

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2021

Oliwa & Company
Certified Public Accountants

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2021

Table of Contents

Part I

	<u>Pages</u>
Independent Auditor's Report	1-4
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	5-6
<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet - Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1
Statement of Revenues - Regulatory Basis	A-2
Statement of Expenditures - Regulatory Basis	A-3
<u>Trust Fund</u>	
Comparative Balance Sheet - Regulatory Basis	B
<u>General Capital Fund</u>	
Comparative Balance Sheet - Regulatory Basis	C
Comparative Statement of General Capital Fund Balance - Regulatory Basis	C-1
<u>Water and Sewer Utility Fund</u>	
Comparative Balance Sheet - Regulatory Basis	D
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	D-1
Comparative Statement of Fund Balance - Regulatory Basis	D-2
Statement of Revenues - Regulatory Basis	D-3
Statement of Expenditures - Regulatory Basis	D-4

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2021

Table of Contents

Part I
(Continued)

<u>Financial Statements</u>	<u>Exhibit</u>
<u>Payroll Agency Fund</u>	
Comparative Balance Sheet - Regulatory Basis	E
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet - Regulatory Basis	F
<u>Notes to Financial Statements</u>	<u>Pages</u> 7-38

Part II

<u>Supplementary Schedules</u>	<u>Schedule</u>
<u>Current Fund</u>	
Schedule of Cash	A-4
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5
Schedule of Tax Title Liens	A-6
Schedule of Property Acquired for Taxes at Assessed Valuation	A-7
Schedule of Appropriation Reserves	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of County Taxes Payable	A-10
Schedule of Local Municipal Open Space Tax Payable	A-11
Schedule of Local District School Tax Payable	A-12
Schedule of Special District Taxes Payable	A-13
Schedule of Grants Receivable - Federal and State Grant Fund	A-14
Schedule of Appropriated Reserves - Federal and State Grant Fund	A-15
Schedule of Unappropriated Reserves - Federal and State Grant Fund	A-16

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2021

Table of Contents

Part II
(Continued)

<u>Supplementary Schedules</u>	<u>Schedule</u>
 <u>Trust Fund</u>	
Schedule of Cash	B-1
Schedule of Reserve for Animal Control Fund Expenditures	B-2
Schedule of Due to State of New Jersey - Animal Control Fund	B-3
Schedule of Various Reserves - Other Trust Fund	B-4
Schedule of Reserve for Community Development Block Grant	B-5
Schedule of Reserve for Open Space Fund	B-6
 <u>General Capital Fund</u>	
Schedule of Cash	C-2
Schedule of Analysis of General Capital Fund Cash	C-3
Schedule of Deferred Charges to Future Taxation - Funded	C-4
Schedule of Deferred Charges to Future Taxation - Unfunded	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Improvement Authorizations	C-7
Schedule of General Serial Bonds	C-8
Schedule of Bond Anticipation Notes	C-9
Schedule of Grants Receivable	C-10
Schedule of Bonds and Notes Authorized but Not Issued	C-11
Schedule of Various Reserves	C-12
Schedule of Green Trust Loan Payable	C-13

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2021

Table of Contents

Part II
(Continued)

<u>Supplementary Schedules</u>	<u>Schedule</u>
<u>Water and Sewer Utility Fund</u>	
Schedule of Cash	D-5
Schedule of Analysis of Water and Sewer Utility Capital Fund Cash	D-6
Schedule of Consumer Accounts Receivable	D-7
Schedule of Fixed Capital	D-8
Schedule of Appropriation Reserves	D-9
Schedule of Encumbrances Payable	D-10
Schedule of Water and Sewer Overpayments	D-11
Schedule of Accrued Interest Payable	D-12
Schedule of Serial Bonds	D-13
Schedule of Bond Anticipation Notes	D-14
Schedule of Loans Payable	D-15
Schedule of Capital Improvement Fund	D-16
Schedule of Improvement Authorizations	D-17
Schedule of Fixed Capital Authorized and Uncompleted	D-18
Schedule of Bonds and Notes Authorized but Not Issued	D-19
Schedule of Reserve for Amortization	D-20
Schedule of Deferred Reserve for Amortization	D-21
Schedule of Grants Receivable	D-22

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2021

Table of Contents

Payroll Agency Fund

Schedule of Payroll Deductions Payable	E-1
Schedule of Cash	E-2

General Fixed Assets Account Group

Schedule of Investment in General Fixed Assets	F-1
------------------------------------------------	-----

Part III

Comments

Pages
39-45

Part IV

Comments and Recommendations

Pages
46-47

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Oliwa & Company

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Borough Council
Borough of Keyport
County of Monmouth
Keyport, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and the general fixed assets account group of the Borough of Keyport, County of Monmouth, State of New Jersey (the "Borough") as of December 31, 2021, and the related statement of operations and change in fund balance - regulatory basis for the year then ended, the related statement of fund balance - regulatory basis for the year then ended, the statement of revenues - regulatory basis for the year then ended and the statement of expenditures - regulatory basis for the year then ended of the various funds, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the various funds and the general fixed assets account group of the Borough as of December 31, 2021, and the statement of operations and change in fund balance - regulatory basis for the year then ended, the statement of fund balance - regulatory basis for the year then ended, the statement of revenues - regulatory basis for the year then ended and the statement of expenditures - regulatory basis for the year then ended of the various funds in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter described in the Basis for Unmodified and Adverse Opinions section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2021, or the results its operations and the changes in fund balance for the year then ended.

Basis for Unmodified and Adverse Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Other Matter

The financial statements of the Borough for the year ended December 31, 2020, were audited by another auditor, who expressed an adverse opinion as to conformity with accounting principles generally accepted in the United State of America and an unmodified opinion as to conformity with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Supplementary Information

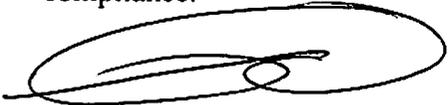
Our audit was conducted for the purpose of forming opinions on the financial statements - regulatory basis that collectively comprise the Borough's basic financial statements. The supplementary schedules as listed in the table of contents are presented for purposes of additional analysis as required 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Supplementary Information (continued)

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 14, 2022, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
September 14, 2022

Oliwa & Company

Certified Public Accountants

**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**

To the Honorable Mayor and
Members of the Borough Council
Borough of Keyport
County of Monmouth
Keyport, 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the regulatory basis financial statements of the Borough of Keyport, County of Monmouth, State of New Jersey (the "Borough") as of and for the year ended December 31, 2021, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated September 14, 2022, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We expressed an unmodified opinion on the regulatory basis financial statements of the various funds and the general fixed assets account group as to conformity with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis 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.

Report on Internal Control Over Financial Reporting (continued)

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

Report on Compliance and Other Matters

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

However, we did identify certain items of noncompliance that have an effect on the financial statements that is less than material but warrants the attention of governance that are reported in the accompanying comments and recommendations section.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
September 14, 2022

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash and Cash Equivalents:			
Cash	A-4	\$2,851,411.45	\$2,841,021.40
Petty Cash and Change Funds		625.00	625.00
Due from State of New Jersey:			
Ch. 129, P.L. 1976		3,187.83	1,187.83
		<u>2,855,224.28</u>	<u>2,842,834.23</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	337,701.66	433,408.18
Tax Title Liens Receivable	A-6	68,072.03	65,790.33
Property Acquired for Taxes at Assessed Valuation	A-7	508,800.00	508,800.00
Revenue Accounts Receivable	A-9	16,631.69	19,942.40
Due from Animal Control Fund		349.42	
Abating Costs Receivable			350.00
Due from Open Space Fund			194.00
	A	<u>931,554.80</u>	<u>1,028,484.91</u>
		<u>3,786,779.08</u>	<u>3,871,319.14</u>
Federal and State Grant Fund:			
Grants Receivable	A-14	145,343.07	291,591.07
Due from Current Fund		572,324.18	147,243.06
		<u>717,667.25</u>	<u>438,834.13</u>
		<u>\$4,504,446.33</u>	<u>\$4,310,153.27</u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities:			
Appropriation Reserves	Λ-3:Λ-8	\$497,236.28	\$460,105.60
Reserve for Encumbrances	Λ-3:Λ-8	193,719.25	401,151.34
Due from Federal and State Grant Fund		572,324.18	147,243.06
Due from Other Trust Fund		38.39	221.59
Accounts Payable	Λ-8	14,590.00	28,235.88
Prepaid Taxes		198,967.03	228,194.29
Tax Overpayments		2,856.38	2,856.38
County Taxes Payable	Λ-10	4,760.45	17,994.32
Local School Tax Payable	Λ-12	0.50	6.00
Reserve for Senior Center Programs		11,705.24	12,289.08
		<u>1,496,197.70</u>	<u>1,298,297.54</u>
Reserves for Receivables and Other Assets	Λ	931,554.80	1,028,484.91
Fund Balance	Λ-1	<u>1,359,026.58</u>	<u>1,544,536.69</u>
		<u>3,786,779.08</u>	<u>3,871,319.14</u>
Federal and State Grant Fund:			
Appropriated Reserves	Λ-15	334,949.63	420,894.86
Unappropriated Reserves	Λ-16	371,497.82	3,084.09
Reserve for Encumbrances	Λ-15	11,219.80	14,855.18
		<u>717,667.25</u>	<u>438,834.13</u>
		<u>\$4,504,446.33</u>	<u>\$4,310,153.27</u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$1,120,000.00	\$970,000.00
Miscellaneous Revenue Anticipated	A-2	2,231,065.04	2,842,315.35
Receipts from Delinquent Taxes	A-2	431,768.00	517,319.06
Receipts from Current Taxes	A-2	20,621,257.95	20,002,106.45
Non-Budget Revenues	A-2	170,209.64	218,268.13
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	438,111.06	216,692.66
Cancelled Appropriated Grant Reserves	A-15	9,844.78	1,140.30
Accounts Payable Cancelled		19,860.88	
Abating Costs Received	A-4	350.00	292.72
Interfunds Returned		194.00	
Total Income		<u>25,042,661.35</u>	<u>24,768,134.67</u>
Expenditures:			
Budget Appropriations within "CAPS":			
Operations:			
Salaries and Wages	A-3	4,029,300.00	3,932,001.00
Other Expenses	A-3	3,160,345.00	3,208,465.00
Deferred Charges and Statutory Expenditures	A-3	992,433.00	858,352.00
Budget Appropriations Excluded from "CAPS":			
Operations:			
Salaries and Wages	A-3	41,000.00	41,000.00
Other Expenses	A-3	856,770.91	1,262,418.09
Capital Improvements	A-3	101,500.00	171,000.00
Municipal Debt Service	A-3	1,219,710.45	1,222,485.02
Transferred to Board of Education	A-3	44,878.00	45,714.00
County Taxes	A-10	2,157,490.30	2,120,201.99
Local Municipal Open Space Taxes	A-11	206,044.27	199,098.22
Local District School Taxes	A-12	11,125,227.00	10,593,632.00
Special District Taxes	A-13	171,500.00	171,500.00
Prior Year Senior Citizen Deduction Disallowed		907.53	1,750.00
Grants Receivable Cancelled	A-14	875.00	
Refund of Prior Year Revenue	A-4	190.00	
Interfunds Advanced			194.00
Abating Costs Disbursed	A-4		350.00
Total Expenditures		<u>24,108,171.46</u>	<u>23,828,161.32</u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Excess in Revenue		\$934,489.89	\$939,973.35
Fund Balance January 1	A	<u>1,544,536.69</u>	<u>1,574,563.34</u>
		2,479,026.58	2,514,536.69
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>1,120,000.00</u>	<u>970,000.00</u>
Fund Balance December 31	A	<u><u>\$1,359,026.58</u></u>	<u><u>\$1,544,536.69</u></u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	A-1	\$1,120,000.00		\$1,120,000.00	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-9	30,000.00		30,140.63	\$140.63
Other Licenses	A-9	4,000.00		4,337.00	337.00
Fees and Permits	A-9	300,000.00		279,040.75	(20,959.25)
Fines and Costs - Municipal Court	A-9	105,000.00		92,350.10	(12,649.90)
Interest and Costs on Taxes	A-9	100,000.00		88,820.06	(11,179.94)
Consolidated Municipal Property Tax Relief Aid	A-9	1,125.00		1,125.00	0.00
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-9	713,348.00		713,348.00	
Uniform Construction Code Fees	A-9	180,000.00		173,303.00	(6,697.00)
Shared Services - Health (Union Beach)	A-9	5,150.00		6,000.00	850.00
Shared Services - Police (Keyport Board of Education)	A-9	41,000.00		41,000.00	
Recycling Tonnage	A-14	5,770.57		5,770.57	
Clean Communities Program	A-14		\$14,986.21	14,986.21	
Office on Aging	A-14	37,000.00	4,357.00	41,357.00	
Body Armor Replacement Fund	A-14	1,789.04		1,789.04	
Alcohol Education and Rehabilitation Fund	A-14	3,084.09		3,084.09	
Municipal Drug Alliance	A-14		7,050.00	7,050.00	
Office on Aging - Cares Act	A-14		9,038.00	9,038.00	

