,878.20	4,251.40
		<u>5,665.52</u>	<u>4,487.60</u>
Other Trust Funds:			
Reserve for Various Trust Activities	B-4	1,653,721.94	1,536,091.82
		<u>1,653,721.94</u>	<u>1,536,091.82</u>
Length of Service Award Program Fund ("LOSAP"):			
Reserve for Funds Held by Trustee	B-5	519,158.79	481,547.26
Total Liabilities and Reserves		<u>\$ 2,178,546.25</u>	<u>\$ 2,022,126.68</u>

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

<u>Assets</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Cash and Investments	C-2	\$ 1,000,721.67	\$ 10,977,836.53
State, Federal, Local Grants Receivable	C-6	608,686.49	366,686.49
Due From Grant Fund	C	50,000.00	-
Deferred Charges To Future Taxation:			
Funded	C-4	9,782,777.29	10,730,327.76
Funded - Leases	C-4	1,131,000.00	1,249,000.00
Unfunded	C-5	1,544,453.00	1,015,452.87
Total Assets		<u>\$ 14,117,638.45</u>	<u>\$ 24,339,303.65</u>
<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Encumbrances Payable	C-7	\$ 472,499.99	\$ 410,000.27
Serial Bonds	C-8	9,710,000.00	10,445,000.00
Bond Anticipation Notes	C-9	567,731.00	10,178,525.00
Leases Payable	C-10	1,131,000.00	1,249,000.00
Environmental Infrastructure Trust Loan	C-11	16,746.85	222,503.58
Green Acres Loan	C-12	56,030.44	62,824.18
Improvement Authorizations:			
Funded	C-13	355,663.60	197,574.90
Unfunded	C-13	458,677.36	332,199.64
Reserve for:			
Capital Improvement Fund	C-14	433,603.96	412,103.96
RCA Interest Income	C-14	29,018.16	29,018.16
Sandy Insurance Claims	C-14	50,000.00	50,000.00
Payment of Debt Service	C-14	77,388.86	77,388.73
Capital Repairs - Pump Station/Stormwater	C-14	150,000.00	150,000.00
FEMA Proceeds	C-14	326,748.68	326,748.68
Reserve for Grant Receivable	C-6	85,000.00	-
Fund Balance	C-1	197,529.55	196,416.55
Total Liabilities and Reserves		<u>\$ 14,117,638.45</u>	<u>\$ 24,339,303.65</u>

There were bonds and notes authorized but not issued on December 31, 2020 of \$976,722.00 and on December 31, 2019 of \$447,722.00.

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE-
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 196,416.55
Increased By:	
Premium on BAN Sale	<u>1,113.00</u>
Balance, December 31, 2020	<u><u>\$ 197,529.55</u></u>

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

<u>Assets</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Cash and Investments	D-5	\$ 1,657,540.85	\$ 824,741.18
Change Fund	D-7	<u>250.00</u>	<u>250.00</u>
		<u>1,657,790.85</u>	<u>824,991.18</u>
Receivables With Offsetting			
Reserves:			
Consumer Accounts Receivable	D-8	196,214.58	126,899.98
Municipal Liens	D-25	12,544.31	40,195.45
Deposit with Bayshore Regional Sewerage Authority	D-9	<u>267,865.97</u>	<u>255,817.26</u>
		<u>476,624.86</u>	<u>422,912.69</u>
Deferred Charges:			
Community Disaster Loan	D	<u>118,866.28</u>	<u>115,772.53</u>
Total Deferred Charges		<u>118,866.28</u>	<u>115,772.53</u>
Total Operating Fund		<u>2,253,281.99</u>	<u>1,363,676.40</u>
Capital Fund:			
Cash and Investments	D-5	605,565.41	4,484,186.20
Fixed Capital	D-10	24,325,610.83	24,325,610.83
Fixed Capital Authorized and Uncompleted	D-11	<u>6,261,250.00</u>	<u>6,261,250.00</u>
Total Capital Fund		<u>31,192,426.24</u>	<u>35,071,047.03</u>
Total Assets		<u>\$ 33,445,708.23</u>	<u>\$ 36,434,723.43</u>

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Appropriation Reserves	D-4	\$ 760,494.80	\$ 138,164.84
Prepaid Water/Sewer rents	D-13	107,047.76	104,283.11
Encumbrances Payable	D-14	147,010.59	216,262.41
Water and Sewer Rent Overpayments	D-15	8,694.75	6,604.05
Accrued Interest on Bonds, Notes & Loans	D-17	17,479.16	53,466.47
Accounts Payable	D-21	-	1,226.90
Community Disaster Loan - Payable	D	98,117.98	98,117.98
Community Disaster Loan - Accrued Interest	D	20,748.30	17,654.55
		<u>1,159,593.34</u>	<u>635,780.31</u>
Reserve for Receivables	D	476,624.86	422,912.69
Fund Balance	D-1	<u>617,063.79</u>	<u>304,983.40</u>
Total Operating Fund		<u>2,253,281.99</u>	<u>1,363,676.40</u>
Capital Fund:			
Serial Bonds Payable	D-18	2,865,000.00	2,970,000.00
Bond Anticipation Notes	D-19	-	3,449,610.00
Trust Loans Payable	D-20	664,745.92	733,050.99
Encumbrances Payable	D-22	135,919.19	746,681.76
Improvement Authorization:			
Funded	D-22	130,264.38	7,308.82
Unfunded	D-22	-	141,203.78
Reserve for:			
Amortization	D-23	27,072,114.91	26,898,809.84
Capital Improvement Fund	D-24	288,500.00	88,500.00
Fund Balance	D-2	<u>35,881.84</u>	<u>35,881.84</u>
Total Capital Fund		<u>31,192,426.24</u>	<u>35,071,047.03</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 33,445,708.23</u>	<u>\$ 36,434,723.43</u>

There were bonds and notes authorized but not issued on December 31, 2020 and on December 31, 2019 of \$0.

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

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 200,000.00	\$ 365,000.00
Miscellaneous Revenues Anticipated	4,657,637.38	4,562,318.80
Miscellaneous Revenues Not Anticipated	1,161.87	59,985.99
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	156,696.02	23,470.41
Cancel Accounts Payable	1,226.90	-
Accrued Interest Cancelled	38,288.92	2,868.97
	<hr/>	<hr/>
Total Revenue	5,055,011.09	5,013,644.17
	<hr/>	<hr/>
Expenditures:		
Operating	3,890,000.00	3,450,000.00
Capital Improvements	200,000.00	-
Debt Service	369,930.70	1,185,376.98
Statutory Expenditures	83,000.00	83,000.00
	<hr/>	<hr/>
Total Expenditures	4,542,930.70	4,718,376.98
	<hr/>	<hr/>
Excess/(Deficit) in Revenue	512,080.39	295,267.19
Fund Balance, Beginning	304,983.40	374,716.21
	<hr/>	<hr/>
	817,063.79	669,983.40
Decreased By:		
Utilized as Anticipated Revenue	200,000.00	365,000.00
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 617,063.79</u>	<u>\$ 304,983.40</u>

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Balance, December 31, 2020 & 2019

\$ 35,881.84

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND -
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 200,000.00	\$ 200,000.00	\$ -
Water/Sewer Rents	4,300,000.00	4,605,436.25	305,436.25
Interest on:			
Sewer	50,000.00	41,271.79	(8,728.21)
Investments	<u>6,790.05</u>	<u>10,929.34</u>	<u>4,139.29</u>
	<u>\$ 4,556,790.05</u>	<u>\$ 4,857,637.38</u>	<u>\$ 300,847.33</u>

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND -
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:						
Salaries and Wages	\$ 690,000.00	\$ 690,000.00	\$ 680,851.34	\$ -	\$ 9,148.66	\$ -
Other Expenses	3,200,000.00	3,200,000.00	2,304,403.85	147,010.59	748,585.56	-
Total Operating	3,890,000.00	3,890,000.00	2,985,255.19	147,010.59	757,734.22	-
Capital Improvements:						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	-	-	-
Total Capital Improvements	200,000.00	200,000.00	200,000.00	-	-	-
Debt Service:						
Payment of Bond Principal	105,000.00	105,000.00	105,000.00	-	-	-
Interest on Bonds	130,000.00	130,000.00	130,000.00	-	-	-
Interest on Notes	43,695.06	43,695.06	43,695.05	-	-	0.01
NJEIT Loan	105,094.99	105,094.99	91,235.65	-	-	13,859.34
Total Debt Service	383,790.05	383,790.05	369,930.70	-	-	13,859.35
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System	35,000.00	35,000.00	35,000.00	-	-	-
Social Security System (O.A.S.I.)	48,000.00	48,000.00	45,239.42	-	2,760.58	-
Total Statutory Expenditures	83,000.00	83,000.00	80,239.42	-	2,760.58	-
Total Sewer Utility Appropriations	<u>\$ 4,556,790.05</u>	<u>\$ 4,556,790.05</u>	<u>\$ 3,635,425.31</u>	<u>\$ 147,010.59</u>	<u>\$ 760,494.80</u>	<u>\$ 13,859.35</u>
Cash Disbursements			\$ 3,633,123.70			
Accrued Interest on Bonds, Notes & Loans			2,301.61			
The accompanying Notes to Financial Statements are an integral part of this Statement.			<u>\$ 3,635,425.31</u>			

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

<u>Assets</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Land	E-1	\$ 5,103,825.00	\$ 5,103,825.00
Buildings	E-1	6,215,795.54	6,215,795.54
Improvements	E-1	10,956,910.50	10,598,647.00
Machinery and Equipment	E-1	<u>7,304,538.60</u>	<u>7,243,021.32</u>
Total Assets		<u>\$ 29,581,069.64</u>	<u>\$ 29,161,288.86</u>
<u>Liabilities</u>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Investment in Fixed Assets	E-1	<u>\$ 29,581,069.64</u>	<u>\$ 29,161,288.86</u>
Total Liabilities		<u>\$ 29,581,069.64</u>	<u>\$ 29,161,288.86</u>

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Keansburg, County of Monmouth, New Jersey (hereafter referred to as the "Borough") is governed by the Borough form of government, with a mayor and a 5-member Borough Council. Administrative responsibilities are assigned to the Borough Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80, 90, and 97, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP, and therefore the financial statements are not presented in accordance with GASB Statement No. 14, as amended by GASB Statement 39, 61, 80, 90, and 97. Had the financials been in accordance with GAAP, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

Keansburg Borough Housing Authority

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

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

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

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

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

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

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

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

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

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

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

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

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

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

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

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

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

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

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

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

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

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

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

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

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

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

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Borough’s financial statements.

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2020:

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2019, and later.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

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

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

Accounting Pronouncements Effective in Future Reporting Periods

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

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

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021.

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 2. Deposits and Investments

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

Deposits

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

As of December 31, 2020, the Borough's bank balance of \$12,015,563.84 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 10,291,822.66
Uninsured and Uncollateralized	<u>1,723,741.18</u>
	<u><u>\$ 12,015,563.84</u></u>

Investments

Under the regulatory basis of accounting, investments are measured at cost in the Borough's financial statements. However, had the financial statements been prepared in accordance with generally accepted accounting principles (GAAP), investments would be reported at fair value (except for fully benefit-responsive investment contracts, which would be reported at contract value). Contract value is the relevant measure for the portion of the Length of Service Awards Program (LOSAP) Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the LOSAP Plan.

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2020, the Borough had no investments held at Level 2 or 3.