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Miscellaneous Revenues (continued):					
Drive Sober or Get Pulled Over - Holiday Crackdown	A-14		\$6,000.00	\$6,000.00	
Distracted Driving Crackdown	A-14		7,500.00	7,500.00	
Neighborhood Preservation Program	A-14		125,000.00	125,000.00	
NJ DL&PS - Bayshore Saturation Patrol Grant	A-14		13,200.00	13,200.00	
SFY 2021 State Body-Worn Camera Grant	A-14		32,608.00	32,608.00	
Uniform Fire Safety Act	A-9	\$74,000.00		119,337.32	\$45,337.32
Cable Television Fees	A-9	98,700.00		98,732.19	32.19
Payment in Lieu of Taxes - Senior Citizen Housing	A-9	270,000.00		316,148.08	46,148.08
	A-1	<u>1,969,966.70</u>	<u>219,739.21</u>	<u>2,231,065.04</u>	<u>41,359.13</u>
Receipts from Delinquent Taxes	A-1:A-2	<u>440,000.00</u>		<u>431,768.00</u>	<u>(8,232.00)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-5	6,999,002.12	-	-	-
Minimum Library Tax	A-5	<u>270,248.00</u>	-	-	-
Total Amount to be Raised by Taxes for Support of Municipal Budget:	A-2	<u>7,269,250.12</u>	-	<u>7,533,523.50</u>	<u>264,273.38</u>
Budget Totals		<u>10,799,216.82</u>	<u>219,739.21</u>	<u>11,316,356.54</u>	<u>\$297,400.51</u>
Non-Budget Revenues	A-1:A-2			<u>170,209.64</u>	
		<u>\$10,799,216.82</u>	<u>\$219,739.21</u>	<u>\$11,486,566.18</u>	
	<u>Ref.</u>	<u>A-3</u>	<u>A-3</u>		

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-5	\$20,621,257.95
Allocated to School, County, Special District and Local Open Space Taxes		<u>13,660,261.57</u>
Balance for Support of Municipal Budget Appropriations		6,960,996.38
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>572,527.12</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$7,533,523.50</u></u>
<u>Receipts from Delinquent Taxes</u>		
Delinquent Tax Collections	A-5	\$431,768.00
Tax Title Lien Collections		-
	A-2	<u><u>\$431,768.00</u></u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

Analysis of Non-Budget Revenues

Cares Act Reimbursements (non-budgeted)	\$72,768.68
JIF Dividends	42,117.39
Uniform Construction Code Fees - Miscellaneous	22,118.50
Outdoor Billboard Lease	9,740.53
Cancelled Outstanding Checks	6,203.63
Miscellaneous	5,265.51
Board of Health Fees - Miscellaneous	2,300.00
Interest on Deposits	2,205.87
Scrap Metal Recycling	1,740.00
Post Office Land Rent	1,650.00
Film Permit Fee	1,000.00
Fire Arms Report	811.00
Senior Citizen and Veterans Administration Fee	676.85
DMV Inspection Fees	501.38
Liquor License Application	500.00
Homestead Mailing Reimbursement Fee	246.00
NSF Charges	240.00
Uptown Lease	100.00
Copies	17.90
Court - Stale Check Fee	5.00
Postage	1.40
	<u>\$170,209.64</u>

Ref. A-1:A-2:A-4

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 1 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
GENERAL GOVERNMENT					
Administration and Executive					
Salaries and Wages	\$125,000.00	\$125,000.00	\$120,307.47	\$4,692.53	
Other Expenses - Miscellaneous	71,100.00	71,100.00	62,424.93	8,675.07	
Mayor and Council					
Salaries and Wages	23,700.00	23,700.00	23,099.96	600.04	
Other Expenses	6,000.00	6,000.00	4,524.98	1,475.02	
Municipal Clerk					
Salaries and Wages	73,000.00	73,000.00	68,035.19	4,964.81	
Other Expenses - Miscellaneous	18,300.00	18,300.00	8,891.87	9,408.13	
Other Expenses - Revision and Codification Ordinances	2,500.00	2,500.00		2,500.00	
Financial Administration					
Salaries and Wages	75,500.00	75,500.00	73,955.43	1,544.57	
Other Expenses	8,800.00	8,800.00	8,621.43	178.57	
Audit Services					
Other Expenses	17,000.00	17,000.00	17,000.00		
Collection of Taxes					
Salaries and Wages	91,000.00	91,000.00	88,544.65	2,455.35	
Other Expenses	10,000.00	10,000.00	7,977.54	2,022.46	

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Assessment of Taxes					
Salaries and Wages	\$20,900.00	\$20,900.00	\$20,420.64	\$479.36	
Other Expenses - Miscellaneous	52,000.00	58,000.00	56,104.92	1,895.08	
Other Expenses - Revision of Tax Maps	9,000.00	1,000.00		1,000.00	
Legal Services					
Other Expenses	110,000.00	120,000.00	120,000.00		
Engineering Services					
Other Expenses	65,000.00	55,000.00	42,957.50	12,042.50	
Keyport Historical Society					
Other Expenses	2,500.00	2,500.00	2,500.00		
LAND USE ADMINISTRATION					
Planning / Zoning Board					
Salaries and Wages	5,100.00	5,100.00	4,487.56	612.44	
Other Expenses - Miscellaneous	5,000.00	7,000.00	6,597.31	402.69	
Other Expenses - Revision of Master Plan	100.00	100.00		100.00	

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
INSURANCE					
Liability Insurance	\$176,000.00	\$176,000.00	\$174,677.60	\$1,322.40	
Workers Compensation Insurance	220,800.00	220,800.00	219,562.90	1,237.10	
Employee Group Insurance	510,000.00	545,000.00	519,079.38	25,920.62	
Health Benefit Waiver	42,000.00	42,000.00	40,099.21	1,900.79	
Unemployment Insurance	35,000.00	35,000.00	35,000.00		
PUBLIC SAFETY FUNCTIONS					
Police Department					
Salaries and Wages	2,500,000.00	2,500,000.00	2,476,116.03	23,883.97	
Salaries and Wages - ARP SLFRF					
Other Expenses - Miscellaneous	88,000.00	88,000.00	70,910.93	17,089.07	
Other Expenses - Acquisition of Police Vehicles	40,000.00	40,000.00	35,000.00	5,000.00	
Other Expenses - Clothing Allowance	38,000.00	38,000.00	34,739.47	3,260.53	
Emergency Management Services					
Other Expenses	13,000.00	13,000.00	11,671.00	1,329.00	
Aid to Volunteer Fire Companies					
Other Expenses	23,720.00	23,720.00	23,720.00		
Aid to Volunteer First Aid Squad					
Other Expenses	30,000.00	30,000.00	29,685.00	315.00	

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 4 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
Fire Department					
Salaries and Wages	\$3,000.00	\$3,000.00	\$3,000.00		
Other Expenses	134,000.00	134,000.00	132,948.45	\$1,051.55	
Uniform Fire Safety Act					
Salaries and Wages	61,000.00	61,000.00	58,952.25	2,047.75	
Other Expenses	13,000.00	13,000.00	11,145.04	1,854.96	
Municipal Prosecutor					
Salaries and Wages	26,600.00	26,600.00	26,022.33	577.67	
PUBLIC WORKS FUNCTIONS					
Road Repairs and Maintenance					
Salaries and Wages	519,000.00	504,000.00	479,763.59	24,236.41	
Salaries and Wages - Snow Overtime	50,000.00	50,000.00	27,432.32	22,567.68	
Other Expenses	100,000.00	115,000.00	112,955.16	2,044.84	
Garbage and Trash Removal (Recycling)					
Salaries and Wages	13,000.00	13,000.00	12,344.89	655.11	
Other Expenses	10,000.00	5,000.00	645.00	4,355.00	
Other Expenses - Contracted	320,000.00	320,000.00	317,581.00	2,419.00	
Public Buildings and Grounds					
Other Expenses	84,000.00	84,000.00	70,171.49	13,828.51	
Community Services Act					
Other Expenses	12,000.00	12,000.00	12,000.00		

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	\$46,000.00	\$46,000.00	\$45,000.55	\$999.45	
Other Expenses	2,500.00	2,500.00	2,356.68	143.32	
Blood Borne Pathogens - Hepatitis B					
Salaries and Wages	400.00	400.00	341.67	58.33	
Other Expenses	1,000.00	1,000.00		1,000.00	
Environmental Commission					
Other Expenses	1,100.00	1,100.00	450.00	650.00	
Animal Control Services					
Other Expenses	16,000.00	16,000.00	16,000.00		
Senior Citizen Community Center					
Salaries and Wages	22,000.00	22,000.00	7,247.39	14,752.61	
Other Expenses	12,325.00	12,325.00	3,751.59	8,573.41	
PARKS AND RECREATION FUNCTIONS					
Recreation					
Salaries and Wages	36,000.00	21,000.00	7,675.60	13,324.40	
Other Expenses	30,000.00	30,000.00	3,850.03	26,149.97	
Parks and Playgrounds					
Other Expenses	45,000.00	32,000.00	4,599.89	27,400.11	

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 6 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
UTILITIES AND BULK PURCHASES					
Electricity	\$32,000.00	\$32,000.00	\$23,232.49	\$8,767.51	
Street Lighting	105,000.00	105,000.00	100,479.28	4,520.72	
Telephone and Telecommunications	70,000.00	70,000.00	66,421.09	3,578.91	
Natural Gas	30,000.00	30,000.00	27,381.23	2,618.77	
Fuel for Motor Vehicles	71,000.00	76,000.00	73,691.78	2,308.22	
Fuel Oil	10,000.00	13,000.00	10,869.04	2,130.96	
RECYCLING AND LANDFILL					
Landfill/Solid Waste Disposal Costs	380,000.00	370,000.00	306,484.02	63,515.98	
COURT AND PUBLIC DEFENDER					
Municipal Court					
Salaries and Wages	130,000.00	130,000.00	111,282.36	18,717.64	
Other Expenses	24,000.00	24,000.00	9,743.62	14,256.38	
Public Defender					
Salaries and Wages	8,100.00	8,100.00	7,300.12	799.88	
Other Expenses	100.00	100.00		100.00	
STATE UNIFORM CONSTRUCTION CODE					
Construction Official					
Salaries and Wages	170,000.00	170,000.00	166,103.53	3,896.47	
Other Expenses	10,500.00	10,500.00	2,591.72	7,908.28	

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
CODE ENFORCEMENT					
Property Maintenance Code					
Salaries and Wages	\$21,000.00	\$19,000.00	\$16,725.94	\$2,274.06	
Other Expenses	1,000.00	1,000.00	329.00	671.00	
UNCLASSIFIED					
Accumulated Leave Compensation					
Salaries and Wages	41,000.00	41,000.00	40,246.76	753.24	
Celebration of Public Events					
Other Expenses	1,500.00	1,500.00	281.64	1,218.36	
Postage					
Other Expenses	20,000.00	20,000.00	16,466.55	3,533.45	
Total Operations - Within "CAPS"	7,191,145.00	7,189,145.00	6,742,577.99	446,567.01	
Contingent	500.00	500.00		500.00	
Total Operations Including Contingent - Within "CAPS"	7,191,645.00	7,189,645.00	6,742,577.99	447,067.01	
Detail:					
Salaries and Wages	4,061,300.00	4,029,300.00	3,884,406.23	144,893.77	
Other Expenses (including Contingent)	3,130,345.00	3,160,345.00	2,858,171.76	302,173.24	