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 2. Deposits and Investments (continued)

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

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

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

The Borough's fair value, hierarchy level and maturities of its investments at December 31, 2020 was as followed:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2020</u>		<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Money Markets	\$ 14,321.92	\$ 14,321.92	\$ 14,321.92	\$ 14,321.92
Mutual Funds	244,028.05	244,028.05	244,028.05	244,028.05
	<u>\$ 258,349.97</u>	<u>\$ 258,349.97</u>	<u>\$ 258,349.97</u>	<u>\$ 258,349.97</u>
<u>Fund</u>				
Trust Fund - LOSAP (Fair Value)	<u>\$ 258,349.97</u>	<u>\$ 258,349.97</u>	<u>\$ 258,349.97</u>	<u>\$ 258,349.97</u>
	<u>\$ 258,349.97</u>	<u>\$ 258,349.97</u>	<u>\$ 258,349.97</u>	<u>\$ 258,349.97</u>

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$260,808.82 as of December 31, 2020. Lincoln maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Borough is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The Borough's ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer's ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln or the LOSAP Plan and do not define a maturity date.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. The total Trust Fund LOSAP value held by the Borough at December 31, 2020 was as follows:

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 2. Deposits and Investments (continued)

	<u>12/31/2020</u>
Fixed Account Investment Contract	\$ 260,808.82
Trust Fund - LOSAP (Fair Value)	\$ 258,349.97
Trust Fund - LOSAP (Contract Value)	<u>260,808.82</u>
Total Trust Fund - LOSAP	<u><u>\$ 519,158.79</u></u>

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

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

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

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

Note 3. Property Taxes

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

Comparison Schedule of Tax Rates

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 4.007</u>	<u>\$ 3.959</u>	<u>\$ 3.909</u>
Apportionment of Tax Rate:			
Municipal	2.534	2.485	2.425
County General	0.359	0.342	0.343
Local School	1.114	1.132	1.141

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 3. Property Taxes (continued)

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 475,451,618.00
2019	465,624,883.00
2018	454,958,572.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2020	\$ 19,161,181.54	\$ 18,407,961.76	96.06%
2019	18,608,133.96	17,755,534.53	95.41%
2018	17,801,476.75	16,962,640.31	95.28%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2020	\$ 182,367.85	\$ 655,476.15	\$ 837,844.00	4.37%
2019	335,604.44	739,144.17	1,074,748.61	5.78%
2018	383,635.38	671,455.57	1,055,090.95	5.93%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2020	15
2019	24
2018	33

The last tax sale was held on December 2, 2020.

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 4. Property Acquired By Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2020	\$ 307,010.40
2019	186,800.00
2018	186,800.00

Note 5. Water/Sewer Utility Service Charges

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2020	\$ 126,899.98	\$ 4,668,091.16	\$ 4,794,991.14	\$ 4,598,776.56	95.90%
2019	179,054.75	4,431,285.25	4,610,340.00	4,483,440.02	97.24%
2018	184,806.20	4,266,121.69	4,450,927.89	4,271,873.14	95.97%

Note 6. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2020	\$ 3,880,356.53	\$ 2,000,000.00	51.54%
2019	3,927,976.56	2,000,000.00	50.92%
2018	4,022,812.20	2,000,000.00	49.72%
Water-Sewer Operating Fund:			
2020	\$ 617,063.79	\$ 150,000.00	24.31%
2019	304,983.40	200,000.00	65.58%
2018	374,716.21	365,000.00	97.41%

Note 7. Disaggregated Receivable and Payable Balances

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

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 8. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2020:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 787.32	\$ -
State and Federal Grant Fund	-	50,000.00
Animal Control Trust	-	787.32
Capital Fund	<u>50,000.00</u>	<u>-</u>
	<u>\$ 50,787.32</u>	<u>\$ 50,787.32</u>

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

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2020.

	Balance December 31, <u>2019</u>	<u>Additions</u>	Balance December 31, <u>2020</u>
Land	\$ 5,103,825.00	\$ -	\$ 5,103,825.00
Buildings	6,215,795.54	-	6,215,795.54
Improvements	10,598,647.00	358,263.50	10,956,910.50
Machinery & Equipment	<u>7,243,021.32</u>	<u>61,517.28</u>	<u>7,304,538.60</u>
	<u>\$ 29,161,288.86</u>	<u>\$ 419,780.78</u>	<u>\$ 29,581,069.64</u>

Note 10. Pension Obligations

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2020. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2019.

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2020, the Borough's contractually required contribution to PERS plan was \$325,438.

Components of Net Pension Liability - At December 31, 2020, the Borough's proportionate share of the PERS net pension liability was \$6,028,443. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Borough's proportion measured as of June 30, 2020, was 0.0334569941% which was a decrease of 0.0019205259% from its proportion measured as of June 30, 2019.

Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/30/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 1,313,743	\$ 2,116,865
Deferred Inflows of Resources	2,674,688	2,506,793
Net Pension Liability	6,028,443	6,965,657
 Borough's portion of the Plan's total Net Pension Liability	 0.03346%	 0.03538%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2020 measurement date is \$362,269. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$325,438 to the plan in 2020.

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

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 108,203	\$ 26,631
Changes of Assumptions	601,962	2,092,453
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	95,161
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>603,578</u>	<u>460,443</u>
	<u>\$ 1,313,743</u>	<u>\$ 2,674,688</u>

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

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10. Pension Obligations (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10. Pension Obligations (continued):

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

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

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2020	\$ (230,650)
2021	(325,776)
2022	(471,212)
2023	(291,463)
2024	(41,844)
	<u>\$ (1,360,945)</u>

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

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

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

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

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

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 7,667,877</u>	<u>\$ 6,028,443</u>	<u>\$ 4,724,264</u>

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

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

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

The following represents the membership tiers for PFRS:

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

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

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2020, the Borough's contractually required contributions to PFRS plan was \$1,093,104.

Net Pension Liability and Pension Expense - At December 31, 2020 the Borough's proportionate share of the PFRS net pension liability was \$13,243,311. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The Borough's proportion measured as of June 30, 2020, was 0.1082162690%, which was a decrease of 0.0010705836% from its proportion measured as of June 30, 2019.

Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/31/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 719,994	\$ 1,865,595
Deferred Inflows of Resources	5,434,139	4,977,802
Net Pension Liability	13,243,311	14,788,313
Borough's portion of the Plan's total net pension Liability	0.10822%	0.10929%

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2020, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2020 measurement date was \$1,155,561. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$1,093,104 to the plan in 2020.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 111,791	\$ 83,846
Changes of Assumptions	453,788	4,280,117
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	179,443
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>154,415</u>	<u>890,733</u>
	<u><u>\$ 719,994</u></u>	<u><u>\$ 5,434,139</u></u>

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

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10. Pension Obligations (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	-	5.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

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

Year Ending		
<u>Dec 31,</u>	<u>Amount</u>	
2020	\$	(1,181,077)
2021		(1,494,700)
2022		(1,232,715)
2023		(516,843)
2024		<u>(288,810)</u>
	<u>\$</u>	<u>(4,714,145)</u>

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

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Borough is \$2,091,144 as of December 31, 2020. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2020 was 0.1082162690%, which was a decrease of 0.0010705836% from its proportion measured as of June 30, 2019, which is the same proportion as the Borough's. At December 31, 2020, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 13,243,311
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>2,091,144</u>
	<u>\$ 15,334,455</u>

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

At December 31, 2020, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2020 measurement date was \$242,974.

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 - 15.25%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2013 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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, 2019.

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10. Pension Obligations (continued):

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 6.85% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10. Pension Obligations (continued):

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

	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Borough's Proportionate Share of the Net Pension Liability	\$ 17,900,131	\$ 13,243,311	\$ 9,389,122
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>2,826,465</u>	<u>2,091,144</u>	<u>1,482,560</u>
	<u><u>\$ 20,726,596</u></u>	<u><u>\$ 15,334,455</u></u>	<u><u>\$ 10,871,682</u></u>

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

Note 11. Postemployment Benefits Other Than Pensions

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other post-employment obligations for the year ended June 30, 2020. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2019.

General Information about the OPEB Plan

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

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

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2020 were \$5,637,151,775.00 and \$8,182,092,807.00, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Net OPEB Liability

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2020 was \$15,383,460.00. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.1135639986%, which was a decrease of 0.0081010016% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$(501,874.00) for the State's proportionate share of the OPEB (benefit) expense attributable to the Borough. This OPEB (benefit) expense was based on the OPEB plans June 30, 2020 measurement date.

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2020 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 17,787,193.11	\$ 15,383,460.00	\$ 13,430,109.14
State of New Jersey's Total Nonemployer OPEB Liability	15,662,704,137.00	13,546,071,100.00	11,826,026,995.00

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

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

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough	\$ 12,981,744.44	\$ 15,383,460.00	\$ 18,447,252.51
State of New Jersey's Total Nonemployer OPEB Liability	11,431,214,644.00	13,546,071,100.00	16,243,926,531.00

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

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

	12/31/2019	12/31/2018
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Collective Deferred Outflows of Resources	\$ 11,158,226.00	\$ 8,279,239.00
Collective Deferred Inflows of Resources	8,761,825,481.00	7,154,925,195.00
Collective Net OPEB Liability	13,546,071,100.00	15,666,618,141.00
 Borough's Portion	 0.113564%	 0.121665%

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

Year Ending June 30:	
2020	\$ (1,425,201,517.00)
2021	(1,425,201,517.00)
2022	(1,426,076,187.00)
2023	(1,427,489,995.00)
2024	(1,428,781,861.00)
Thereafter	<u>(1,617,916,178.00)</u>
	<u>\$ (8,750,667,255.00)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for the 2020, 2019 and 2018 amounts, respectively.

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Plan Membership

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

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

Changes in the Total OPEB Liability

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

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

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 12. Municipal Debt

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 11,481,508.29	\$ 22,157,852.76	\$ 13,342,966.24
Utility:			
Bonds, Notes and Loans	3,529,745.92	7,152,660.99	4,672,780.06
	<hr/>	<hr/>	<hr/>
Total Debt Issued	15,011,254.21	29,310,513.75	18,015,746.30
	<hr/>	<hr/>	<hr/>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	976,722.00	447,722.00	887,453.00
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	976,722.00	447,722.00	887,453.00
	<hr/>	<hr/>	<hr/>
Total Gross Debt	<u>\$ 15,987,976.21</u>	<u>\$ 29,758,235.75</u>	<u>\$ 18,903,199.30</u>
	<hr/>	<hr/>	<hr/>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 77,388.86	\$ 77,388.73	\$ 31,138.73
Funds on Hand (including proceeds of bonds and notes held to pay other bonds and notes), in those cases where such funds cannot be diverted to other purposes other than the payment of bonds and notes	-	9,610,794.13	-
Utility:			
Self Liquidating Debt	3,529,745.92	7,152,660.99	4,672,780.06
	<hr/>	<hr/>	<hr/>
Total Deductions	3,607,134.78	16,840,843.85	4,703,918.79
	<hr/>	<hr/>	<hr/>
Total Net Debt	<u>\$ 12,380,841.43</u>	<u>\$ 12,917,391.90</u>	<u>\$ 14,199,280.51</u>
	<hr/>	<hr/>	<hr/>

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 12. Municipal Debt (continued):

Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 12,458,230.29	\$ 77,388.86	\$ 12,380,841.43
Utility Debt	3,529,745.92	3,529,745.92	-
	<u>\$ 15,987,976.21</u>	<u>\$ 3,607,134.78</u>	<u>\$ 12,380,841.43</u>

Net Debt \$12,380,841.43 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$587,395,365.00, equals 2.108%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2020 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 20,558,837.78
Net Debt	<u>12,380,841.43</u>
Remaining Borrowing Power	<u>\$ 8,177,996.35</u>

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

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 4,858,799.25
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Deductions:

Operating and Maintenance Costs	\$ 3,065,494.61
Debt Service	<u>369,930.70</u>

Total Deductions	<u>3,435,425.31</u>
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Excess/(Deficit) in Revenue	<u>\$ 1,423,373.94</u>
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*If Excess in Revenues all Utility Debt is Deducted

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 12. Municipal Debt (continued):

General Debt

A. Serial Bonds Payable

On March 2016, the Borough issued \$2,035,000 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on December 2023.