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Deferred Charges and Statutory Expenditures Within "CAPS"</u>					
STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System	\$225,365.00	\$225,365.00	\$215,770.00	\$9,595.00	
Social Security System (O.A.S.I.)	182,000.00	184,000.00	178,213.66	5,786.34	
Police and Firemen's Retirement System of N.J.	581,068.00	581,068.00	581,068.00		
Defined Contribution Retirement Program	2,000.00	2,000.00	534.89	1,465.11	
Deferred Charges and Statutory Expenditures Within "CAPS"	<u>990,433.00</u>	<u>992,433.00</u>	<u>975,586.55</u>	<u>16,846.45</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>8,182,078.00</u>	<u>8,182,078.00</u>	<u>7,718,164.54</u>	<u>463,913.46</u>	

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Maintenance of Free Public Library (PL 1985, Ch.541)	\$270,248.00	\$270,248.00	\$269,834.78	\$413.22	
Declared State of Emergency Costs for Coronavirus Response NJSA 40A:4-45.45(b) and 40A:4-45.3(bb)	<u>25,000.00</u>	<u>25,000.00</u>	<u>343.90</u>	<u>24,656.10</u>	
Total Other Operations - Excluded from "CAPS"	<u>295,248.00</u>	<u>295,248.00</u>	<u>270,178.68</u>	<u>25,069.32</u>	
SHARED SERVICE AGREEMENTS					
Dispatch/911 (County of Monmouth)	134,474.00	134,474.00	134,473.00	1.00	
Tax Collector and Treasurer (Tinton Falls)					
Other Expenses	41,616.00	41,616.00	41,616.00		
Police (Board of Education)					
Salaries and Wages	41,000.00	41,000.00	41,000.00		
Information Technology Services (Freehold Township)					
Other Expenses	20,000.00	20,000.00	19,702.50	297.50	
Senior Citizen Transportation (County of Monmouth)					
Other Expenses	<u>4,000.00</u>	<u>4,000.00</u>	<u>2,574.00</u>	<u>1,426.00</u>	
Total Shared Service Agreements	<u>241,090.00</u>	<u>241,090.00</u>	<u>239,365.50</u>	<u>1,724.50</u>	

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Body Armor Replacement Fund	\$1,789.04	\$1,789.04	\$1,789.04		
Recycling Tonnage Grant	5,770.57	5,770.57	5,770.57		
Clean Communities Program (40A:4-87, \$14,986.21+)		14,986.21	14,986.21		
Office on Aging					
Grant Share (40A:4-87, \$4,357.00+)	37,000.00	41,357.00	41,357.00		
Local Share	66,550.00	66,550.00	66,550.00		
Alcohol Education and Rehabilitation Fund	3,084.09	3,084.09	3,084.09		
Municipal Alliance Against Alcohol and Drug Abuse					
Grant Share (40A:4-87, \$7,050.00+)		7,050.00	7,050.00		
Local Share	2,500.00	2,500.00	2,500.00		
Drive Sober or Get Pulled Over (40A:4-87, \$6,000.00+)		6,000.00	6,000.00		
Distracted Driving Crackdown (40A:4-87, \$7,500.00+)		7,500.00	7,500.00		
Bayshore Saturation Patrol Grant (40A:4-87, \$13,200.00+)		13,200.00	13,200.00		
State Body-Worn Camera Grant(40A:4-87, \$32,608.00+)		32,608.00	32,608.00		
Neighborhood Preservation Program					
Grant Share (40A:4-87, \$125,000.00+)		125,000.00	125,000.00		
Local Share	25,000.00	25,000.00	25,000.00		
Office on Aging - Cares Act (40A:4-87, \$9,038.00+)		9,038.00	9,038.00		
Total Public and Private Programs Offset by Revenues	<u>141,693.70</u>	<u>361,432.91</u>	<u>361,432.91</u>		
Total Operations - Excluded from "CAPS"	<u>678,031.70</u>	<u>897,770.91</u>	<u>870,977.09</u>	<u>\$26,793.82</u>	
Detail:					
Salaries and Wages	41,000.00	41,000.00	41,000.00		
Other Expenses	637,031.70	856,770.91	829,977.09	26,793.82	

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Capital Improvements - Excluded from "CAPS"</u>					
Capital Improvement Fund	\$50,000.00	\$50,000.00	\$50,000.00		
Acquisition of Firefighter Turnout Gear/Prot. Equip.	20,000.00	20,000.00	20,000.00		
Acquisition of Firefighter Air Paks	20,000.00	20,000.00	19,992.00	\$8.00	
Improvements to Public Buildings	4,000.00	4,000.00		4,000.00	
Information Technology Improvements	7,500.00	7,500.00	4,979.00	2,521.00	
	<u>101,500.00</u>	<u>101,500.00</u>	<u>94,971.00</u>	<u>6,529.00</u>	
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	755,000.00	755,000.00	755,000.00		
Payment of Bond Anticipation Notes and Capital Notes	210,000.00	210,000.00	209,510.00		\$490.00
Interest on Bonds	152,550.00	152,550.00	152,548.90		1.10
Interest on Notes	102,652.00	102,652.00	102,651.55		0.45
Total Municipal Debt Service Excluded from "CAPS"	<u>1,220,202.00</u>	<u>1,220,202.00</u>	<u>1,219,710.45</u>		<u>491.55</u>
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-	44,878.00	44,878.00	44,878.00		
Total General Appropriations Excluded from "CAPS"	<u>2,044,611.70</u>	<u>2,264,350.91</u>	<u>2,230,536.54</u>	<u>33,322.82</u>	<u>491.55</u>
Subtotal General Appropriations	10,226,689.70	10,446,428.91	9,948,701.08	497,236.28	491.55
Reserve for Uncollected Taxes	572,527.12	572,527.12	572,527.12		
Total General Appropriations	<u>\$10,799,216.82</u>	<u>\$11,018,956.03</u>	<u>\$10,521,228.20</u>	<u>\$497,236.28</u>	<u>\$491.55</u>
	Ref.	A-2	A-1	A:A-1	
Budget	A-3		\$10,799,216.82		
Appropriation by 40A:4-87	A-2		219,739.21		
			<u>\$11,018,956.03</u>		
Reserve for Uncollected Taxes	A-2		\$572,527.12		
Cash Disbursed	A-4		9,393,548.92		
Appropriated Reserves for Federal and State Grants	A-15		361,432.91		
Encumbrances Payable	A		193,719.25		
			<u>\$10,521,228.20</u>		

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Control Fund:			
Cash and Cash Equivalents	B-1	\$6,960.42	\$7,062.52
Open Space Fund:			
Cash and Cash Equivalents	B-1	151,284.61	45,239.24
Other Trust Fund:			
Cash and Cash Equivalents	B-1	856,535.92	957,635.67
Due from Current Fund		38.39	221.59
		<u>856,574.31</u>	<u>957,857.26</u>
		<u>\$1,014,819.34</u>	<u>\$1,010,159.02</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-4	\$5,211.00	\$4,105.36
Encumbrances Payable		1,400.00	2,957.16
Due to Current Fund		349.42	
		<u>6,960.42</u>	<u>7,062.52</u>
Open Space Fund:			
Reserve for Open Space	B-6	151,284.61	40,359.58
Encumbrances Payable			4,685.66
Due to Current Fund			194.00
		<u>151,284.61</u>	<u>45,239.24</u>
Other Trust Fund:			
Various Reserves	B-4	856,304.31	925,488.73
Due to State of New Jersey		270.00	250.00
Reserve for Community Development Block Grant			32,118.53
		<u>856,574.31</u>	<u>957,857.26</u>
		<u>\$1,014,819.34</u>	<u>\$1,010,159.02</u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$6,992,982.83	\$312,613.21
Deferred Charges to Future Taxation:			
Funded	C-4	8,253,520.65	4,054,246.47
Unfunded	C-5	705,444.02	6,364,954.02
Grants Receivable	C-10	816,215.59	891,648.00
Due from Water and Sewer Utility Capital Fund		80,000.00	
		<u>\$16,848,163.09</u>	<u>\$11,623,461.70</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-6	\$41,350.69	\$26,350.69
Improvement Authorizations:			
Funded	C-7	824,495.30	511,386.24
Unfunded	C-7	611,186.17	1,608,475.80
Encumbrances Payable	C-7	1,584,166.85	383,475.16
General Serial Bonds	C-8	7,695,000.00	3,440,000.00
Bond Anticipation Notes	C-9	5,450,000.00	5,015,000.00
Green Trust Loans Payable	C-13	558,520.65	614,246.47
Various Reserves	C-12	45,754.20	24,254.20
Fund Balance	C-1	37,689.23	273.14
		<u>\$16,848,163.09</u>	<u>\$11,623,461.70</u>

On December 31, 2021 and December 31, 2020, there were bonds and notes authorized but not issued of \$705,444.02 and \$1,705,544.02, respectively. (Schedule C-11)

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF GENERAL CAPITAL FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	C	\$273.14	\$23,273.14
Increased by:			
Premium on Sale of Notes	C-2	32,645.50	
Excess Bond Sale Proceeds	C-2	4,770.59	
		<u>37,416.09</u>	<u>-</u>
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2	-	23,000.00
Balance, December 31	C	<u>\$37,689.23</u>	<u>\$273.14</u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Operating Fund:			
Cash and Cash Equivalents:			
Cash	D-5	\$436,815.20	\$431,170.31
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	238,223.59	185,000.19
BRSA Rent Reserve		270,455.14	312,823.61
		<u>508,678.73</u>	<u>497,823.80</u>
Deferred Charges			
Operating Deficit	D-1	8,013.39	19,674.57
Total Operating Fund		<u>953,507.32</u>	<u>948,668.68</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	26,838.91	5,261.66
Fixed Capital	D-8	5,582,992.55	5,582,992.55
Fixed Capital Authorized and Uncomplete	D-18	14,658,300.00	13,658,300.00
Grants Receivable	D-22	581,970.00	606,970.00
Total Capital Fund		<u>20,850,101.46</u>	<u>19,853,524.21</u>
		<u>\$21,803,608.78</u>	<u>\$20,802,192.89</u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4,D-9	\$76,502.32	\$47,762.96
Encumbrances Payable	D-10	57,364.13	151,149.54
Water Overpayments	D-11	4,203.78	169.98
Accrued Interest Payable	D-12	44,967.84	52,364.52
Accounts Payable	D-9	900.00	
Prepaid Consumer Accounts		260,491.02	198,998.38
		<u>444,429.09</u>	<u>450,445.38</u>
Reserve for Receivables	D	508,678.73	497,823.80
Fund Balance	D-1	399.50	399.50
Total Operating Fund		<u>953,507.32</u>	<u>948,668.68</u>
Capital Fund:			
Serial Bonds	D-13	470,000.00	560,000.00
Bond Anticipation Notes	D-14	664,000.00	683,000.00
Loans Payable	D-15	9,939,621.64	10,129,465.06
Capital Improvement Fund	D-16	87.00	50,087.00
Improvement Authorizations:			
Funded	D-17	530.09	226.08
Unfunded	D-17	209,460.79	232,992.87
Encumbrances Payable	D-17	943,719.83	3,914.51
Reserve for Amortization	D-20	5,112,992.55	5,022,992.55
Reserve for Deferred Amortization	D-21	2,834,663.36	2,575,819.94
Reserve for Grants Receivable		581,970.00	581,970.00
Due to General Capital Fund		80,000.00	
Fund Balance	D-2	13,056.20	13,056.20
Total Capital Fund		<u>20,850,101.46</u>	<u>19,853,524.21</u>
		<u>\$21,803,608.78</u>	<u>\$20,802,192.89</u>

On December 31, 2021 and December 31, 2020, there were bonds and notes authorized but not issued of \$1,220,015.00 and \$270,015.00, respectively. (Schedule D-19)

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	-	\$121,000.00
Water and Sewer Rents	D-3	\$2,970,894.91	3,034,251.22
Miscellaneous	D-3	199,483.24	216,963.95
BRSA Rent Reserve Refund	D-3	42,623.43	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	57,114.37	3,424.03
Total Revenues		<u>3,270,115.95</u>	<u>3,375,639.20</u>
Expenditures:			
Operating	D-4	2,662,000.00	2,841,170.00
Debt Service	D-4	534,454.77	490,143.77
Statutory Expenditures	D-4	62,000.00	64,000.00
Deficit in Operations in Prior Years	D-4	19,674.57	
Total Expenditures		<u>3,278,129.34</u>	<u>3,395,313.77</u>
Deficit in Revenue		<u>8,013.39</u>	<u>19,674.57</u>
Operating Deficit to be Raised in Budget of Succeeding Year	D	<u>\$8,013.39</u>	<u>\$19,674.57</u>
Fund Balance January 1	D	\$399.50	\$121,399.50
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	-	121,000.00
Fund Balance December 31	D	<u>\$399.50</u>	<u>\$399.50</u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	D	\$13,056.20	\$56.20
Increased by:			
Excess USDA Loan Proceeds		-	13,000.00
		<u>13,056.20</u>	<u>13,056.20</u>
Decreased by:			
Payment to Water and Sewer Operating Fund as Anticipated Revenue		-	-
Balance, December 31	D	<u><u>\$13,056.20</u></u>	<u><u>\$13,056.20</u></u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	-	-	-
Water and Sewer Rents	D-1,D-7	\$3,030,000.00	\$2,970,894.91	(\$59,105.09)
Miscellaneous	D-1,D-5	216,472.44	199,483.24	(16,989.20)
BRSA Rent Reserve Refund	D-1,D-5	42,600.00	42,623.43	23.43
	D-4	<u>\$3,289,072.44</u>	<u>\$3,213,001.58</u>	<u>(\$76,070.86)</u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries & Wages	\$550,000.00	\$550,000.00	\$530,836.95	\$19,163.05	
Other Expenses	564,000.00	531,000.00	507,587.99	23,412.01	
Bayshore Regional Sewerage Authority	1,081,000.00	1,081,000.00	1,080,800.72	199.28	
Acquisition of Water	460,000.00	500,000.00	467,375.68	32,624.32	
	<u>2,655,000.00</u>	<u>2,662,000.00</u>	<u>2,586,601.34</u>	<u>75,398.66</u>	
Debt Service:					
Payment on Bond Principal	90,000.00	90,000.00	90,000.00		
Payment on Bond Anticipation Notes and Capital Notes	19,000.00	19,000.00	19,000.00		
Interest on Bonds	27,625.00	27,625.00	27,625.00		
Interest on Notes	16,000.00	16,000.00	5,056.90		\$10,943.10
USDA Loan - Principal	189,843.42	189,843.42	189,843.42		
USDA Loan - Interest	202,929.45	202,929.45	202,929.45		
	<u>545,397.87</u>	<u>545,397.87</u>	<u>534,454.77</u>		<u>10,943.10</u>
Statutory Expenditures:					
Contribution to:					
Public Employee's Retirement System	20,000.00	20,000.00	20,000.00		
Social Security System (O.A.S.I.)	49,000.00	42,000.00	40,896.34	1,103.66	
	<u>69,000.00</u>	<u>62,000.00</u>	<u>60,896.34</u>	<u>1,103.66</u>	
Deficit in Operations in Prior Years	<u>19,674.57</u>	<u>19,674.57</u>	<u>19,674.57</u>		
	<u>\$3,289,072.44</u>	<u>\$3,289,072.44</u>	<u>\$3,201,627.02</u>	<u>\$76,502.32</u>	<u>\$10,943.10</u>
	Ref.				
	D-3		D-1	D:D-1	
Cash Disbursements	D-5		\$2,888,976.97		
Encumbrances Payable	D		57,364.13		
Interest on Bonds, Notes and Loans	D-12		235,611.35		
Deficit in Operations in Prior Years			<u>19,674.57</u>		
			<u>\$3,201,627.02</u>		

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PAYROLL AGENCY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash	E-2	<u>\$1,691.93</u>	<u>\$1,640.10</u>
<u>Liabilities</u>			
Payroll Deductions Payable	E-1	<u>\$1,691.93</u>	<u>\$1,640.10</u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
General Fixed Assets:			
Land		\$5,121,300.00	\$5,186,100.00
Buildings and Improvements		5,214,100.00	5,481,800.00
Motor Vehicles and Equipment		4,015,992.08	3,972,228.08
Machinery and Equipment		519,878.30	519,878.30
Office Furniture and Equipment		163,066.09	163,066.09
Other Equipment		218,914.00	218,914.00
		<u>218,914.00</u>	<u>218,914.00</u>
Total General Fixed Assets		<u>\$15,253,250.47</u>	<u>\$15,541,986.47</u>
<u>Reserves</u>			
Investment in General Fixed Assets	E-1	<u>\$15,253,250.47</u>	<u>\$15,541,986.47</u>

See Accompanying Notes

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Keyport, County of Monmouth, State of New Jersey (the “Borough”), is governed as a Mayor-Council form of government. The mayor is elected in a general election to a four-year term. There are six councilpersons, each elected to three-year terms. At its annual meeting, the council elects a president of the council who shall preside at all of the Borough’s meetings when the mayor is not present. The mayor is the head of the municipal government, and the council is the legislative body. The Borough has adopted an administrative code, which provides for the delegation of a portion of executive responsibilities to an administrator and the organization of the council into standing committees to oversee various Borough activities.

The financial statements of the Borough include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the free public library, first aid organization or volunteer fire companies. Accounting principles generally accepted in the United States of America (“GAAP”) requires entities that are considered to be component units to be included in the financial statements of the primary government (the Borough). The State of New Jersey, Department of Community Affairs, Division of Local Government Services (the “Division”) requires the financial statements of the Borough to be reported separately from its component units.

B. Description of Funds

The Governmental Accounting Standards Board (“GASB”) is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Funds (continued)

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

Animal Control Fund - used to record animal license revenues and expenditures.

Other Trust Fund - used to record assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

Open Space Fund - used to record receipts and disbursements relative to open space acquisition and maintenance.

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

Water and Sewer Utility Operating and Capital Funds - used to record the operations and acquisition of capital facilities of the Borough's water and sewer utility. Bonds and notes payable are recorded in the Capital Fund.

Payroll Agency Fund - used to account for payroll deductions and social security contributions of municipal and utility operations.

General Fixed Assets Account Group - used to record fixed assets utilized in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

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

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

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

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

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

Appropriation Reserves - Until lapsed at the close of the succeeding year, appropriation reserves are available to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Deferred Charges - The regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

Interfunds - Advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

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

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6, issued by the Local Finance Board, Department of Community Affairs, State of New Jersey, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

D. Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents its financial statements, as listed in the table of contents, as required by the Division, which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

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

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (“FDIC”), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act (“GUDPA”) is a supplemental insurance program set forth by the New Jersey Legislature to protect deposits of municipalities and local government agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. GUDPA requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits. GUDPA requires that the market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed seventy-five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy-five percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, the Borough’s deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality 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 municipality relative to the happening of a future condition. As of December 31, 2021, the Borough’s bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2021</u>
Uninsured and Uncollateralized	-
GUDPA Insured and Collateralized with Securities Held by Pledging Financial Institutions	<u>\$11,103,902.09</u>
	<u>\$11,103,902.09</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Deposits (continued)

Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities, which, if suitable for registry, may be registered, in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local Government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a GUDPA bank;
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments (continued)

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Borough does not have a formal investment policy for custodial credit risk for investments.

Credit Risk

State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2021 and 2020 no such investments were held by the Borough.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy for interest rate risk.

NOTE 3. TAXES COLLECTED IN ADVANCE

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

	Balance December 31,	
	2021	2020
Prepaid Taxes	\$198,967.03	\$228,194.29

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the regulatory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes (the “notes”) are issued to temporarily finance capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-Term Debt

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

<u>General Capital Bonds</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate(s)</u>	<u>Balance Dec. 31, 2021</u>
MCIA Refunding Bonds	5/22/12	\$3,525,000.00	4.00%	\$760,000.00
MCIA Bonds	12/24/14	2,160,000.00	5.00%	925,000.00
MCIA Bonds	12/30/21	5,070,000.00	4.00%-5.00%	5,070,000.00
MCIA Refunding Bonds	12/30/21	940,000.00	4.00%-5.00%	940,000.00
				<u>\$7,695,000.00</u>

<u>Water and Sewer Utility Capital Bonds</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
MCIA Bonds	12/24/14	\$1,070,000.00	5.00%	<u>\$470,000.00</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4. DEBT (continued)

A. Long-Term Debt (continued)

Long-term bonded debt service requirements are as follows:

Year(s)	General Capital Fund		
	Principal	Interest	Total
2022	\$1,040,000.00	\$337,970.69	\$1,377,970.69
2023	1,040,000.00	312,950.00	1,352,950.00
2024	940,000.00	265,700.00	1,205,700.00
2025	935,000.00	226,250.00	1,161,250.00
2026	935,000.00	187,000.00	1,122,000.00
2027-2031	2,805,000.00	420,250.00	3,225,250.00
	<u>\$7,695,000.00</u>	<u>\$1,750,120.69</u>	<u>\$9,445,120.69</u>

Year	Water and Sewer Utility Capital Fund		
	Principal	Interest	Total
2022	\$90,000.00	\$23,500.00	\$113,500.00
2023	95,000.00	19,000.00	114,000.00
2024	95,000.00	14,250.00	109,250.00
2025	95,000.00	9,500.00	104,500.00
2026	95,000.00	4,750.00	99,750.00
	<u>\$470,000.00</u>	<u>\$71,000.00</u>	<u>\$541,000.00</u>

Green Trust Loan repayments are as follows:

Year(s)	General Capital Fund		
	Principal	Interest	Total
2022	\$56,845.92	\$10,887.58	\$67,733.50
2023	57,988.52	9,744.98	67,733.50
2024	59,154.08	8,579.42	67,733.50
2025	60,343.08	7,390.42	67,733.50
2026	61,555.97	6,177.53	67,733.50
2027-2031	142,357.69	18,184.21	160,541.90
2032-2036	108,789.20	7,221.30	116,010.50
2037	11,486.19	114.86	11,601.05
	<u>\$558,520.65</u>	<u>\$68,300.30</u>	<u>\$626,820.95</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4. DEBT (continued)

A. Long-Term Debt (continued)

United States Department of Agriculture (USDA) Loan repayments are as follows:

Year(s)	Water and Sewer Utility Capital Fund		
	Principal	Interest	Total
2022	\$193,669.33	\$199,834.67	\$393,504.00
2023	197,579.91	195,924.09	393,504.00
2024	201,577.16	191,926.84	393,504.00
2025	205,663.16	187,840.84	393,504.00
2026	209,839.99	183,664.01	393,504.00
2027-2031	1,115,187.07	852,332.93	1,967,520.00
2032-2036	1,234,546.13	732,973.87	1,967,520.00
2037-2041	1,367,979.03	599,540.97	1,967,520.00
2042-2046	1,517,265.12	450,254.88	1,967,520.00
2047-2051	1,684,418.74	283,101.26	1,967,520.00
2052-2056	1,465,882.78	103,960.72	1,569,843.50
2057-2060	546,013.22	15,041.80	561,055.02
	<u>\$9,939,621.64</u>	<u>\$3,996,396.88</u>	<u>\$13,936,018.52</u>

Long-term debt transactions for the years ended December 31, 2021 and 2020 are as follows:

	Balance	Additions	Deductions	Balance
	Dec. 31, 2020			Dec. 31, 2021
General Capital:				
General Bonds	\$3,440,000.00	\$6,010,000.00	\$1,755,000.00	\$7,695,000.00
Green Trust Loans	614,246.47		55,725.82	558,520.65
Water and Sewer Utility:				
General Bonds	560,000.00		90,000.00	470,000.00
USDA Loans	10,129,465.06		189,843.42	9,939,621.64
	<u>\$14,743,711.53</u>	<u>\$6,010,000.00</u>	<u>\$2,090,569.24</u>	<u>\$18,663,142.29</u>
	Balance	Additions	Deductions	Balance
	Dec. 31, 2019			Dec. 31, 2020
General Capital:				
General Bonds	\$4,200,000.00		\$760,000.00	\$3,440,000.00
Green Trust Loans	668,874.28		54,627.81	614,246.47
Water and Sewer Utility:				
General Bonds	645,000.00		85,000.00	560,000.00
USDA Loans	5,319,230.08	\$4,950,000.00	139,765.02	10,129,465.06
	<u>\$10,833,104.36</u>	<u>\$4,950,000.00</u>	<u>\$1,039,392.83</u>	<u>\$14,743,711.53</u>

NOTE 4. DEBT (continued)