On November 2012, the Borough issued \$1,690,000 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 2.375% to 3.50% and mature on December 2024.

On December 2019, the Borough issued \$8,065,000 of MCIA Pooled Loan Bonds. The Bonds were issued at interest rates varying from 4.00% to 5.00% and matures on December 2039.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 910,000.00	\$ 445,133.76	\$ 1,355,133.76
2022	955,000.00	402,983.76	1,357,983.76
2023	995,000.00	356,862.50	1,351,862.50
2024	550,000.00	309,687.50	859,687.50
2025	420,000.00	285,600.00	705,600.00
2026-2030	2,100,000.00	1,113,000.00	3,213,000.00
2031-2035	2,100,000.00	600,600.00	2,700,600.00
2036-2039	1,680,000.00	168,000.00	1,848,000.00
	<u>\$ 9,710,000.00</u>	<u>\$ 3,681,867.52</u>	<u>\$ 13,391,867.52</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2020:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2020</u>
Roadway Drainage	2/6/2020	2/5/2021	2.00%	<u>\$ 567,731.00</u>

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

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 12. Municipal Debt (continued):

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2020, the Borough had \$976,722.00 in various General Capital bonds and notes authorized but not issued.

D. Loans Payable

New Jersey Environmental Infrastructure Trust

In 2001 the Borough finalized two loan agreements with the State of New Jersey Department of Environmental Protection, pursuant to the New Jersey Environmental Infrastructure Trust Financing Program.

The loan consists of two agreements, a Trust Loan Agreement of \$2,910,000.00 to be repaid over a 19 year period, and a Fund Loan Agreement of \$276,422.00 to be repaid over a 20 year period. The proceeds of the loans are to provide for drainage improvements.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 16,746.85	\$ 475.00	\$ 17,221.85

Green Acres Trust

The Borough has entered into the following Green Trust Loan Agreements with the State of New Jersey:

The loans are payable over 20 years at an interest rate of 2.000%.

Principal and Interest due on the outstanding loans is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 6,930.30	\$ 1,078.59	\$ 8,008.89
2022	7,069.60	939.29	8,008.89
2023	7,211.70	797.18	8,008.88
2024	7,356.66	652.23	8,008.89
2025	7,504.51	504.36	8,008.87
2026-2028	19,957.67	653.14	20,610.81
	<u>\$ 56,030.44</u>	<u>\$ 4,624.79</u>	<u>\$ 60,655.23</u>

E. Capital Lease Payable

In 2020, the Borough entered into a general capital lease purchase agreement in the amount of \$1,249,000.00 for Monmouth County Improvement Authority equipment. The lease obligation was issued at an interest rate of 5.00% and matures on October 2029.

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 12. Municipal Debt (continued):

The future minimum lease payments for this lease is as follows:

Year Ending <u>December 31,</u>	
2021	\$ 190,550.00
2022	190,850.00
2023	190,800.00
2024	189,400.00
2025	127,700.00
2026-2029	<u>509,100.00</u>
Total Minimum Lease Payments	1,398,400.00
Less: Amount Representing Interest	<u>(267,400.00)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 1,131,000.00</u></u>

Under regulatory basis of accounting, amortization of the leased equipment is not reported in the financial statements.

Water/Sewer Utility Debt

A. Serial Bonds Payable

On March 2016, the Borough issued \$95,000 of Utility Refunding Bonds. The Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on December 2023.

On December 2019, the Borough issued \$2,890,000 of MCIA Pooled Loan Bonds. The Bonds were issued at interest rates varying from 4.00% to 5.00% and matures on December 2039.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 105,000.00	\$ 134,552.50	\$ 239,552.50
2022	105,000.00	128,302.50	233,302.50
2023	110,000.00	121,950.00	231,950.00
2024	125,000.00	115,350.00	240,350.00
2025	130,000.00	109,100.00	239,100.00
2026-2030	760,000.00	441,250.00	1,201,250.00
2031-2035	850,000.00	243,100.00	1,093,100.00
2036-2039	<u>680,000.00</u>	<u>68,000.00</u>	<u>748,000.00</u>
	<u>\$ 2,865,000.00</u>	<u>\$ 1,361,605.00</u>	<u>\$ 4,226,605.00</u>

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 12. Municipal Debt (continued):

B. Bond Anticipation Notes Payable – Short Term Debt

The Borough had no bond anticipation notes payable in the Utility Capital Fund at December 31, 2020.

C. Bonds and Notes Authorized But Not Issued

The Borough had no bonds and notes authorized but not issued in the Utility Capital Fund at December 31, 2020.

D. Loans Payable

New Jersey Environmental Infrastructure Trust

In 2010 the Borough finalized two loan agreements with the State of New Jersey Department of Environmental Protection, pursuant to the New Jersey Environmental Infrastructure Trust Financing Program.

The loan consists of two agreements, a Trust Loan Agreement of \$655,000.00 to be repaid over a 19 year period at interest rates ranging from 3.50% to 5.00%, and a no interest Fund Loan Agreement of \$1,964,000.00 to be repaid over a 19 year period. The proceeds of the loans are to provide for the design of a desalination system for the Water Plant.

<u>Year</u>		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2021	\$	68,305.07	\$	14,050.00	\$	82,355.07
2022		68,305.07		13,000.00		81,305.07
2023		73,305.07		11,600.00		84,905.07
2024		73,305.07		10,000.00		83,305.07
2025		73,305.07		8,400.00		81,705.07
2026-2029		308,220.57		17,600.00		325,820.57
	\$	664,745.92	\$	74,650.00	\$	739,395.92

Summary of Principal Debt

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

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 12. Municipal Debt (continued):

	Balance December 31, <u>2019</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2020</u>	Balance Due Within <u>One Year</u>
Current Fund:					
CDL - Note Payable	\$ 1,623,250.17	\$ -	\$ -	\$ 1,623,250.17	\$ -
CDL - Interest Payable	160,933.67	26,546.78	-	187,480.45	-
	<u>\$ 1,784,183.84</u>	<u>\$ 26,546.78</u>	<u>\$ -</u>	<u>\$ 1,810,730.62</u>	<u>\$ -</u>
General Capital:					
General Bonds	\$ 10,445,000.00	\$ -	\$ 735,000.00	\$ 9,710,000.00	\$ 910,000.00
Bond Anticipation Notes	10,178,525.00	567,731.00	10,178,525.00	567,731.00	567,731.00
NJEIT loans	222,503.58	-	205,756.73	16,746.85	16,746.85
Green Acres Loans	62,824.18	-	6,793.74	56,030.44	6,930.30
Capital Leases	1,249,000.00	-	118,000.00	1,131,000.00	134,000.00
Authorized but Not Issued	447,722.00	529,000.00	-	976,722.00	-
	<u>\$ 22,605,574.76</u>	<u>\$ 1,096,731.00</u>	<u>\$ 11,244,075.47</u>	<u>\$ 12,458,230.29</u>	<u>\$ 1,635,408.15</u>
Utility Capital:					
Utility Bonds	\$ 2,970,000.00	\$ -	\$ 105,000.00	\$ 2,865,000.00	\$ 105,000.00
Bond Anticipation Notes	3,449,610.00	-	3,449,610.00	-	-
Loans	733,050.99	-	68,305.07	664,745.92	68,305.07
	<u>\$ 7,152,660.99</u>	<u>\$ -</u>	<u>\$ 3,622,915.07</u>	<u>\$ 3,529,745.92</u>	<u>\$ 173,305.07</u>

Note 13. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	Balance December 31, <u>2020</u>	2021 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Community Disaster Loan	\$ 1,810,730.62	\$ -	\$ 1,810,730.62
Emergency Authorization (40A:4-53)	240,000.00	60,000.00	180,000.00
Utility Operating Fund:			
Community Disaster Loan	\$ 118,866.28	\$ -	\$ 118,866.28

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 14. Deferred Compensation Salary Account

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

Note 15. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$679,104.37 at December 31, 2020.

The Borough has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2020, the Borough has reserved in the Other Trust Fund \$45,481.73 to fund compensated absences in accordance with NJSA 40A:4-39.

Note 16. Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Joint Insurance Pool

The Borough is a member of the Municipal Excess Liability Joint Insurance Fund. The Fund provides the Borough with the following primary coverage and limits:

General Liability	\$1,000,000.00
Employer's Liability	\$2,000,000.00
Auto Liability	\$10,000,000.00
Property Damage	\$150,000,000.00
Workers Compensation	\$2,000,000.00
Property/Boiler & Machinery	\$100,000,000.00
Employee Dishonesty Liability	\$1,000,000.00

Contributions to the Funds are payable in one installments and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2020 which can be obtained on the Fund's website.

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 16. Risk Management (continued)

New Jersey Unemployment Compensation Insurance

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

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 49.06	\$ 474.46	\$ 13,136.04
2019	13,574.11	6,973.97	13,561.44
2018	395.87	19,312.90	6,961.30

Note 17. Contingencies

Grantor Agencies

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2020 the Borough estimates that no material liabilities will result from such audits.

Litigation

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

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. As of December 31, 2020 there were certain tax appeals on file against the Borough related to 2015 through 2020 tax years. The Borough has estimated the potential exposure to the Borough from such appeals is approximately \$200,000.00

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 18. Tax Abatements

The Borough is authorized by the New Jersey Housing and Mortgage Financing Act Law of 1983, N.J.S.A. 55:14K-1 et seq. (hereinafter "HMFA Law"), and a Resolution of the Council dated March 13, 2007, to enter into property tax abatement agreements for the purpose of attracting affordable housing. The exemption of the projects from real property taxation subject to this law shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.

For the year ended December 31, 2020, the Borough abated property taxes totaling \$997,465.50 under this program, including the following tax abatement agreement that exceeded 10 percent of the total, which is the percentage the Borough considers to be material for purposes of individual disclosure:

<u>Recipient</u>	<u>Purpose</u>	<u>Amount Abated</u>	<u>Pilot Billings</u>
Grandview Apartments	Affordable Housing	\$ 314,031.05	\$ 80,000.00
Keansburg Housing Authority	Affordable Housing	247,051.55	17,422.00
Fallon Manor	Affordable Housing	130,561.19	5,000.00
McGrath Towers	Affordable Housing	305,821.71	15,000.00
		<u>\$ 997,465.50</u>	<u>\$ 117,422.00</u>

Note 19. Length of Service Awards Program

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

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

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute between \$100.00 and \$1,150.00 for the year ended December 31, 2020 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2020, the Borough contributed a total of \$51,400.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 19. Length of Service Awards Program (continued)

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

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

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2020 payouts of \$46,324.75 were made to vested participants.

Forfeited Accounts – During the year ended December 31, 2020, no accounts were forfeited.

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

Note 20. Community Disaster Loan

On March 27th, 2013, the Borough submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$3,954,766 in relation to Hurricane Sandy losses and expenditures. On March 28, 2013, the Borough approved a resolution to amend the 2013 Budget by \$1,970,000, the amount of the CDL that was awarded in 2013. The remaining \$1,984,766 was received in June of 2014.