B. Short-Term Debt

On December 31, 2021 and 2020, the Borough's bond anticipation notes were as follows:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Dec. 31, 2021</u>	<u>Interest Rate</u>
General Capital Fund	4/8/21	3/8/22	\$5,450,000.00	1.00%
Water and Sewer Utility Capital Fund	4/8/21	3/8/22	664,000.00	1.00%
	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Dec. 31, 2020</u>	<u>Interest Rate</u>
General Capital Fund	4/10/20	4/9/21	\$5,015,000.00	2.25%
Water and Sewer Utility Capital Fund	4/10/20	4/9/21	683,000.00	2.25%

Bond anticipation note transactions for the years ended December 31, 2021 and 2020 are summarized as follows:

	<u>Balance Dec. 31, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2021</u>
General Capital Fund	\$5,015,000.00	\$5,450,000.00	\$5,015,000.00	\$5,450,000.00
Water and Sewer Utility Capital Fund	683,000.00	664,000.00	683,000.00	664,000.00
	<u>\$5,698,000.00</u>	<u>\$6,114,000.00</u>	<u>\$5,698,000.00</u>	<u>\$6,114,000.00</u>
	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2020</u>
General Capital Fund	\$3,380,000.00	\$5,015,000.00	\$3,380,000.00	\$5,015,000.00
Water and Sewer Utility Capital Fund	5,620,000.00	683,000.00	5,620,000.00	683,000.00
	<u>\$9,000,000.00</u>	<u>\$5,698,000.00</u>	<u>\$9,000,000.00</u>	<u>\$5,698,000.00</u>

C. Bonds and Notes Authorized but not Issued

On December 31, 2021 and 2020, the Borough had bonds and notes authorized but not issued as follows:

	<u>Balance Dec. 31, 2021</u>	<u>Balance Dec. 31, 2020</u>
General Capital Fund	\$705,444.02	\$1,705,544.02
Water and Sewer Utility Capital Fund	1,220,015.00	270,015.00

NOTE 4. DEBT (continued)

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.500% of the equalized valuation basis. As of December 31, 2021 and 2020, the Borough's net debt, expressed as a percentage of the equalized valuation basis, was 1.204% and 1.422%, respectively. As of December 31, 2021 and 2020, the Borough's net debt was \$9,868,028.47 and \$10,881,172.49 respectively, and the Borough's remaining borrowing power was \$18,827,538.17 and \$15,895,082.98, respectively.

NOTE 5. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. In accordance with New Jersey Statutes the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTE 6. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2021 and 2020, which were appropriated and included as anticipated revenue in budgets for the years ended December 31, 2022 and 2021 were as follows:

For the year ended December 31, 2022,

Current Fund	\$1,000,000.00
General Capital Fund	37,000.00

For the year ended December 31, 2021,

Current Fund	\$1,120,000.00
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NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 7. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2021 and 2020 was as follows:

	Balance Dec. 31, 2020	Additions	Dispositions and Adjustments	Balance Dec. 31, 2021
Land	\$5,186,100.00		\$64,800.00	\$5,121,300.00
Buildings and Improvements	5,481,800.00		267,700.00	5,214,100.00
Motor Vehicles and Equipment	3,972,228.08	\$43,764.00		4,015,992.08
Machinery and Equipment	519,878.30			519,878.30
Office Furniture and Equipment	163,066.09			163,066.09
Other Equipment	218,914.00			218,914.00
	<u>\$15,541,986.47</u>	<u>\$43,764.00</u>	<u>\$332,500.00</u>	<u>\$15,253,250.47</u>

	Balance Dec. 31, 2019	Additions	Dispositions and Adjustments	Balance Dec. 31, 2020
Land	\$5,186,100.00			\$5,186,100.00
Buildings and Improvements	5,481,800.00			5,481,800.00
Motor Vehicles and Equipment	3,916,240.08	\$55,988.00		3,972,228.08
Machinery and Equipment	519,878.30			519,878.30
Office Furniture and Equipment	163,066.09			163,066.09
Other Equipment	218,914.00			218,914.00
	<u>\$15,485,998.47</u>	<u>\$55,988.00</u>	<u>-</u>	<u>\$15,541,986.47</u>

NOTE 8. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor in each year and filed with the County Board of Taxation. Upon the filing of certified adopted budgets by the Borough, Local School District, County and special districts, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

The Borough is responsible for remitting one hundred percent of the school, county and special district taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Borough and not the school districts, county or special districts.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS

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 www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

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 allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The 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.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (continued)

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2021, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Net Pension Liability and Pension Expense - At June 30, 2021, the Borough's proportionate share of the PERS net pension liability is valued to be \$2,661,981.00. The net pension liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021. The Borough's proportion measured as of June 30, 2021, was 0.0224706135%, which was an increase of 0.0000414259% from its proportion measured as of June 30, 2020. The pension expense recognized in the Borough's 2021 financial statements based on the April 1, 2021 billing was \$245,365.00.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (continued)

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2021, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$41,983.00	\$19,057.00
Changes of assumptions	13,864.00	947,683.00
Net difference between projected and actual earnings on pension plan investments		701,236.00
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	<u>116,714.00</u>	<u>65,812.00</u>
	<u>\$172,561.00</u>	<u>\$1,733,788.00</u>

The Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to PERS of \$1,561,227.00 will be amortized in pension expense over the next five years.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (continued)

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

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010
Period of Actuarial Experience Study upon which Actuarial Assumptions were based	July 1, 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-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (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, 2021) 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, 2021 are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	3.00%	3.35%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	0.95%
Investment grade credit	8.00%	1.68%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
	<u>100.00%</u>	

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the net pension liability	\$3,625,078.00	\$2,661,981.00	\$1,844,656.00

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

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 www.state.nj.us/treasury/pensions/annrprts.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.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. 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.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2019, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Net Pension Liability and Pension Expense - At June 30, 2021, the Borough's proportionate share of the PFRS net pension liability is valued to be \$4,055,935.00. The net pension liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021. The Borough's proportion measured as of June 30, 2021, was 0.0554911886%, which was an increase of 0.0034787325% from its proportion measured as of June 30, 2020.

Borough contributions to PFRS amounted to \$581,068.00 for 2021. The employee contributions for PFRS are 10.00% of base wages.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

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

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2021, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$46,273.00	\$485,659.00
Changes of assumptions	21,582.00	1,215,545.00
Net difference between projected and actual earnings on pension plan investments		1,728,366.00
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	<u>1,096,816.00</u>	<u>256,621.00</u>
	<u>\$1,164,671.00</u>	<u>\$3,686,191.00</u>

The Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to PFRS of \$2,521,520.00 will be amortized in pension expense over the next five years.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Police and Firemen’s Retirement System (PFRS) (continued)

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

Borough's Proportionate Share of the Net Pension Liability	\$ 4,055,935.00
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>1,140,731.00</u>
Total Net Pension Liability	<u>\$ 5,196,666.00</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:

	<u>PFRS</u>
Inflation Rate:	
Price	2.75%
Salary Increases:	
Through all future years	3.25% - 15.25%
	Based on years of service
Investment Rate of Return	7.00%
Mortality Rate Table	PubS-2010
Period of Actuarial Experience Study upon which Actuarial Assumptions were based	July 1, 2013 - June 30, 2018

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

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

Actuarial Assumptions (continued)

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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, 2021) 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, 2021 are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	3.00%	3.35%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	0.95%
Investment grade credit	8.00%	1.68%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
	<u>100.00%</u>	

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Police and Firemen’s Retirement System (PFRS) (continued)

Long-Term Expected Rate of Return (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 nonemployer contributing entity will be based on 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the net pension liability	\$6,158,811.00	\$4,055,935.00	\$2,305,519.00

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund, which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A.43:15C-1* et. seq. The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their base salary. State and local government employers contribute 3% of the employee's base salary.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 10. POSTEMPLOYMENT RETIREMENT BENEFITS

The Borough does not provide postemployment benefits. The State of New Jersey provides medical and prescription drug coverage to eligible local police officers and firefighters who retire from an employer who does not provide postemployment medical coverage.

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

Benefits Provided

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.13i, 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.

Special Funding Situation

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

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. As actuarially determined, the State's proportionate share of the net OPEB liability attributable to the Borough as of June 30, 2020 was \$8,319,142.00. The State's proportionate share of the OPEB benefit attributable to the Borough for the year ended June 30, 2020 was \$414,129.00.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 10. POSTEMPLOYMENT RETIREMENT HEALTH BENEFITS (continued)

Actuarial Assumptions

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

	<u>June 30, 2020</u>
Inflation Rate	2.50%
Salary Increases*:	
PERS	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
PFRS	
Rate for all future years	3.25% - 15.25%

*Salary increases are based on years of service within the respective plan.

Mortality rates were based on the Pub-2010 General and Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020. Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and the PERS experience studies were prepared for the periods July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 and 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond 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 than the discount rate is set at the municipal bond rate.

Plan Fiduciary Net Position

For detailed information about the Plan's fiduciary net position, please refer to the State of New Jersey, Division of Pensions and Health Benefits' Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 11. DEFERRED COMPENSATION PLAN

The Borough has adopted a Deferred Compensation Plan (the “Plan”) in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey. The Plan enables the Borough’s employees to voluntarily authorize a portion of their salary to be withheld and invested in investments permitted under applicable regulations. The Borough engaged a private contractor to administer the Plan.

NOTE 12. INTERFUND BALANCES

Interfund receivables and payables at December 31, 2021 and 2020 are presented below:

	December 31, 2021	December 31, 2020
Receivables -		
Current Fund	\$349.42	\$194.00
Federal and State Grant Fund	572,324.18	147,243.06
Other Trust Fund	38.39	221.59
General Capital Fund	80,000.00	
	<u>\$652,711.99</u>	<u>\$147,658.65</u>
Payables -		
Current Fund	\$572,362.57	\$147,464.65
Other Trust Fund		194.00
Animal Control Fund	349.42	
Water and Sewer Utility Capital Fund	80,000.00	
	<u>\$652,711.99</u>	<u>\$147,658.65</u>

Interfund balances resulted either from the time lag between the dates that reimbursable expenditures occurred, revenues/receipts were collected or when payments were made between funds.

NOTE 13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

At December 31, 2021 and 2020 the following deferred charge was reflected on the balance sheet of the water and sewer utility operating fund:

	Balance Dec. 31, 2021	Balance Dec. 31, 2020
Water and Sewer Utility Operating Fund:		
Operating Deficit	<u>\$8,013.39</u>	<u>\$19,674.57</u>

The 2022 and 2021 budget appropriation to fund the deferred charge at December 31, 2021 and 2020, was not less than required by statute.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 14. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft of, and damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Borough is a member of the New Jersey Intergovernmental Insurance Fund - Property and Liability Fund and Worker's Compensation Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, and motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property, general liability, auto liability, public official liability, law enforcement liability and workmen's compensation.

NOTE 15. UNEMPLOYMENT COMPENSATION INSURANCE

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the Benefit Reimbursement Method, whereby the Borough is required to reimburse the State of New Jersey Unemployment Trust Fund for benefits paid to its former employees. The reserves for unemployment compensation insurance at December 31, 2021, 2020 and 2019 were \$99,652.29, \$63,092.00, and \$27,493.35, respectively.

NOTE 16. CONTINGENT LIABILITIES

Compensated Absences

The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as compensatory time off or paid at a later date at an agreed upon rate. As of December 31, 2021 and 2020, the accumulated compensated absence liability was estimated by the Borough's management to be \$487,952.32 and \$442,9789.40, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements. The Borough appropriates compensated absence liability amounts required to be paid in any year in that year's budget. In accordance with the accounting principles and practices prescribed by the Division, the amounts estimated by the Borough's management for accumulated compensated absence liability was not subject to audit.

Grant Financial Assistance

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

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 16. CONTINGENT LIABILITIES (continued)

Legal Proceedings

Based upon all information available as of September 14, 2022, the Borough's management does not anticipate that there are any legal matters pending that would have a material adverse effect on the Borough's financial position and the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds and other obligations.

Pending Tax Appeals

Various tax appeal cases are currently pending in the New Jersey Tax Court. Amounts claimed have yet to be finally determined. The Borough is vigorously defending its assessments in each case. Under accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. Tax appeals judgments adverse to the Borough, would be funded in succeeding year budgets or from fund balance.