The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note is executed, in the case June 20, 2013 when the interest rate was 0.75%. The term of the loan is usually 5 years, but may be extended. Interest accrues on the funds as they are disbursed. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in three fiscal years following the financial year if the disaster are insufficient to meet the operating budget because of disaster related revenue losses and notun-reimbursed disaster related operating expenses.

On September 19, 2019, the Borough received a determination calculation from FEMA cancelling \$2,233,397.85 of the outstanding Community Disaster Loan leaving the Borough with a remaining liability of \$1,721,368.15.

As of December 31, 2020, the Borough has recorded a loan payable of \$1,721,368.15 with \$208,228.75 of accrued interest.

**BOROUGH OF KEANSBURG
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 21. Subsequent Events

As discussed Note 1, the Borough has evaluated subsequent events through June 2, 2021, the date the financial statements were available to be issued. The following was noted:

The Borough adopted a Bond Ordinance on April 21, 2021 to provide for the conversion of a short term debt obligation into a long term debt obligation by appropriating an amount not exceeding \$1,900,000 and authorizing the issuance of not to exceed \$1,900,000 General Obligation Refunding Bonds. The Borough has applied to FEMA for the purpose of obtaining forgiveness of the Community Disaster Loan scheduled to repaid in three years but has been unsuccessful. The Borough Council has determined that it is in the best interests of the Borough to convert the Community Disaster Loan to a long term debt obligation with a ten-year maturity by the issuance of refunding bonds to cover the amount required to repay the loan and all costs in connection with the conversion to a long term debt obligation.

The Borough adopted a Bond Ordinance on May 19, 2021 to provide for Maple Avenue Roadway Construction, Seeley Avenue Drainage Improvements, and Raritan Avenue Stormwater Pump Station Upgrades, appropriating \$999,8000 therefore and authorizing the issuance of \$396,825 in Bonds and Notes to finance a portion of the ordinance.

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SUPPLEMENTARY STATEMENTS

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CURRENT FUND

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**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2019	\$ 6,834,964.99	\$ 18,993.84
Increased By Receipts:		
Non-Budget Revenues	\$ 214,093.94	\$ -
State of New Jersey - Senior Citizens' and Veterans' Deductions	42,250.00	-
Property Taxes Receivable	18,940,323.12	-
Tax Title Liens Receivable	65,268.86	-
Revenue Accounts Receivable	4,296,539.90	-
Due To/From:		
State of N.J.	800.00	-
Prepaid Taxes	172,998.10	-
Payroll Deductions Payable	310,538.18	-
Outside Liens Payable	423,952.69	-
Reserve for FEMA Reimbursements	20.00	-
Interfunds Returned	236.20	-
Accounts Payable	317,119.38	-
Due From Grant Fund	46,580.00	-
Grants:		
Due General Capital Fund	-	50,000.00
Unappropriated	-	28,784.13
	<u>24,830,720.37</u>	<u>78,784.13</u>
	31,665,685.36	97,777.97
Decreased By Disbursements:		
2020 Budget Appropriations	15,211,436.05	-
2019 Appropriation Reserves	884,538.40	-
Local School Taxes	5,368,976.42	-
County Taxes	1,716,022.54	-
Outside Liens Payable	527,740.56	-
Property Tax Overpayments	37,631.16	-
Accounts Payable	466,802.32	-
Due to State of N.J. Marriage License	950.00	-
Reserve for FEMA Reimbursements	315,000.00	-
Interfund Advances	22,330.96	-
Grants - Appropriated	-	94,490.80
	<u>24,551,428.41</u>	<u>94,490.80</u>
Balance, December 31, 2020	<u><u>\$ 7,114,256.95</u></u>	<u><u>\$ 3,287.17</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUND AND PETTY CASH FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2020</u>
Tax Collector	\$ 250.00
Municipal Court	150.00
Clerk & Vital Statistics	75.00
Construction Office	100.00
Code Enforcement Office	<u>50.00</u>
	<u><u>\$ 625.00</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 4,585.23
Increased By:		
Senior Citizens' Deductions per		
Tax Billings	\$ 8,500.00	
Veterans' Deductions per Tax Billings	33,750.00	
Senior Citizens' and Veterans' Deductions		
Allowed By Tax Collector	<u>250.00</u>	
		<u>42,500.00</u>
Decreased By:		47,085.23
Cash Received From State of New Jersey	42,250.00	
Senior Citizens' and Veterans' Deductions		
Disallowed By Tax Collector	<u>1,250.00</u>	
		<u>43,500.00</u>
Balance, December 31, 2020		<u><u>\$ 3,585.23</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Year</u>	<u>Balance December 31, 2019</u>	<u>2020 Levy</u>	<u>Added</u>	<u>2019 Collections</u>	<u>2020 Collections</u>	<u>Due From State of New Jersey</u>	<u>Transfers to Tax Title Lien</u>	<u>Remitted Abated Cancelled</u>	<u>Balance December 31, 2020</u>
2018	\$ 6,955.05	\$ -	\$ -	\$ -	\$ 6,955.05	\$ -	\$ -	\$ -	\$ -
2019	732,189.12	-	-	-	732,189.12	-	-	-	-
2020	-	19,049,709.54	111,472.00	165,532.81	18,201,178.95	41,250.00	32,242.67	65,500.96	655,476.15
	<u>\$ 739,144.17</u>	<u>\$ 19,049,709.54</u>	<u>\$ 111,472.00</u>	<u>\$ 165,532.81</u>	<u>\$ 18,940,323.12</u>	<u>\$ 41,250.00</u>	<u>\$ 32,242.67</u>	<u>\$ 65,500.96</u>	<u>\$ 655,476.15</u>

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax
 Added/ Omitted Taxes (R.S. 54-4-63, 1 et seq.)

\$ 19,049,709.54
111,472.00
\$ 19,161,181.54

Tax Levy

Local District School Tax

County Taxes:

General Tax \$ 1,410,713.86
 Library Tax 102,674.29
 Open Space Fund Tax 164,710.26
 Health Tax 29,091.74
 Added & Omitted Tax 5,509.23

1,712,699.38

7,007,680.38

Local Tax for Municipal Purposes
 Add: Additional Tax Levied

12,047,538.39
105,962.77
12,153,501.16
\$ 19,161,181.54

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 335,604.44
Increased By:		
Transfers From Taxes Receivable	<u>\$ 32,242.67</u>	<u>32,242.67</u>
		367,847.11
Decreased By:		
Collections	65,268.86	
Foreclosed	<u>120,210.40</u>	<u>185,479.26</u>
Balance, December 31, 2020		<u><u>\$ 182,367.85</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 186,800.00
Increased By:	
Foreclosed Property/Transfer from Tax Title Liens	<u>120,210.40</u>
Balance, December 31, 2020	<u><u>\$ 307,010.40</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance December 31, <u>2019</u>	Accrued in <u>2020</u>	<u>Collections</u>	Balance December 31, <u>2020</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 18,290.00	\$ 18,290.00	\$ -
Other	-	30,696.00	30,696.00	-
Fees and Permits	-	541,109.93	541,109.93	-
Fines and Costs:				
Municipal Court	-	252,815.01	252,815.01	-
Interest and Costs on Taxes	-	229,358.55	229,358.55	-
Parking Meters	-	306,233.43	306,233.43	-
Interest on Investments and Deposits	-	73,423.91	73,423.91	-
PILOT:				
Keansburg Housing Authority	-	5,291.00	5,291.00	-
Grandview Apartments	-	80,000.00	80,000.00	-
Rental of Borough Property	-	41,250.00	41,250.00	-
Church Street Corp - Fallon Mano	-	343,853.01	343,853.01	-
Consolidated Municipal Property Tax Relief Aid	-	386,732.00	386,732.00	-
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)	-	1,438,899.01	1,438,899.01	-
Uniform Construction Code Fees	-	112,713.00	112,713.00	-
Interlocal Service Agreement - School Resource Officer	-	245,788.31	245,788.31	-
Other Special Items:				
Uniform Fire Safety Act	-	9,907.65	9,907.65	-
Cable TV Fees	-	136,029.77	136,029.77	-
Leased Property - Cingular Wireless	-	44,149.32	44,149.32	-
	<u>\$ -</u>	<u>\$ 4,296,539.90</u>	<u>\$ 4,296,539.90</u>	<u>\$ -</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, 2019	Transferred from 2020 Budget	Transferred from Encumbrances Payable	Expended	Transferred to Encumbrances Payable	Balance December 31, 2020
Federal Grants:						
Local Law Enforcement Block Grant	\$ 339.98	\$ -	\$ -	\$ -	\$ -	\$ 339.98
State Grants:						
NJEDA - Neighborhood Comm Revitalization	-	-	108.49	-	108.49	-
Safe & Secure	-	60,000.00	-	60,000.00	-	-
Safe & Secure - Match	-	186,712.00	-	186,712.00	-	-
Drunk Driving Enforcement Fund	-	2,440.71	-	-	-	2,440.71
Alcoholic Education	478.66	-	-	-	-	478.66
Body Armor	11,018.90	-	-	10,460.45	-	558.45
FEMA - Hazard Mitigation Grant	310,217.00	-	24.86	-	24.86	310,217.00
Clean Communities	3,955.38	20,772.75	-	23,276.90	-	1,451.23
Division Highway Safety	22,660.00	4,840.00	-	753.45	-	26,746.55
Recreational Trails Program	1,709.25	-	-	-	-	1,709.25
Recycling Tonnage Grant	60.34	16,916.00	-	-	-	16,976.34
	<u>\$ 350,439.51</u>	<u>\$ 291,681.46</u>	<u>\$ 133.35</u>	<u>\$ 281,202.80</u>	<u>\$ 133.35</u>	<u>\$ 360,918.17</u>
2020 Budget Appropriations		\$ 104,969.46				
Cash Receipts - Local Match		<u>186,712.00</u>				
		<u>\$ 291,681.46</u>				

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance December 31, <u>2019</u>	Transferred To Budget <u>Appropriations</u>	Cash <u>Received</u>	Balance December 31, <u>2020</u>
Summer Youth	\$ -	\$ -	\$ 2,154.32	\$ 2,154.32
Drunk Driving Enforcement Fund	2,440.71	2,440.71	-	-
Clean Communities	20,772.75	20,772.75	18,730.66	18,730.66
Recycling Tonnage Grant	16,916.00	16,916.00	-	-
State Parks Grant 2020	-	-	4,545.38	4,545.38
Body Armor	-	-	3,353.77	3,353.77
Division of Highway Safety	4,840.00	4,840.00	-	-
	<u>\$ 44,969.46</u>	<u>\$ 44,969.46</u>	<u>\$ 28,784.13</u>	<u>\$ 28,784.13</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance, December 31, 2019	Transfer from <u>Encumbrances</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
Office of the Borough Manager:					
Salaries and Wages	\$ 21,663.21	\$ 7,700.00	\$ 29,363.21	\$ 10,568.75	\$ 18,794.46
Other Expenses	13,692.86	11,603.28	25,296.14	11,603.28	13,692.86
Office of the Borough Clerk:					
Salaries and Wages	10,019.55	5,000.00	15,019.55	15,019.55	-
Other Expenses	11,981.63	1,880.41	13,862.04	7,462.49	6,399.55
Legal Services and Costs:					
Other Expenses	3,033.22	-	3,033.22	2,237.00	796.22
DEPARTMENT OF FINANCE					
Office of Director of Finance:					
Salaries and Wages	33,641.04	5,200.00	38,841.04	5,200.00	33,641.04
Other Expenses	2,624.44	2,683.09	5,307.53	4,886.08	421.45
Annual Audit	72,000.00	-	72,000.00	72,000.00	-
Division of Tax Collector:					
Salaries and Wages	10,414.12	1,500.00	11,914.12	1,500.00	10,414.12
Other Expenses	19,438.97	1,973.59	21,412.56	998.72	20,413.84
Division of Tax Assessor:					
Salaries and Wages	-	492.20	492.20	492.20	-
Other Expenses	16,907.82	6,885.27	23,793.09	5,675.00	18,118.09
DEPARTMENT OF PUBLIC SAFETY					
Police:					
Salaries and Wages	4,555.99	170,000.00	174,555.99	171,245.43	3,310.56
Other Expenses	16,907.82	43,815.39	60,723.21	59,730.48	992.73
Dispatchers					
Salaries and Wages	18,510.10	5,000.00	23,510.10	5,162.81	18,347.29
Other Expenses			-	-	-
Detective Bureau:					
Other Expenses	9,361.50	4,255.30	13,616.80	4,037.30	9,579.50
Bureau of Street Crossing Guards:					
Salaries and Wages	1,404.65	2,800.00	4,204.65	3,800.00	404.65
Other Expenses	2,583.00	70.00	2,653.00	70.00	2,583.00
DIVISION OF FIRE					
Fire Department:					
Other Expenses	5,670.30	59,903.67	65,573.97	59,352.17	6,221.80
Emergency Medical Services					
Other Expenses	4,192.72	4,355.34	8,548.06	4,038.30	4,509.76
UNIFORM CONSTRUCTION CODE					
Code Enforcement:					
Salaries and Wages	7,207.65	7,000.00	14,207.65	7,000.00	7,207.65
Other Expenses	3,108.14	427.99	3,536.13	427.99	3,108.14
Uniform Safety Act:					
Salaries and Wages	886.89	1,400.00	2,286.89	1,400.00	886.89
Other Expenses	6,909.09	284.52	7,193.61	284.53	6,909.08
DEPARTMENT OF ENGINEERING AND PUBLIC WORKS					
Division of Engineering:					
Other Expenses	2,142.68	12,815.45	14,958.13	14,815.60	142.53
Division of Streets and Roads:					
Salaries and Wages	30,975.67	21,000.00	51,975.67	22,941.78	29,033.89
Other Expenses	41,691.15	22,092.46	63,783.61	17,631.82	46,151.79
Division of Snow Removal:					
Salaries and Wages			-		-
Other Expenses	8,503.87	9,550.00	18,053.87	9,431.60	8,622.27
Division of Parking Meter Maintenance:					
Salaries and Wages			-		-
Other Expenses	12,311.26	16,255.00	28,566.26	16,255.00	12,311.26
Division of Buildings and Grounds:					
Other Expenses	41,712.02	5,893.63	47,605.65	4,423.50	43,182.15
Municipal Garage:					
Salaries and Wages	467.20	4,500.00	4,967.20	4,500.00	467.20
Other Expenses	25,269.28	13,119.67	38,388.95	9,331.47	29,057.48
Sanitation:					
Contract	-	5,134.34	5,134.34	5,134.34	-
Landfill Solid Waste Disposal Fees	-	66,498.44	66,498.44	62,012.85	4,485.59
DEPARTMENT OF HEALTH AND WELFARE					
Division of Health:					
Salaries and Wages	991.20	300.00	1,291.20	300.00	991.20
Other Expenses	488.99	50.00	538.99	50.00	488.99
Dog Regulation	2,812.00	6,112.00	8,924.00	6,112.00	2,812.00

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance, December 31, 2019	Transfer from Encumbrances	Balance after Modifications	Paid or Charged	Lapsed
DEPARTMENT OF RECREATION PARKS AND PLAYGROUNDS					
Division of Recreation Parks and Playgrounds:					
Other Expenses	13,589.63	600.00	14,189.63	600.00	13,589.63
Historical Society:					
Other Expenses	428.21	1,855.60	2,283.81	1,867.60	416.21
MUNICIPAL PROSECUTOR					
Salaries and Wages	2,292.25	700.00	2,992.25	1,013.08	1,979.17
OTHER MUNICIPAL OPERATIONS					
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)					
Planning Board of Adjustment:					
Salaries and Wages	14,094.76	1,200.00	15,294.76	1,055.87	14,238.89
Other Expenses	13,482.15	3,471.84	16,953.99	4,244.59	12,709.40
Emergency Management Services:					
Salaries and Wages	-	1,038.25	1,038.25	538.47	499.78
Other Expenses			-	-	-
INSURANCES: N.J.S.A. 40A:4-45.3(00)					
Group Insurance Plan for Employees	230,268.78	237,070.95	467,339.73	255,518.79	211,820.94
Group Salary Insurance	13,594.62	-	13,594.62	2,405.38	11,189.24
SENIOR CITIZENS					
Transportation of Senior Citizens:					
Other Expenses	250.00	-	250.00	250.00	-
MUNICIPAL COURT					
Salaries and Wages	1,114.39	8,000.00	9,114.39	8,000.00	1,114.39
Other Expenses	3.70	1,583.29	1,586.99	1,383.29	203.70
MUNICIPAL LIBRARY					
Salaries and Wages	5,945.78	1,000.00	6,945.78	1,000.00	5,945.78
Other Expenses	5,591.68	1,227.05	6,818.73	1,265.55	5,553.18
UNIFORM CONSTRUCTION CODE APPROPRIATIONS					
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
State Uniform Construction Code Officials:					
Salaries and Wages	4,010.35	8,000.00	12,010.35	8,000.00	4,010.35
Other Expenses	2,509.68	1,347.99	3,857.67	1,347.98	2,509.69
UNCLASSIFIED					
Utilities:					
Electricity	12,872.96	5,337.93	18,210.89	9,775.55	8,435.34
Street Lighting	39,106.44	17,926.25	57,032.69	7,926.25	49,106.44
Telephone	415.38	5,482.60	5,897.98	5,897.98	-
Natural Gas	731.23	7,636.92	8,368.15	3,368.15	5,000.00
Gasoline and Fuel Oil	48,336.71	10,882.13	59,218.84	9,355.46	49,863.38
Celebration of Public Events	756.57	712.50	1,469.07	712.50	756.57
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	4,856.02	10,000.00	14,856.02	10,000.00	4,856.02
All Others No Changes	146,890.20	15,856.04	162,746.24	-	162,746.24
Total General Appropriations	<u>\$ 1,025,221.52</u>	<u>\$ 868,480.38</u>	<u>\$ 1,893,701.90</u>	<u>\$ 962,658.53</u>	<u>\$ 931,043.37</u>

2019 Appropriation Reserves
Encumbrances Payable

\$ 1,025,221.52
868,480.38
\$ 1,893,701.90

Cash Disbursements
Transferred to Accounts Payable

\$ 884,538.40
78,120.13
\$ 962,658.53

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019			\$ 287,754.18
Increased By:			
Cash Receipts	\$	317,119.38	
2012 Refunded Bonds		157,928.13	
Transferred From Appropriation Reserves		<u>78,120.13</u>	
			<u>553,167.64</u>
			840,921.82
Decreased By:			
Cash Disbursements		466,802.32	
Cancelled		<u>25,234.63</u>	
			<u>492,036.95</u>
Balance, December 31, 2020			<u><u>\$ 348,884.87</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 868,480.38
Increased By:	
Transferred From Appropriation	<u>288,915.40</u>
	1,157,395.78
Decreased By:	
Transferred To Appropriation Reserves	<u>868,480.38</u>
Balance, December 31, 2020	<u><u>\$ 288,915.40</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 165,532.81
Increased By:	
Collection of 2021 Taxes	<u>172,998.10</u>
	338,530.91
Decreased By:	
Applied To 2020 Taxes	<u>165,532.81</u>
Balance, December 31, 2020	<u><u>\$ 172,998.10</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PROPERTY TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ -
Increased By:	
2020 Tax Overpayments	<u>37,631.16</u>
	37,631.16
Decreased By:	
Tax Overpayments Refunded	<u>37,631.16</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 73,995.42
Increased By:	
Levy Calendar Year 2020	<u>5,294,981.00</u>
	5,368,976.42
Decreased By:	
Cash Disbursed	<u>5,368,976.42</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$	8,832.39
Increased By:			
2020 Tax Levy:			
County Tax	\$	1,410,713.86	
County Library Tax		102,674.29	
County Open Space Fund Tax		164,710.26	
County Health Tax		29,091.74	
Due County for Added and Omitted Taxes		<u>5,509.23</u>	
			<u>1,712,699.38</u>
			1,721,531.77
Decreased By:			
Cash Disbursements			<u>1,716,022.54</u>
Balance, December 31, 2020		\$	<u><u>5,509.23</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF OUTSIDE LIENS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019			\$ 94,557.99
Increased By:			
Cash Receipts	\$ 423,952.69		
Adjustment	9,229.88		
			<u>433,182.57</u>
			527,740.56
Decreased By:			
Cash Disbursements			<u>527,740.56</u>
Balance, December 31, 2020			<u><u>\$ -</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 90,620.82
Increased By:	
Cash Receipts	<u>310,538.18</u>
Balance, December 31, 2020	<u><u>\$ 401,159.00</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE
FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance December 31, <u>2019</u>	Cash <u>Receipts</u>	<u>Decreased</u>	Balance December 31, <u>2020</u>
Marriage Licenses	<u>\$ 798.00</u>	<u>\$ 800.00</u>	<u>\$ 950.00</u>	<u>\$ 648.00</u>
	<u><u>\$ 798.00</u></u>	<u><u>\$ 800.00</u></u>	<u><u>\$ 950.00</u></u>	<u><u>\$ 648.00</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2020</u>
Revaluation	\$ 324,614.75	\$ -	\$ 315,000.00	\$ 9,614.75
Tax Appeals	200,000.00	-	-	200,000.00
Hurricane Sandy - 2013	-	20.00	-	20.00
Demolition Reimbursements	<u>49,178.40</u>	<u>-</u>	<u>-</u>	<u>49,178.40</u>
	<u><u>\$ 573,793.15</u></u>	<u><u>\$ 20.00</u></u>	<u><u>\$ 315,000.00</u></u>	<u><u>\$ 258,813.15</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, 2019	Budget Revenue Realized	Transferred From <u>Unappropriated</u>	Balance December 31, 2020
State Programs				
Safe and Secure Grant	\$ -	\$ 60,000.00	\$ -	\$ 60,000.00
Drunk Driving Enforcement Fund	-	2,440.71	2,440.71	-
Clean Communities Grant	-	20,772.75	20,772.75	-
Division of Highway Safety	-	4,840.00	4,840.00	-
Recycling Tonnage Grant	-	16,916.00	16,916.00	-
FEMA - Hazard Mitigation Grant	303,303.00	-	-	303,303.00
Click It or Ticket	245.48	-	-	245.48
County Programs - Open Space	73,000.00	-	-	73,000.00
	<u>\$ 376,548.48</u>	<u>\$ 104,969.46</u>	<u>\$ 44,969.46</u>	<u>\$ 436,548.48</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 133.35
Increased By:	
Transferred From Grants Appropriated	<u>133.35</u>
	266.70
Decreased By:	
Transferred To Grants Appropriated	<u>133.35</u>
Balance, December 31, 2020	<u><u>\$ 133.35</u></u>