NOTE 17. TAX ABATEMENT AGREEMENTS

The Borough entered into two property tax abatement agreements in order to provide incentives to redevelop areas that are in need of improvement or to create economic growth. The tax abatement agreements are authorized under various State of New Jersey statutes. The Borough's tax abatement agreements are as follows:

	Year ended December 31, 2021		
	Payment in	Taxes if Billed	Abated
	Lieu of Taxes	in Full	Property Taxes
Oyster Bay Urban Renewal	\$156,960.08	\$482,962.35	\$326,002.27
Bethany Manor and Annex	248,720.00	913,301.83	664,581.83
	<u>\$405,680.08</u>	<u>\$1,396,264.18</u>	<u>\$990,584.10</u>

NOTE 18. SUBSEQUENT EVENTS

Authorization of Bonds or Notes

On July 5, 2022, the Borough adopted an ordinance to authorize the issuance of bonds or notes of \$318,000.00 to finance a portion of the costs for the Beers Street Water Main Repairs and Improvements project.

On July 5, 2022, the Borough adopted an ordinance to authorize the issuance of bonds or notes of \$675,000.00 to finance a portion of the costs for Various Capital Improvements. The improvements for which bonds or notes are to be issued are for the purchase of equipment for the Fire Department and the purchase of equipment and a dump truck for the Department of Public Works.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 18. SUBSEQUENT EVENTS (continued)

Authorization of Bonds or Notes (continued)

On September 6, 2022, the Borough adopted an ordinance to authorize the issuance of bonds or notes of \$1,150,000.00 to finance a portion of the costs for the 2022 Road Improvement project.

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$2,841,021.40
Increased by Receipts:			
Taxes Receivable	A-5	\$20,788,581.66	
State of New Jersey (P.L. 1971, Ch.20)		33,342.47	
Revenue Accounts Receivable	A-9	1,963,682.13	
Miscellaneous Revenue not Anticipated	A-2	170,209.64	
Petty Cash		800.00	
Prepaid Taxes		198,967.03	
Due from Open Space Fund		194.00	
Due from Other Trust Fund		47,849.65	
Abating Costs	A-1	350.00	
Grants Receivable	A-14	409,671.82	
Senior Center Programs		2,690.00	
Unappropriated Reserves	A-16	<u>371,497.82</u>	
			<u>23,987,836.22</u>
			<u>26,828,857.62</u>
Decreased by Disbursements:			
Budget Appropriations	A-3	\$9,393,548.92	
Appropriation Reserves	A-8	408,555.88	
County Taxes Payable	A-10	2,170,724.17	
Municipal Open Space Tax Payable	A-11	206,044.27	
Local School District Tax Payable	A-12	11,125,232.50	
Special District Taxes Payable	A-13	171,500.00	
Accounts Payable		8,375.00	
Petty Cash		800.00	
Refund of Prior Year Revenue	A-1	190.00	
Senior Center Programs		3,273.84	
Due to Other Trust Fund		48,032.85	
Appropriated Reserves	A-15	<u>441,168.74</u>	
			<u>23,977,446.17</u>
Balance, December 31, 2021	A		<u><u>\$2,851,411.45</u></u>

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2021

Year	Balance	2021 Levy	Added Taxes	Collections		Senior Citizens and Veterans Deductions	Transferred to Tax Title Liens	Year End Penalty	Cancelled	Balance
	Dec. 31, 2020			2020	2021					Dec. 31, 2021
2018	\$2,297.71									\$2,297.71
2019	500.00				\$500.00					
2020	430,610.47		\$907.53		431,268.00					250.00
	433,408.18		907.53		431,768.00					2,547.71
2021		\$20,974,651.03		\$228,194.29	20,356,813.66	\$36,250.00	\$2,281.70	\$3,671.72	\$19,629.15	335,153.95
	<u>\$433,408.18</u>	<u>\$20,974,651.03</u>	<u>\$907.53</u>	<u>\$228,194.29</u>	<u>\$20,788,581.66</u>	<u>\$36,250.00</u>	<u>\$2,281.70</u>	<u>\$3,671.72</u>	<u>\$19,629.15</u>	<u>\$337,701.66</u>
Ref.	A			Ref.			A-6			A
		Cash Receipts		A-4	20,788,581.66					
		Overpayments Applied			-					
					<u>\$20,788,581.66</u>					

Analysis of 2021 Property Tax Levy

Tax Yield:

General Purpose Tax	\$20,756,366.99
Special District Tax:	172,388.14
Added Taxes	45,895.90
Omitted Taxes	-
	<u>\$20,974,651.03</u>

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2021

	<u>Ref.</u>		
Tax Levy:			
Local District School Tax	A-12		\$11,125,227.00
County Taxes:			
County Tax	A-10	\$1,887,246.96	
County Health Tax	A-10	38,638.80	
County Open Space Tax	A-10	226,844.09	
Amount Due County for Added and Omitted Taxes	A-10	<u>4,760.45</u>	2,157,490.30
Business Improvement District Tax	A-13		171,500.00
Local Municipal Open Space Tax	A-11	205,590.00	
Amount Due Municipal Open Space Fund for Added and/or Omitted Taxes	A-11	<u>454.27</u>	206,044.27
Local Tax for Municipal Purposes	A-2	6,999,002.12	
Minimum Library Tax	A-2	270,248.00	
Add: Additional Tax Levied		<u>45,139.34</u>	
Local Tax for Municipal Purposes Levied			<u>7,314,389.46</u>
			<u>\$20,974,651.03</u>

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
Year Ended December 31, 2021

Balance, December 31, 2020	<u>Ref.</u> A		\$65,790.33
Increased by:			
Transfers from Taxes Receivable	A-5	\$2,281.70	
Interest and Costs Accrued by Sale		-	
		<hr/>	2,281.70
			<hr/> 68,072.03
Decreased by:			
Collection			-
			<hr/>
Balance, December 31, 2021	A		<u><u>\$68,072.03</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	A	<u>\$508,800.00</u>

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	<u>Balance Dec. 31, 2020</u>	<u>Reserve for Encumbrances</u>	<u>Balance after Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Administration and Executive					
Salaries and Wages	\$4,648.40		\$4,648.40		\$4,648.40
Other Expenses	2,291.69	\$2,463.08	4,754.77	\$3,204.87	1,549.90
Mayor and Council					
Salaries and Wages	100.04		100.04		100.04
Other Expenses	2,986.50	168.00	3,154.50	168.00	2,986.50
Municipal Clerk					
Salaries and Wages	1,176.23		1,176.23		1,176.23
Other Expenses	6,573.43	586.96	7,160.39	639.06	6,521.33
Miscellaneous	2,500.00		2,500.00		2,500.00
Financial Administration					
Salaries and Wages	44.56		44.56		44.56
Other Expenses	527.52	185.65	713.17	196.04	517.13
Collection of Taxes					
Salaries and Wages	342.56		342.56		342.56
Other Expenses	3,794.71	193.80	3,988.51	204.20	3,784.31
Assessment of Taxes					
Salaries and Wages	79.34		79.34		79.34
Other Expenses - Miscellaneous	1,519.34	21,625.35	23,144.69	19,112.96	4,031.73
Other Expenses - Revision of Tax Maps		107.00	107.00		107.00
Legal Services					
Other Expenses		42,135.81	42,135.81	513.00	41,622.81
Engineering Services					
Other Expenses	2,186.25	25,620.00	27,806.25	23,095.00	4,711.25
Environmental Commission					
Other Expenses	675.00		675.00		675.00
Keyport Historical Society Contracted	1,000.00		1,000.00		1,000.00

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Planning / Zoning Board					
Salaries and Wages	\$466.46		\$466.46		\$466.46
Other Expenses - Miscellaneous	926.60	\$350.00	1,276.60	\$350.00	926.60
Other Expenses - Revision of Master Plan	100.00		100.00		100.00
Property Maintenance Code					
Salaries and Wages	0.04		0.04		0.04
Other Expenses	829.44		829.44		829.44
Insurance					
Liability Insurance	1,053.60		1,053.60		1,053.60
Workers Compensation Insurance	1,572.60		1,572.60		1,572.60
Employee Group Insurance	5,026.66		5,026.66	175.00	4,851.66
Health Benefit Waiver	873.61		873.61		873.61
Police Department					
Salaries and Wages	71,872.99		71,872.99		71,872.99
Other Expenses - Miscellaneous	34,809.03	8,550.87	43,359.90	16,642.44	26,717.46
Other Expenses - Acquisition of Police Vehicles	114.97		114.97		114.97
Other Expenses - Clothing Allowance	1,933.90	3,145.03	5,078.93	3,588.06	1,490.87
Emergency Management Services					
Other Expenses	2,843.57	6,215.66	9,059.23	8,935.66	123.57
Aid to Volunteer First Aid Squad					
Other Expenses	3,000.00		3,000.00	3,000.00	
Fire Department					
Salaries and Wages	1,000.00		1,000.00		1,000.00
Other Expenses	2,708.05	38,611.26	41,319.31	39,585.76	1,733.55

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	<u>Balance Dec. 31, 2020</u>	<u>Reserve for Encumbrances</u>	<u>Balance after Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Uniform Fire Safety Act					
Salaries and Wages	\$6,186.14		\$6,186.14		\$6,186.14
Other Expenses	7,036.54	\$1,709.45	8,745.99	\$1,721.45	7,024.54
Municipal Prosecutor					
Salaries and Wages	277.64		277.64		277.64
Municipal Court					
Salaries and Wages	9,891.80		9,891.80		9,891.80
Other Expenses	5,954.57	378.85	6,333.42	378.85	5,954.57
Public Defender					
Salaries and Wages	1,799.92		1,799.92		1,799.92
Other Expenses	100.00		100.00		100.00
Road Repairs and Maintenance					
Salaries and Wages	11,892.82		11,892.82		11,892.82
Other Expenses	35,552.09	11,202.57	46,754.66	11,224.27	35,530.39
Garbage and Trash Removal (Recycling)					
Salaries and Wages	3,414.33		3,414.33		3,414.33
Other Expenses	3,256.28		3,256.28	3,077.26	179.02
Other Expenses - Contracted	26,094.00	28,671.00	54,765.00	33,392.00	21,373.00
Public Buildings and Grounds					
Other Expenses	12,186.24	3,844.68	16,030.92	5,997.57	10,033.35
Board of Health					
Salaries and Wages	1,608.81		1,608.81		1,608.81
Other Expenses	880.00		880.00	106.50	773.50
Blood Borne Pathogens - Hepatitis B					
Salaries and Wages	25.98		25.98		25.98
Other Expenses	900.00		900.00		900.00

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	<u>Balance Dec. 31, 2020</u>	<u>Reserve for Encumbrances</u>	<u>Balance after Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Bayshore Youth Services Bureau					
Contribution	\$1,000.00		\$1,000.00		\$1,000.00
Recreation					
Salaries and Wages	1,714.79		1,714.79		1,714.79
Other Expenses	9,881.36		9,881.36		9,881.36
Parks and Playgrounds					
Other Expenses	12,077.77	\$908.49	12,986.26	\$1,082.49	11,903.77
Senior Citizen Community Center					
Salaries and Wages	2,491.69		2,491.69		2,491.69
Other Expenses	8,685.57		8,685.57	124.84	8,560.73
Senior Citizen Transportation Contracted	1,270.00		1,270.00	936.00	334.00
Celebration of Public Events					
Other Expenses	1,500.00		1,500.00		1,500.00
Postage					
Other Expenses	6,093.70	211.36	6,305.06	427.36	5,877.70
Accumulated Leave Compensation					
Salaries and Wages	2,750.00		2,750.00		2,750.00
State Uniform Construction Code Officials					
Salaries and Wages	1,104.66		1,104.66		1,104.66
Other Expenses	3,594.55	54.07	3,648.62	129.65	3,518.97
Utility Expenses and Bulk Purchases					
Fuel for Motor Vehicles	4,343.30	4,553.75	8,897.05	4,553.75	4,343.30
Telephone and Telecommunications	3,760.46	3,327.83	7,088.29	3,327.83	3,760.46
Street Lighting	4,365.49	7,838.14	12,203.63	9,508.36	2,695.27
Fuel Oil	6,635.41	401.42	7,036.83	401.42	6,635.41
Natural Gas	6,078.07	3,864.74	9,942.81	9,125.62	817.19
Electricity	5,797.17	258.87	6,056.04	2,616.54	3,439.50
Landfill Disposal Costs	30,557.20	62,549.13	93,106.33	92,879.01	227.32