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TRUST FUND

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**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Animal Control <u>Fund</u>	Other <u>Trust Funds</u>
Balance, December 31, 2019	\$ 4,437.60	\$ 1,504,479.82
Increased By Receipts:		
Due To State of New Jersey	285.60	-
Dog License Fees	1,414.12	-
Due from Current Fund	-	31,612.00
Various Reserves	-	892,980.62
	<u>1,699.72</u>	<u>924,592.62</u>
	<u>6,137.32</u>	<u>2,429,072.44</u>
Decreased By Disbursements:		
N.J. State Department of Health	285.60	-
Due to Current Fund	236.20	-
Various Reserves	-	775,350.50
	<u>521.80</u>	<u>775,350.50</u>
Balance, December 31, 2020	<u><u>\$ 5,615.52</u></u>	<u><u>\$ 1,653,721.94</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ -
Increased By:	
State Registration Fees	<u>285.60</u>
	285.60
Decreased By:	
Disbursed To State	<u>285.60</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 4,251.40
Increased By:		
License Fees Collected	\$ 1,394.40	
Interest	<u>19.72</u>	
		<u>1,414.12</u>
		5,665.52
Decreased By:		
Statutory Excess Reserve to Current Fund		<u>787.32</u>
Balance, December 31, 2020		<u><u>\$ 4,878.20</u></u>

License Fees Collected

2019	\$ 2,727.80
2018	<u>2,150.40</u>
	<u><u>\$ 4,878.20</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR VARIOUS TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2020</u>
Tax Sale Premiums	\$ 393,148.72	\$ 183,500.00	\$ 189,600.00	\$ 387,048.72
Omni Lease Deposit	178,425.36	56,392.24	18,120.40	216,697.20
Recycling	5,437.03	8,631.74	4,012.23	10,056.54
Recreation Activities and Programs	48,751.29	14,615.00	22,222.03	41,144.26
Library & Art Camp Fees	8,532.40	532.30	185.85	8,878.85
Tree Beautification	435.70	-	-	435.70
Public Defender Fees	2,928.64	3,500.00	6,428.64	-
Accumulated Absences	45,481.73	-	-	45,481.73
Parking Offenses Adjudication Act	32,589.69	348.00	-	32,937.69
Off Duty Police	36,270.54	375,157.10	355,617.02	55,810.62
Forfeiture Funds	3,590.51	-	-	3,590.51
Law Enforcement Trust	20,366.29	8,068.90	3,216.92	25,218.27
Unemployment Compensation				
Insurance	13,561.44	49.06	474.46	13,136.04
Escrow Deposits	362,516.34	49,161.98	63,431.43	348,246.89
Performance Bonds/Engineering				
Fees	21,037.21	-	-	21,037.21
Workers Compensation	11,326.08	40.96	205.90	11,161.14
Reserve for:				
Interest	98.51	334.85	-	433.36
Redevelopment	14,391.97	-	-	14,391.97
Storm Recovery	261,767.24	192,648.49	54,162.21	400,253.52
Fire Safety	15,142.00	-	5,705.76	9,436.24
Hurricane Sandy Relief	60,293.13	-	51,967.65	8,325.48
	<u>\$ 1,536,091.82</u>	<u>\$ 892,980.62</u>	<u>\$ 775,350.50</u>	<u>\$ 1,653,721.94</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF RESERVE FOR FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 481,547.26
Increased By:		
Borough Contributions	\$ 51,400.00	
Appreciation on Investments	<u>34,111.28</u>	
		<u>85,511.28</u>
		567,058.54
Decreased By:		
Withdrawals	46,324.75	
Accounting Charges	<u>1,575.00</u>	
		<u>47,899.75</u>
Balance, December 31, 2020		<u><u>\$ 519,158.79</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 481,547.26
Increased By:		
Borough Contributions	\$ 51,400.00	
Appreciation on Investments	<u>34,111.28</u>	
		<u>85,511.28</u>
		567,058.54
Decreased By:		
Withdrawals	46,324.75	
Accounting Charges	<u>1,575.00</u>	
		<u>47,899.75</u>
Balance, December 31, 2020		<u><u>\$ 519,158.79</u></u>

GENERAL CAPITAL FUND

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**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 10,977,836.53
Increased By:		
Premium on BAN Sale	\$ 1,113.00	
Grants Receivable	43,000.00	
Bond Anticipation Notes	567,731.00	
Miscellaneous Reserves	<u>25,000.00</u>	
		<u>636,844.00</u>
		11,614,680.53
Decreased By:		
Bond Anticipation Notes	10,178,525.00	
Interfund Advances	50,000.00	
Improvement Authorizations	<u>385,433.86</u>	
		<u>10,613,958.86</u>
Balance, December 31, 2020		<u><u>\$ 1,000,721.67</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2020</u>
Capital Improvement Fund	\$ 433,603.96
Due From Grant Fund	(50,000.00)
State, Federal, Local Grants Receivable	(608,686.49)
Reserve for:	
Encumbrances	472,499.99
Interest on RCA Funds	29,018.16
Sewer Project - Boardwalk Restoration	50,000.00
Payment of Debt Service	77,388.86
Capital Repairs - Pump Station/Stormwater	150,000.00
FEMA Proceeds	326,748.68
Reserve for Receivable	85,000.00
Fund Balance	197,529.55

<u>Ordinance Number</u>	<u>Improvement Description</u>	
1062/1253/1371	RCA Holmdel Mt. Laurel Housing	\$ 49,715.08
1145	Removal of Underground Storage Tank	(18,632.33)
1184	Reconstruction of Twilight Avenue	(1,567.44)
1210/1272	Improvements - St. John's Park	(143,961.00)
1320	Improvements to Carr Avenue	326.78
1322	Improvements to Center, Raritan and Seabreeze	193.49
1324	Demolition of Buildings	1,105.00
1325	Construction of Library and Recreation Fields	32,605.76
1352/1426	St. John's Park	80,740.60
1394	Improvements to Police Station	854.50
1448	Acquisition Fire Truck/Energy Efficient Devices	2,009.00
1467	Improvements to Storm Water System	655.61
1494	Improvements to Parks and Playgrounds	100.00
1510	Improvements to Main St. Business Area	5,768.85
1522	Terrace Place Vacinity Road Improvements	31,868.19
1523	Sinkhole Improvements	8,770.75
1524	Various Road Improvement	37.08
1525	Park Improvements	0.09
1526	Bulkhead Creek Rd/Laurel	3,309.32
1549	Outfall Extension - Beachway	16,761.61
1550	Raritan Avenue Drainage	364.81
1553/1574/1584	New Police Facility	47,724.31
1547	Acquisition of Property	1,981.57
1568	Acquisition of Property	10,296.20
1586	Various Capital Improvements	855.75
1594	Road Improvements - Leola Ave & Highlands Blvd	(130,102.98)
1617	Improvements - Twilight & Beacon Roads	2,324.66
1631	Various Capital Improvements	56,118.25
1640	Improvements to Highlands Blvd	(128,000.00)
1654	Improvements to Seabreeze Way and Oakwood Place	(98,104.55)
1665	Reconstruction of Baywalk West	3,500.00
		<u>\$ 1,000,721.67</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$	11,979,327.76
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Decreased By:

Serial Bonds Paid	\$	735,000.00	
M.C.I.A. Leases Paid		118,000.00	
N.J.E.I.T. Loan Paid		205,756.73	
Green Trust Loan Paid		6,793.74	
		1,065,550.47	

Balance, December 31, 2020	\$	10,913,777.29
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Analysis of Balance

Funded	\$	9,782,777.29
Funded - Leases		1,131,000.00
		\$ 10,913,777.29

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**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF STATE, FEDERAL, AND LOCAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 366,686.49
Increased By:	
Grant Awards	<u>285,000.00</u>
	651,686.49
Decreased By:	
Cash Receipts	<u>43,000.00</u>
Balance, December 31, 2020	<u><u>\$ 608,686.49</u></u>

<u>Analysis of Balance</u>	<u>Ordinance Number</u>	
D.O.T. Grant:		
Waterfront Bicycle & Pedestrian Corridor	1346	\$ 53,359.87
CDBG - Road Improvements		
Improvements - Twilight & Beacon Roads	1617	58,750.00
Improvements to Highlands Blvd	1640	65,000.00
Improvements to Seabreeze Way and Oakwood Place	1654	200,000.00
CDBG - Improvement Main St. Businesses	1477	122,822.10
Monmouth County:		
Road Improvements - Reconstruction of Baywalk West	1665	85,000.00
CDBG Improvements - Twilight & Eacon Roads	1617	4,754.52
Property Acquisition	1568	<u>19,000.00</u>
		<u><u>\$ 608,686.49</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 410,000.27
Increased By:	
Transferred From Improvement Authorizations	<u>472,499.99</u>
	882,500.26
Decreased By:	
Transferred To Improvement Authorizations	<u>410,000.27</u>
Balance, December 31, 2020	<u><u>\$ 472,499.99</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance December 31, 2019	Decreased	Balance December 31, 2020
			Date	Amount				
Refunding Bonds	03/02/16	\$ 2,035,000.00	12/01/21	400,000.00	5.00%	\$ 1,665,000.00	\$ 375,000.00	\$ 1,290,000.00
			12/01/22	430,000.00	5.00%			
			12/01/23	460,000.00	5.00%			
Refunding Bonds	11/08/12	1,690,000.00	12/01/21*	150,000.00	2.000%	715,000.00	150,000.00	565,000.00
			12/01/22*	145,000.00	2.375%			
			12/01/23*	140,000.00	2.375%			
			12/01/24*	130,000.00	2.375%			
MCIA Pooled Loan Series 2019B	12/03/19	8,065,000.00	12/01/21	360,000.00	5.00%	8,065,000.00	210,000.00	7,855,000.00
			12/01/22	380,000.00	5.00%			
			12/01/23	395,000.00	5.00%			
			12/01/24	420,000.00	5.00%			
			12/01/25	420,000.00	5.00%			
			12/01/26	420,000.00	5.00%			
			12/01/27	420,000.00	5.00%			
			12/01/28	420,000.00	5.00%			
			12/01/29	420,000.00	5.00%			
			12/01/30	420,000.00	5.00%			
			12/01/31	420,000.00	5.00%			
			12/01/32	420,000.00	5.00%			
			12/01/33	420,000.00	4.00%			
			12/01/34	420,000.00	4.00%			
			12/01/35	420,000.00	4.00%			
			12/01/36	420,000.00	4.00%			
			12/01/37	420,000.00	4.00%			
			12/01/38	420,000.00	4.00%			
			12/01/39	420,000.00	4.00%			
						\$ 10,445,000.00	\$ 735,000.00	\$ 9,710,000.00

*Term Bonds

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Ordinance Number	Improvement Description	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2019	Increase	Decrease	Balance December 31, 2020
1448	Acquisition Fire Truck/Energy Efficient Devices	6/30/2010			\$ 37,102.00	\$	\$ 37,102.00	\$ -
1477	Improvements Main Street Business	6/30/2010			320,701.00	-	320,701.00	-
1484	Improvements Highland Blvd./Center Ave.	6/30/2010			47,364.00	-	47,364.00	-
1494	Improvements to Parks and Playgrounds	6/30/2010			83,442.00	-	83,442.00	-
1510	Improvements to Main Street	6/27/2012			206,895.00	-	206,895.00	-
1508	Improvements to Various Roads	6/27/2012			261,826.00	-	261,826.00	-
1484	Improvements Highland Blvd./Center Ave.	6/27/2012			128,945.00	-	128,945.00	-
1522	Terrace Place Vacinity Road Improvements	6/26/2013			227,310.00	-	227,310.00	-
1523	Sinkhole Improvements	6/26/2013			17,727.00	-	17,727.00	-
1524	Improvements to Various Roads	6/26/2013			1,534,612.00	-	1,534,612.00	-
1525	Park Improvements	6/26/2013			92,412.00	-	92,412.00	-
1526	Bulkhead Creek Rd/Laurel	6/26/2013			272,362.00	-	272,362.00	-
1549	Drainage Outfall Pipes	6/24/2015			396,564.00	-	396,564.00	-
1550	Raritan Ave Drainage	6/24/2015			362,302.00	-	362,302.00	-
1553/1574/1584	New Police Facility	6/24/2015			4,859,522.00	-	4,859,522.00	-
1566	Improvements to Shore Blvd/Woodland Ave	6/24/2016			711,595.00	-	711,595.00	-
1568	Acquisition of Real Property	6/24/2016			50,113.00	-	50,113.00	-
1617	Roadway Drainage	2/6/2020	2/5/2021	2.00%	567,731.00	567,731.00	567,731.00	567,731.00
					<u>\$ 10,178,525.00</u>	<u>\$ 567,731.00</u>	<u>\$ 10,178,525.00</u>	<u>\$ 567,731.00</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF MCIA EQUIPMENT LEASE PURCHASE OBLIGATIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Purpose</u>	<u>Original Issue</u>	<u>Outstanding</u>		<u>Interest</u>	<u>Balance</u> December 31, 2019	<u>Decreased</u>	<u>Balance</u> December 31, 2020
		<u>Date</u>	<u>Amount</u>				
MCIA 2019	\$ 1,249,000.00	10/01/21	\$ 134,000.00	5.00%	\$ 1,249,000.00	\$ 118,000.00	\$ 1,131,000.00
		10/01/22	141,000.00	5.00%			
		10/01/23	148,000.00	5.00%			
		10/01/24	154,000.00	5.00%			
		10/01/25	100,000.00	5.00%			
		10/01/26	105,000.00	5.00%			
		10/01/27	111,000.00	5.00%			
		10/01/28	116,000.00	5.00%			
		10/01/29	122,000.00	5.00%			
					<u>\$ 1,249,000.00</u>	<u>\$ 118,000.00</u>	<u>\$ 1,131,000.00</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL LOAN PAYABLE - NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Project Description</u>	<u>Drawdown Date</u>	<u>Amount of Loan</u>	<u>Calendar Year</u>	<u>Outstanding</u>		<u>Balance December 31, 2019</u>	<u>Decreased</u>	<u>Balance December 31, 2020</u>
				<u>Principal Amount</u>	<u>Interest Amount</u>			
Drainage Improvements	10/15/01	\$ 2,910,000.00				\$ 188,704.16	\$ 188,704.16	\$ -
Drainage Improvements	10/15/01	276,422.00	2021	16,746.85	475.00	<u>33,799.42</u>	<u>17,052.57</u>	<u>16,746.85</u>
						<u>\$ 222,503.58</u>	<u>\$ 205,756.73</u>	<u>\$ 16,746.85</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL LOAN PAYABLE - GREEN ACRES LOAN
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 62,824.18
Decreased By:	
Paid By Current Fund	<u>6,793.74</u>
Balance, December 31, 2020	<u><u>\$ 56,030.44</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2019		2020 Authorizations	Transferred From Encumbrances Payable	Expended	Transferred To Encumbrances Payable	Balance December 31, 2020	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
1371	RCA Holmdel Mt. Laurel Housing	03/09/05	\$ 169,788.79	\$	-	\$	-	\$	-	\$ 49,715.08	\$ -
1145	Removal of Underground Storage Tank	08/31/93	75,000.00	-	6,367.67	-	-	-	-	-	6,367.67
1184	Reconstruction of Twilight Avenue	06/20/95	560,000.00	-	-	-	-	-	-	-	9,192.56
1320	Improvements to Carr Avenue	01/22/02	410,000.00	326.78	-	-	9,192.56	-	11,000.00	326.78	-
1322	Improvements to Center, Raritan and Seabreeze	02/12/02	750,000.00	193.49	-	-	11,000.00	-	7,000.00	193.49	-
1324	Demolition of Buildings	06/06/02	68,250.00	1,105.00	-	-	7,000.00	-	-	1,105.00	-
1325	Construction of Library and Recreation Fields	06/06/02	1,800,000.00	32,605.76	-	-	-	-	-	32,605.76	-
1352/1426	St. John's Park	11/13/03	201,106.00	80,740.60	-	-	-	-	-	80,740.60	-
1394	Improvements to Police Station	09/28/05	75,000.00	854.50	-	-	-	-	-	854.50	-
1432	Reconstruction & Improvements to Highland Blvd.	SFY 2008	310,000.00	-	2,009.00	-	33,530.91	-	33,530.91	2,009.00	-
1448	Acquisition Fire Truck/Energy Efficient Devices	SFY 2008	625,000.00	-	-	-	-	-	-	655.61	-
1467	Improvements to Storm Water System	SFY 2009	585,000.00	655.61	-	-	-	-	-	-	-
1477	Improvements Main Street Business	SFY 2009	795,000.00	-	1,108.03	-	-	1,108.03	-	-	-
1484	Improvements Highland Blvd./Center Ave.	TY 2009	425,000.00	-	-	-	32,955.80	-	32,955.80	-	-
1494	Improvements to Parks and Playgrounds	03/24/10	190,000.00	-	5,681.25	-	-	5,581.25	-	100.00	-
1510	Improvements to Main St. Business Area	08/24/11	410,000.00	-	-	-	5,768.85	-	-	5,768.85	-
1522	Terrence Place Vicinity Road Improvements	06/13/12	640,000.00	-	31,868.19	-	-	-	-	31,868.19	-
1523	Sinkhole Improvements	07/25/12	90,000.00	-	11,502.73	-	-	2,731.98	-	8,770.75	-
1524	Various Road Improvement	07/25/12	1,800,000.00	-	37.08	-	-	-	-	37.08	-
1525	Park Improvements	07/25/12	200,000.00	-	0.09	-	-	-	-	0.09	-
1526	Bulldhead Creek Rd/Laurel	08/22/12	690,000.00	-	3,309.32	-	-	-	-	3,309.32	-
1549	Outfall Extension - Beachway	03/26/14	440,000.00	-	16,761.61	-	-	-	-	16,761.61	-
1550	Raritan Avenue Drainage	04/23/14	560,000.00	-	5,398.55	-	-	5,033.74	-	364.81	-
1553/1574/1584	New Police Facility	06/25/14	6,947,474.00	18,244.56	29,480.75	-	9,195.31	-	9,195.31	47,725.31	-
1547	Acquisition of Property	02/26/14	347,000.00	1,981.57	-	-	-	-	-	1,981.57	-
1568	Acquisition of Property	09/23/15	70,000.00	10,296.20	-	-	-	-	-	10,296.20	-
1586	Various Capital Improvements	12/14/16	500,000.00	855.75	-	-	20,000.00	-	20,000.00	855.75	-
1594	Improvements to Leola/Highlands Blvd.	05/17/17	628,000.00	-	9,897.02	-	1,492.69	-	1,492.69	-	9,897.02
1617	Roadway/Drainage Improv/Twilight	08/15/18	972,276.00	-	1,500.06	-	1,524.19	647.00	52.59	-	2,324.66
1631	Various Capital Improvements	02/20/19	400,000.00	-	97,618.25	-	-	36,699.06	4,800.94	56,118.25	-
1640	Improvements to Highlands Blvd	07/17/19	388,000.00	-	109,660.04	-	278,339.96	333,632.80	54,367.20	-	-
1654	Improvements to Seabreeze Way and Oakwood Place	05/20/20	437,500.00	-	-	437,500.00	-	-	298,104.55	-	139,395.45
1665	Reconstruction of Baywalk West	10/21/20	295,000.00	-	-	295,000.00	-	-	-	3,500.00	291,500.00
				\$ 197,574.90	\$ 332,199.64	\$ 732,500.00	\$ 410,000.27	\$ 385,433.86	\$ 472,499.99	\$ 355,663.60	\$ 458,677.36
				Capital Improvement Fund		\$ 3,500.00					
				Bond & Notes Authorized But Not Issued		\$ 529,000.00					
				NJDOT Grant		200,000.00					
						\$ 732,500.00					

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, 2019	Increased	Decreased	Balance December 31, 2020
Reserve for:				
Capital Improvement Fund	\$ 412,103.96	\$ 25,000.00	\$ 3,500.00	\$ 433,603.96
Interest on RCA Funds	29,018.16	-	-	29,018.16
Sewer Project - Boardwalk Restoration	50,000.00	-	-	50,000.00
Payment of Debt Service	77,388.73	0.13	-	77,388.86
Capital Repairs - Pump Station/Stormwater	150,000.00	-	-	150,000.00
FEMA Proceeds	326,748.68	-	-	326,748.68
	<u>\$ 1,045,259.53</u>	<u>\$ 25,000.13</u>	<u>\$ 3,500.00</u>	<u>\$ 1,066,759.66</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2019</u>	Improvement <u>Authorizations</u>	Balance December 31, <u>2020</u>
1145	Removal of Underground Storage Tank	\$ 25,000.00	\$ -	\$ 25,000.00
1184	Reconstruction of Twilight Avenue	10,760.00	-	10,760.00
1210	Improvements - St. John's Park	143,961.00	-	143,961.00
1553/1574	New Police Facility	1.00	-	1.00
1594	Improvements - Leola/Highland Blvd.	140,000.00	-	140,000.00
1640	Improvements - Highlands Blvd.	128,000.00	-	128,000.00
1654	Improvements to Seabreeze Way and Oakwood Place	-	237,500.00	237,500.00
1665	Reconstruction of Baywalk West	-	291,500.00	291,500.00
		<u>\$ 447,722.00</u>	<u>\$ 529,000.00</u>	<u>\$ 976,722.00</u>

WATER AND SEWER UTILITY FUND

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**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Operating	Capital
Balance, December 31, 2019	\$ 824,741.18	\$ 4,484,186.20
Increased By Receipts:		
Consumer Accounts Receivable	\$ 4,598,211.33	-
Interest on Sewer Rents	41,271.79	-
Interest on Investments	10,929.34	-
Non-Budget Revenue	1,161.87	-
Rent Overpayments	2,090.70	-
Prepaid Rents	3,329.88	-
Municipal Liens	6,659.69	-
Budgeted - Capital Improvement Fund	-	200,000.00
Interest	-	6,509.72
	<u>4,663,654.60</u>	<u>206,509.72</u>
	5,488,395.78	4,690,695.92
Decreased By Disbursements:		
2020 Budget Appropriations	3,633,123.70	-
2019 Appropriation Reserves	197,731.23	-
Improvement Authorizations	-	629,010.79
Bond Anticipation Notes	-	3,449,610.00
Interfunds Advanced	-	6,509.72
	<u>3,830,854.93</u>	<u>4,085,130.51</u>
Balance, December 31, 2020	<u>\$ 1,657,540.85</u>	<u>\$ 605,565.41</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF WATER AND SEWER UTILITY CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2020**

		Balance December 31, <u>2020</u>
Excess Financing		\$ 15,000.00
Capital Improvement Fund		288,500.00
Encumbrances Payable		135,919.19
Fund Balance		35,881.84
Ordinance		
<u>Number</u>	<u>Improvement Authorizations</u>	
1441/1466	Design Desalination System Water Plant	8,897.00
1513	Design Desalination System Water Plant	6,237.91
1565	Various Water/Sewer Improvements	10,360.77
1636	Various Water/Sewer Improvements	104,768.70
		<u>\$ 605,565.41</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2020 & 2019