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Contingent	\$500.00		\$500.00		\$500.00
Public Employees' Retirement System	10,121.00		10,121.00		10,121.00
Deferred Comp. Retirement Program	1,485.73		1,485.73		1,485.73
Social Security System (O.A.S.I.)	6,903.74		6,903.74	\$1,306.54	5,597.20
Maintenance of Free Public Library	109.29	\$36,000.00	36,109.29	36,000.00	109.29
Declared State of Emergency Costs for Coronavirus Response NJSA 40A:4-45.45(b) and 40A:4-45.3(bb)	10,193.58		10,193.58		10,193.58
Municipal Drug Alliance Program SFY 2018 Local Share	8,200.00		8,200.00		8,200.00
Acquisition of First Aid Equipment	675.34		675.34		675.34
Acquisition of Firefighter Air Paks	200.00	19,800.00	20,000.00	19,800.00	200.00
Acquisition of Firefighter Turnout Gear		20,000.00	20,000.00	20,000.00	
Energy Improvements to Public Buildings	21,381.48	45,618.52	67,000.00	45,618.52	21,381.48
	<u>\$460,105.60</u>	<u>\$401,151.34</u>	<u>\$861,256.94</u>	<u>\$423,145.88</u>	<u>\$438,111.06</u>
<u>Ref.</u>	A	A	<u>Ref.</u>		A-1
			Cash Disbursements	\$408,555.88	
			Accounts Payable	14,590.00	
				<u>\$423,145.88</u>	

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Balance Dec. 31, 2020</u>	<u>Accrued in 2021</u>	<u>Realized/ Collected</u>	<u>Balance Dec. 31, 2021</u>
Alcoholic Beverage Licenses	A-2		\$30,140.63	\$30,140.63	
Other Licenses	A-2		4,337.00	4,337.00	
Fees and Permits	A-2		279,040.75	279,040.75	
Fines and Costs - Municipal Court	A-2	\$5,978.40	93,014.39	92,350.10	\$6,642.69
Interest and Costs on Taxes	A-2		88,820.06	88,820.06	
Consolidated Municipal Property Tax Relief Aid	A-2		1,125.00	1,125.00	
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-2		713,348.00	713,348.00	
Uniform Construction Code Fees	A-2	10,769.00	172,523.00	173,303.00	\$9,989.00
Shared Services - Health (Union Beach)	A-2		5,150.00	6,000.00	
Shared Services - Police (Keyport Board of Education)	A-2		41,000.00	41,000.00	
Uniform Fire Safety Act	A-2	3,195.00	116,142.32	119,337.32	
Cable Television Fees	A-2		98,732.19	98,732.19	
Payment in Lieu of Taxes - Senior Citizen Housing	A-2		316,148.08	316,148.08	
		<u>\$19,942.40</u>	<u>\$1,959,521.42</u>	<u>\$1,963,682.13</u>	<u>\$16,631.69</u>
	<u>Ref.</u>	A			A
			<u>Ref.</u>		
			Cash Receipts	A-4	<u>\$1,963,682.13</u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$17,994.32
Increased by:			
County Tax	A-5	\$1,887,246.96	
County Health Tax	A-5	38,638.80	
County Open Space Tax	A-5	226,844.09	
Added and Omitted Taxes	A-5	<u>4,760.45</u>	
	A-1		<u>2,157,490.30</u>
			<u>2,175,484.62</u>
Decreased by:			
Payments	A-4		<u>2,170,724.17</u>
Balance, December 31, 2021	A		<u><u>\$4,760.45</u></u>

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL MUNICIPAL OPEN SPACE TAX PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Increased by:		
2021 Tax Levy	A-5	\$205,590.00
Amount Due Municipal Open Space Fund for Added Taxes and/or Omitted Taxes	A-5	<u>454.27</u>
	A-1	<u>206,044.27</u>
Decreased by:		
Payments	A-4	<u><u>\$206,044.27</u></u>

See Independent Auditor's Report

BOROUGH OF KEYORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020 School Tax Payable/(Prepaid)		\$6.00
Increased by:		
Levy - Calendar Year 2021	A-5	<u>11,125,227.00</u>
		11,125,233.00
Decreased by:		
Payments	A-4	<u>11,125,232.50</u>
Balance, December 31, 2021 School Tax Payable/(Prepaid)		<u><u>\$0.50</u></u>
2021 Liability for Local District School Tax:		
Tax Paid	A-12	\$11,125,232.50
Tax Payable, December 31, 2021		<u>0.50</u>
		11,125,233.00
Less: Tax Payable, December 31, 2020		<u>6.00</u>
Amount Charged to 2021 Operations	A-1	<u><u>\$11,125,227.00</u></u>

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Increased by:		
Business Improvement District Tax Levy	A-5	\$171,500.00
Decreased by:		
Payments	A-4	<u>\$171,500.00</u>
Amount Charged to 2021 Operations	A-1	<u>\$171,500.00</u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2021

<u>Grant</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Anticipated Revenue</u>	<u>Cash Received</u>	<u>Transferred from Unappropriated Reserves</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2021</u>
Alcohol Education and Rehabilitation Grant	A-2		\$3,084.09		\$3,084.09		
Municipal Drug Alliance	A-2	\$12,540.07	7,050.00	\$5,490.00			\$14,100.07
Recycling Tonnage	A-2		5,770.57	5,770.57			
Clean Communities Program	A-2		14,986.21	14,986.21			
Office on Aging	A-2	37,000.00	41,357.00	36,125.00		\$875.00	41,357.00
Office on Aging - CARES Act	A-2	46,081.00	9,038.00	16,341.00			38,778.00
Body Armor Replacement Grant	A-2		1,789.04	1,789.04			
Drive Sober or Get Pulled Over	A-2		6,000.00				6,000.00
Distracted Driving Crackdown	A-2		7,500.00	7,500.00			
Neighborhood Preservation Program	A-2	94,970.00	125,000.00	207,470.00			12,500.00
NJ Bayshore Saturation Patrol Grant	A-2		13,200.00	13,200.00			
NJ Body-Worn Camera Grant	A-2		32,608.00				32,608.00
Monmouth County Open Space - Veterans Park		101,000.00		101,000.00			
		<u>\$291,591.07</u>	<u>\$267,382.91</u>	<u>\$409,671.82</u>	<u>\$3,084.09</u>	<u>\$875.00</u>	<u>\$145,343.07</u>
<u>Ref.</u>		A	A-2	A-4	A-16	A-1	A

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2021

<u>Grant</u>	<u>Balance Dec. 31, 2020</u>	<u>Transfer from 2021 Budget Appropriation</u>	<u>Transferred from Reserve for Encumbrances</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2021</u>
Alcohol Education and Rehabilitation Grant	\$20,085.28	\$3,084.09				\$23,169.37
Municipal Drug Alliance	6,461.12	9,550.00		\$8,961.12		7,050.00
Drunk Driving Enforcement Fund	17,835.71					17,835.71
Recycling Tonnage	9,704.45	5,770.57		11,112.00		4,363.02
Clean Communities Program	11,919.80	14,986.21		13,779.36		13,126.65
Office on Aging	9,754.78	107,907.00		95,853.48	\$9,604.78	12,203.52
Office on Aging - CARES Act	29,739.74	9,038.00	\$9,556.48	24,702.24		23,631.98
Body Armor Replacement Grant	192.86	1,789.04		1,191.85		790.05
NJ EDA Hazardous Discharge Site Remediation	35,377.54					35,377.54
Monmouth County Recycling Stimulus	5,940.00					5,940.00
Drive Sober or Get Pulled Over		6,000.00		1,560.00		4,440.00
Pedestrian Safety Grant	1,725.00					1,725.00
Distracted Driving Crackdown		7,500.00		7,260.00	240.00	
Bequest Senior Center	9,990.40			2,576.77		7,413.63
Tony Hawk Foundation			5,000.00	5,000.00		
Neighborhood Preservation Program	25,242.49	150,000.00		31,402.04		143,840.45
Neighborhood Preservation Program - Covid 19 Relief	236,925.69		298.70	235,459.68		1,764.71
NJ Bayshore Saturation Patrol Grant		13,200.00		12,720.00		480.00
NJ Body-Worn Camera Grant		32,608.00		810.00		31,798.00
	<u>\$420,894.86</u>	<u>\$361,432.91</u>	<u>\$14,855.18</u>	<u>\$452,388.54</u>	<u>\$9,844.78</u>	<u>\$334,949.63</u>
	A	A-3	A		A-1	A
Cash Disbursements	Ref. A-4			\$441,168.74		
Reserve for Encumbrances	A			11,219.80		
				<u>\$452,388.54</u>		

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2021

<u>Grant</u>	<u>Balance Dec. 31, 2020</u>	<u>Cash Receipts</u>	<u>Transferred to Grants Receivable</u>	<u>Balance Dec. 31, 2021</u>
Alcohol Education and Rehabilitation Grant	\$3,084.09	\$6,361.57	\$3,084.09	\$6,361.57
American Rescue Plan Act - Coronavirus SLFRF		365,136.25		365,136.25
	<u>\$3,084.09</u>	<u>\$371,497.82</u>	<u>\$3,084.09</u>	<u>\$371,497.82</u>
<u>Ref.</u>	A	A-4	A-14	A

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF CASH
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Open Space Fund</u>
Balance, December 31, 2020	B	<u>\$7,062.52</u>	<u>\$957,635.67</u>	<u>\$45,239.24</u>
Increased by Receipts:				
Animal Control Receipts	B-2	18,490.80		
Due to State of New Jersey	B-3	525.60		
Due to State of New Jersey			1,225.00	
Various Reserves	B-4		559,939.21	
Reserve for Open Space	B-6			206,102.59
Due from Current Fund			<u>48,032.85</u>	
		<u>19,016.40</u>	<u>609,197.06</u>	<u>206,102.59</u>
Decreased by Disbursements:				
Due to State of New Jersey	B-3	525.60		
Animal Control Fund				
Expenditures (R.S. 4:19-15.1	B-2	15,635.74		
Various Reserves	B-4		629,123.63	
Encumbrances Payable		2,957.16		
Reserve for Community Development				
Block Grant	B-5		32,118.53	
Due to State of New Jersey			1,205.00	
Due to Current Fund			47,849.65	194.00
Reserve for Open Space	B-6			<u>99,863.22</u>
		<u>19,118.50</u>	<u>710,296.81</u>	<u>100,057.22</u>
Balance, December 31, 2021	B	<u><u>\$6,960.42</u></u>	<u><u>\$856,535.92</u></u>	<u><u>\$151,284.61</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	B		\$4,105.36
Increased by:			
Dog License Fees Collected		\$2,490.80	
Budget Appropriation		<u>16,000.00</u>	
	B-2		<u>18,490.80</u>
			22,596.16
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash	B-2	15,635.74	
Encumbrances Payable		1,400.00	
Statutory Excess Due to Current Fund		<u>349.42</u>	
			<u>17,385.16</u>
Balance, December 31, 2021	B		<u>\$5,211.00</u>

License and Other Fees Collected

<u>Year</u>	<u>Amount</u>
2020	\$2,591.00
2019	2,620.00
	<u>\$5,211.00</u>

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$0.00
Increased by:		
Collected in 2021	B-1	<u>525.60</u>
		525.60
Decreased by:		
Payments	B-1	<u>525.60</u>
Balance, December 31, 2021	B	<u><u>\$0.00</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
OTHER TRUST FUND
SCHEDULE OF VARIOUS RESERVES
Year Ended December 31, 2021