\$ 250.00

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 126,899.98
Increased By:		
Rents Levied		<u>4,668,091.16</u>
		4,794,991.14
Decreased By:		
Collections	\$ 4,598,211.33	
Prepaid Applied	<u>565.23</u>	
		<u>4,598,776.56</u>
Balance, December 31, 2020		<u><u>\$ 196,214.58</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF DEPOSIT WITH BAYSHORE REGIONAL SEWERAGE AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 255,817.26
Increased By:	
Rent Adjustments	<u>12,048.71</u>
Balance, December 31, 2020	<u><u>\$ 267,865.97</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Account</u>	Balance December 31, <u>2020 & 2019</u>
Acquired from KMUA:	
Phase I Construction	\$ 5,443,148.00
Phase II Construction	404,547.00
Phase III Construction	9,801,025.00
Phase IV Construction	6,653,481.00
Additional Construction	106,787.00
Office Renovations	28,369.00
Equipment	102,237.00
Engineering and Inspection	145,020.83
Vehicles	67,190.00
Office Annex	211,219.00
Pump	13,590.00
95 Construction	1,097,337.00
Improvements to Well #3	148,000.00
Improvements to Well #5	100,000.00
Equipment	3,660.00
	<hr/>
	\$ 24,325,610.83
	<hr/> <hr/>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2020 & 2019</u>
1441/1466/	Design Desalination System	
1493	Water Plant	\$ 3,125,000.00
1513	Desalinization System Water Plant	400,000.00
1565	Various Water/Sewer Improvements	1,200,000.00
1604	Design & Replace Well #5	895,000.00
1636	Various Water/Sewer Improvements	641,250.00
		<hr/>
		\$ 6,261,250.00
		<hr/>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, 2019	Encumbrances	Balance After Modifications	Paid or Charged	Lapsed
Operating:					
Salaries and Wages	\$ 17,712.35	\$ -	\$ 17,712.35	\$ 17,500.00	\$ 212.35
Other Expenses	118,866.81	216,262.41	335,129.22	178,645.55	156,483.67
Total Operating	136,579.16	216,262.41	352,841.57	196,145.55	156,696.02
Statutory Expenditures:					
Social Security System (O.A.S.I.)	1,585.68	-	1,585.68	1,585.68	-
Total Statutory Expenditures	1,585.68	-	1,585.68	1,585.68	-
Total Sewer Utility Fund Appropriations	\$ 138,164.84	\$ 216,262.41	\$ 354,427.25	\$ 197,731.23	\$ 156,696.02

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID RENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 104,283.11
Increased By:	
Cash Receipts	<u>3,329.88</u>
	107,612.99
Decreased By:	
Applied to Current Year Rents	<u>565.23</u>
Balance, December 31, 2020	<u><u>\$ 107,047.76</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 216,262.41
Increased By:	
Appropriations	<u>147,010.59</u>
	363,273.00
Decreased By:	
Transferred to Appropriation Reserves	<u>216,262.41</u>
Balance, December 31, 2020	<u><u>\$ 147,010.59</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER AND SEWER RENTS OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 6,604.05
Increased By:	
Overpayments Created	<u>2,090.70</u>
Balance, December 31, 2020	<u><u>\$ 8,694.75</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE FROM WATER AND SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ -
Increased By:	
Cash Receipts	<u>6,509.72</u>
	6,509.72
Decreased By:	
Due to Water/Sewer Operating Fund	<u>6,509.72</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019						\$ 53,466.47
Increased By:						
Charged to Budget Appropriations						
Interest on Bonds, Loans and Notes						<u>196,625.63</u>
Decreased By:						
Cash Disbursed				\$ 191,251.16		
Accrued Interest Cancelled				38,288.92		
Adjustment				<u>3,072.86</u>		<u>232,612.94</u>
Balance, December 31, 2020						<u><u>\$ 17,479.16</u></u>

Analysis of Balance - December 31, 2020

	Outstanding December 31, <u>2020</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>N.J.E.I.T. Loan:</u>						
\$ 365,000.00	4.00%	08/01/20	12/31/20	5 months		\$ 6,250.00
<u>Serial Bonds:</u>						
\$ 60,000.00	5.00%	12/01/20	12/31/20	30 days		250.00
<u>MCIA Pooled Loan:</u>						
\$ 2,805,000.00	5.00%	12/01/20	12/31/20	30 Days		<u>10,979.16</u>
						<u><u>\$ 17,479.16</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u> <u>December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance</u> <u>December 31, 2019</u>	<u>Decreased</u>	<u>Balance</u> <u>December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
2016 Refunding of General Obligation Bonds Series 2008	03/02/16	\$ 95,000.00	12/01/21	\$ 20,000.00	5.00%	\$ 80,000.00	\$ 20,000.00	\$ 60,000.00
			12/01/22	20,000.00	5.00%			
			12/01/23	20,000.00	5.00%			
MCIA Pooled Loan Series 2019 B	12/03/19	2,890,000.00	12/01/21	85,000.00	5.00%	2,890,000.00	85,000.00	2,805,000.00
			12/01/22	85,000.00	5.00%			
			12/01/23	90,000.00	5.00%			
			12/01/24	125,000.00	5.00%			
			12/01/25	130,000.00	5.00%			
			12/01/26	135,000.00	5.00%			
			12/01/27	145,000.00	5.00%			
			12/01/28	150,000.00	5.00%			
			12/01/29	160,000.00	5.00%			
			12/01/30	170,000.00	5.00%			
			12/01/31	170,000.00	5.00%			
			12/01/32	170,000.00	5.00%			
			12/01/33	170,000.00	4.00%			
			12/01/34	170,000.00	4.00%			
			12/01/35	170,000.00	4.00%			
			12/01/36	170,000.00	4.00%			
			12/01/37	170,000.00	4.00%			
			12/01/38	170,000.00	4.00%			
			12/01/39	170,000.00	4.00%			
						<u>\$ 2,970,000.00</u>	<u>\$ 105,000.00</u>	<u>\$ 2,865,000.00</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Balance December 31, 2019</u>	<u>Decrease</u>	<u>Balance December 31, 2020</u>
1493	Design Desalination System Water Plant	06/30/10	\$ 474,835.00	\$ 474,835.00	\$ -
1513	Desalination System Water Plant	06/27/12	374,680.00	374,680.00	-
1565	Various Water & Sewer Improvements	06/22/16	1,108,595.00	1,108,595.00	-
1604	Design & Replace Well #5	06/20/18	850,250.00	850,250.00	-
1636	Various Water & Sewer Improvements	06/19/19	<u>641,250.00</u>	<u>641,250.00</u>	<u>-</u>
			<u>\$ 3,449,610.00</u>	<u>\$ 3,449,610.00</u>	<u>\$ -</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2019</u>	<u>Decreased</u>	<u>Balance December 31, 2020</u>
Trust Loan - Series A (DW-ARRA)	\$ 655,000.00	03/10/10	08/01/21 08/01/22 08/01/23-25 08/01/26 08/01/27-29	35,000.00 35,000.00 40,000.00 40,000.00 45,000.00	3.00% 4.00% 4.00% 3.50% 4.00%	\$ 400,000.00	\$ 35,000.00	\$ 365,000.00
Fund Loan - Winter 2010	1,964,000.00	03/10/10	02/01/21 08/01/21 02/01/22 08/01/22 02/01/23 08/01/23 02/01/24 08/01/24 02/01/25 08/01/25 02/01/26 08/01/26 02/01/27 08/01/27 02/01/28 08/01/28 02/01/29 08/01/29	11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.67	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%	333,050.99	33,305.07	299,745.92
						<u>\$ 733,050.99</u>	<u>\$ 68,305.07</u>	<u>\$ 664,745.92</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 1,226.90
Decreased By:	
Cancelled	<u>1,226.90</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Amount</u>	<u>Balance, December 31, 2019</u>		<u>Transferred from</u>		<u>Expended</u>	<u>Transferred to</u>	<u>Balance, December 31, 2020</u>	
			<u>Funded</u>	<u>Unfunded</u>	<u>Encumbrances Payable</u>			<u>Encumbrances Payable</u>	<u>Funded</u>	<u>Unfunded</u>
1441/1466/ 1493	Design Desalination System Water Plant	\$ 3,125,000.00	\$ -	\$ 8,897.00	\$ -	\$ -	\$ -	\$ -	\$ 8,897.00	\$ -
1513	Desalinization System Water Plant	400,000.00	-	6,237.91	-	-	-	-	6,237.91	-
1565	Various Water/Sewer Improvements	1,200,000.00	7,308.82	-	40,653.30	29,398.94	8,202.41	-	10,360.77	-
1604/1648	Well #5	895,000.00	-	-	202,935.00	180,533.98	22,401.02	-	-	-
1636	Various Water/Sewer Improvements	675,000.00	-	126,068.87	503,093.46	419,077.87	105,315.76	-	104,768.70	-
			<u>\$ 7,308.82</u>	<u>\$ 141,203.78</u>	<u>\$ 746,681.76</u>	<u>\$ 629,010.79</u>	<u>\$ 135,919.19</u>	<u>\$ 130,264.38</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019		\$ 26,898,809.84
Increased By:		
Bonds Paid By Operating Budget	\$ 105,000.00	
Loans Paid By Operating Budget	<u>68,305.07</u>	
		<u>173,305.07</u>
Balance, December 31, 2020		<u><u>\$ 27,072,114.91</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019	\$ 88,500.00
Increased By:	
Transfer from Sewer Utility Operating Budget	<u>200,000.00</u>
Balance, December 31, 2020	<u><u>\$ 288,500.00</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF MUNICIPAL LIENS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2019			\$ 40,195.45
Decreased By:			
Foreclosed	\$ 20,991.45		
Collections	6,659.69		
			<u>27,651.14</u>
Balance, December 31, 2020			<u><u>\$ 12,544.31</u></u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Balance December 31, <u>2019</u>	<u>Additions</u>	Balance December 31, <u>2020</u>
Land	\$ 5,103,825.00	\$ -	\$ 5,103,825.00
Buildings	6,215,795.54	-	6,215,795.54
Improvements	10,598,647.00	358,263.50	10,956,910.50
Machinery and Equipment	<u>7,243,021.32</u>	<u>61,517.28</u>	<u>7,304,538.60</u>
	<u>\$ 29,161,288.86</u>	<u>\$ 419,780.78</u>	<u>\$ 29,581,069.64</u>

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COMMENTS

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BOROUGH OF KEANSBURG

PART II

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

FOR THE YEAR ENDED DECEMBER 31, 2020

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BOROUGH OF KEANSBURG
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

None.

**BOROUGH OF KEANSBURG
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

This section identifies the status of prior year findings related to the financial statements.

Financial Statement Findings

No Prior Year Findings.

BOROUGH OF KEANSBURG

PART III

LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2020

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OFFICIALS IN OFFICE

The following officials were in office at December 31, 2020:

<u>Name</u>	<u>Title</u>
George F. Hoff	Mayor
Judy Ferraro	Councilmember
James Cocuzza, Sr.	Councilmember
Thomas Foley	Councilmember
Sean Tonne	Councilmember
Raymond O'Hare	Borough Manager
Patrick DeBlasio	Chief Financial Officer
Thomas Cusick	Borough Clerk/Tax Collector
John O. Bennett, III, Esq.	Borough Attorney
Sharon Devaney	Court Administrator
James DellaPietro	Department of Public Works Supervisor
Steve Ussman	Water and Sewer Department Supervisor

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Honorable Mayor and Members
of the Borough Council
Borough of Keansburg
Keansburg, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2020.

GENERAL COMMENTS:

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

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the months of January through June 2020. As of July 1, 2020, the bid threshold increased to \$44,000 for the year ended December 31, 2020.

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

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 8, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

OTHER COMMENTS (FINDINGS):

None.

RECOMMENDATIONS:

None.

Appreciation

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Lakewood, New Jersey
June 2, 2021