	Balance			Balance
	<u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2021</u>
<u>Reserves for:</u>				
Cellular Tower Lease	\$6,767.02			\$6,767.02
Premium on Tax Sale	74,200.00	\$43,300.00	\$5,000.00	112,500.00
Welcome Center	100.00			100.00
Cash Repair Deposits	55,905.00	1,194.00	439.00	56,660.00
POAA	5,285.52	78.00	1,278.00	4,085.52
Public Defender Fees	6,072.75	4,600.00	5,200.00	5,472.75
Municipal Drug Alliance	2,808.51	1,000.00	1,352.60	2,455.91
Tax Title Lien Redemptions	0.04	18,810.20	18,810.20	0.04
Construction Debris Deposits	10,503.00			10,503.00
Material Disposition	350.00			350.00
Law Enforcement Trust	9,334.93	483.49	2,800.00	7,018.42
Developer's Escrow Deposits	442,498.90	104,633.37	249,315.53	297,816.74
Bayfront Improvements	49,244.87	54,211.26	73,589.95	29,866.18
Recreation Commission	55,941.02	674.42	14,507.17	42,108.27
Unemployment	63,092.00	82,471.05	45,910.76	99,652.29
Police Off-Duty	24,481.00	195,602.25	180,863.75	39,219.50
Reserve for Recreation Events	4,222.28			4,222.28
Reserve for Disaster Assistance - Sandy	250.00			250.00
Contractor Deposits	62,157.04			62,157.04
Insurance Claims	52,274.85	52,881.17	30,056.67	75,099.35
	<u>\$925,488.73</u>	<u>\$559,939.21</u>	<u>\$629,123.63</u>	<u>\$856,304.31</u>
<u>Ref.</u>	B	B-2	B-2	B

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$32,118.53
Cash Receipts	B-1	<u>-</u>
		32,118.53
Decreased by:		
Cash Disbursements	B-1	<u>32,118.53</u>
Balance, December 31, 2021	B	<u><u>\$0.00</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE FUND
Year Ended December 31, 2021

Balance, December 31, 2020	<u>Ref.</u> B	\$40,359.58
Increased by:		
2021 Tax Levy		\$205,590.00
Open Space Added and Omitted Levy		454.27
Interest Income		58.32
	B-1	<u>206,102.59</u>
Encumbrances Payable Cancelled		<u>4,685.66</u>
		<u>210,788.25</u>
		251,147.83
Decreased by:		
Cash Disbursed	B-1	<u>99,863.22</u>
Balance, December 31, 2021	B	<u><u>\$151,284.61</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH
Year Ended December 31, 2021

Balance, December 31, 2020	<u>Ref.</u> C		\$312,613.21
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-6	\$50,000.00	
Grants Receivable	C-10	75,432.41	
Various Reserves	C-12	21,500.00	
General Serial Bonds	C-8	5,070,000.00	
Bond Anticipation Notes	C-9	1,000,100.00	
Premium on the Sale of Bonds -			
Deferred Charges to Future			
Taxation Unfunded	C-5	1,045,000.00	
Excess Bond Sale Proceeds	C-1	4,770.59	
Premium on Sale of Notes	C-1	<u>32,645.50</u>	
			<u>7,299,448.50</u>
			7,612,061.71
Decreased by Disbursements:			
Improvement Authorizations	C-7	183,488.88	
Bond Anticipation Notes	C-9	355,590.00	
Due from Water and Sewer Capital Fund		80,000.00	
Payment to Current Fund as			
Anticipated Revenue	C-1	<u>-</u>	
			<u>619,078.88</u>
Balance, December 31, 2021	C		<u><u>\$6,992,982.83</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2021</u>
Capital Improvement Fund	\$41,350.69
Fund Balance	37,689.23
Cash on Hand to Pay Bond Anticipation Notes	5,450,000.00
Grants Receivable	(816,215.59) *
Due from Water And Sewer Capital Fund	(80,000.00) *
Encumbrances Payable	1,584,166.85
Various Reserves	45,754.20

Improvement Authorizations:

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
15-03, 17-16	Construction/Acquisition of Public Works Complex	(94,257.85) *
14-04, 22-05	Construction of a Waterfront Park/Bulkhead Improve	1,122.49
08-05, 22-07	Reconstruction of Third Street	23.75
08-11	Various Improvements to Firemen's' Park Boardwalk, Benjamin Terry Park Bulkhead, and William Ralph Pier	126.25
06-13	Improvements Luppataong Avenue Area	50,000.00
12-16	Various Road Improvements	
23-16	Improvements to Beach Park and Beers Street Outfalls	
08-18	Road Improvements	232.00
31-18	Various Capital Improvements	7,974.19
10-19	2019 Road Improvement Program	57,372.99
05-20	Various Capital Improvements	683,916.63
08-20	Senior Center Improvements	9,032.00
08-21	Purchase of a Fire Engine with Related Apparatus and Equipment	14,695.00
		<u>\$6,992,982.83</u>

Ref.

C

* Denotes Deficit (Deduction)

BPROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$4,054,246.47
Increased by:			
Improvement Costs Funded by:			
Serial Bonds Issued	C-5	\$5,070,000.00	
Refunding Bonds Issued	C-8	<u>940,000.00</u>	
			<u>6,010,000.00</u>
			10,064,246.47
Decreased by:			
2021 Budget Appropriations to Pay Bonds and Loan:			
Municipal Bonds	C-8	\$755,000.00	
Open Space Green Trust Loan	C-13	55,725.82	
Serial Bonds Refunded	C-8	<u>1,000,000.00</u>	
			<u>1,810,725.82</u>
Balance, December 31, 2021	C		<u><u>\$8,253,520.65</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Transferred to Deferred Taxation - Funded	Notes Paid by Budget Appropriation	Premium on the Sale of Bonds	Balance Dec. 31, 2021	Analysis of Balance December 31, 2021		
								Expenditures	Unexpended Improvement Authorizations	
15-03, 17-16	Construction of a Public Works Complex	\$705,444.02					\$705,444.02	\$94,257.85	\$611,186.17	
08-14	Acquisition of Various Capital Equipment and Vehicles	220,500.00			\$80,100.00	\$140,400.00				
11-16	Acquisition of a Ladder Truck	582,500.00			50,000.00	532,500.00				
12-16	Various Road Improvements	417,000.00		\$19,900.00	25,000.00	372,100.00				
23-16	Beers Street Outfall	54,410.00			54,410.00					
08-18	Road Improvements	800,000.00		800,000.00						
09-18	Veterans Park	270,000.00		270,000.00						
31-18	Various Capital Improvements	380,000.00		380,000.00						
10-19	2019 Road Improvement Program	1,765,000.00		1,765,000.00						
11-19	Improvements to Main Street Park	170,000.00		170,000.00						
05-20	Various Capital Improvements	1,000,100.00		1,000,100.00						
08-21	Purchase of a Fire Engine with Related Apparatus and Equipment		\$665,000.00	665,000.00						
		<u>\$6,364,954.02</u>	<u>\$665,000.00</u>	<u>\$5,070,000.00</u>	<u>\$209,510.00</u>	<u>\$1,045,000.00</u>	<u>\$705,444.02</u>	<u>\$94,257.85</u>	<u>\$611,186.17</u>	
Ref.	C		C-7	C-4	C-9	C-2	C			
					Improvement Authorizations - Unfunded			Ref.	C-7	<u>\$611,186.17</u>

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$26,350.69
Increased by:		
2021 Budget Appropriation	C-2	<u>50,000.00</u> 76,350.69
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-7	<u>35,000.00</u>
Balance, December 31, 2021	C	<u><u>\$41,350.69</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2020		Encumbrances Payable 2020	2021 Authorizations	Paid or Charged	Cancelled	Balance Dec. 31, 2021	
				Funded	Unfunded					Funded	Unfunded
15-03, 17-16	Construction/Acquisition of Public Works Complex	05/20/03	\$850,000.00		\$553,884.02	\$57,302.15					\$611,186.17
14-04, 22-05	Construction of a Waterfront Park/Bulkhead Improvements	07/06/04	450,000.00	\$1,122.49						\$1,122.49	
08-05, 22-07	Reconstruction of Third Street	06/06/05	645,000.00	23.75						23.75	
08-11	Various Improvements to Firemen's Park Boardwalk, Benjamin Terry Park Bulkhead, and William Ralph Pier	04/12/11	900,000.00			126.25				126.25	
06-13	Improvements Luppataong Avenue Area	06/11/13	650,000.00	50,000.00						50,000.00	
12-16	Various Road Improvements	06/14/16	950,000.00		2.25			\$2.25			
23-16	Improvements to Beach Park and Beers Street Outfalls	11/22/16	425,000.00		0.05			0.05			
08-18	Road Improvements	05/01/18	1,140,000.00			232.00				232.00	
31-18	Various Capital Improvements	12/18/18	400,000.00		8,974.19			1,000.00		7,974.19	
10-19	2019 Road Improvement Program	05/21/19	2,570,000.00		45,515.29	187,070.19		175,212.49		57,372.99	
05-20	Various Capital Improvements	07/21/20	1,591,498.00	449,300.00	1,000,100.00	109,684.57		875,167.94		683,916.63	
08-20	Senior Center Improvements	08/18/20	40,000.00	10,940.00		29,060.00		30,968.00		9,032.00	
08-21	Purchase of a Fire Engine with Related Apparatus and Equipment	07/20/21	700,000.00				\$700,000.00	685,305.00		14,695.00	
				<u>\$511,386.24</u>	<u>\$1,608,475.80</u>	<u>\$383,475.16</u>	<u>\$700,000.00</u>	<u>\$1,767,655.73</u>	<u>-</u>	<u>\$824,495.30</u>	<u>\$611,186.17</u>
			<u>Ref.</u>	<u>C</u>	<u>C</u>	<u>C</u>			<u>C-10</u>	<u>C</u>	<u>C</u>
	Capital Improvement Fund		C-6				\$35,000.00				
	Grants Receivable		C-10				-				
	Deferred Charges to Future Taxation - Unfunded		C-5:C-11				665,000.00				
							<u>\$700,000.00</u>				
	Cash		C-2					\$183,488.88			
	Encumbrances Payable		C					1,584,166.85			
								<u>\$1,767,655.73</u>			

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount					
Various Improvements	8/4/11	\$3,000,000.00				\$1,200,000.00		\$1,200,000.00	
MCIA Refunding Bonds, Series 2012	5/22/12	3,525,000.00	12/1/22-23	\$380,000.00	Various	1,130,000.00		370,000.00	\$760,000.00
MCIA Bonds	12/24/14	2,160,000.00	12/1/22-26	185,000.00	5.00%	1,110,000.00		185,000.00	925,000.00
MCIA Bonds	12/30/21	5,070,000.00	12/1/22-23	285,000.00	4.00%		\$5,070,000.00		5,070,000.00
			12/1/24-25	565,000.00	4.00%				
			12/1/26-27	565,000.00	5.00%				
			12/21/28-31	560,000.00	5.00%				
MCIA Refunding Bonds, Series 2021	12/30/21	940,000.00	12/1/22-24	190,000.00	4.00%		940,000.00		940,000.00
			12/1/25	185,000.00	4.00%				
			12/1/26	185,000.00	5.00%				
						<u>\$3,440,000.00</u>	<u>\$6,010,000.00</u>	<u>\$1,755,000.00</u>	<u>\$7,695,000.00</u>
					Ref.	C			C
			Bonds Issued for Cash		C-2		\$5,070,000.00		
			MCIA Refunding Bonds		C-4		940,000.00		
			Paid by Budget Appropriation		C-4			\$755,000.00	
			Serial Bonds Refunded		C-4			1,000,000.00	
							<u>\$6,010,000.00</u>	<u>\$1,755,000.00</u>	

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
08-14	Acquisition of Various Equipment and Vehicles	7/13/15	4/10/20	4/9/21	2.25%	\$220,500.00		\$220,500.00	
11-16	Acquisition of a Ladder Truck	4/28/17	4/10/20	4/9/21	2.25%	582,500.00		582,500.00	
12-16	Various Road Improvements	4/28/17	4/10/20	4/9/21	2.25%	417,000.00		417,000.00	
23-16	Beach Park Outfall and Beers Street Outfall	4/28/17	4/10/20	4/9/21	2.25%	410,000.00		410,000.00	
08-18	Road Improvements	4/26/19	4/10/20	4/9/21	2.25%	800,000.00		800,000.00	
09-18	Veterans Park	4/26/19	4/10/20	4/9/21	2.25%	270,000.00		270,000.00	
31-18	Various Capital Improvements	4/26/19	4/10/20	4/9/21	2.25%	380,000.00		380,000.00	
10-19	2019 Road Improvement Program	4/10/20	4/10/20	4/9/21	2.25%	1,765,000.00		1,765,000.00	
11-19	Improvements to Main Street Park	4/10/20	4/10/20	4/9/21	2.25%	170,000.00		170,000.00	
08-14	Acquisition of Various Equipment and Vehicles	7/13/15	4/8/21	3/8/22	1.00%		\$140,400.00		\$140,400.00
11-16	Acquisition of a Ladder Truck	4/28/17	4/8/21	3/8/22	1.00%		532,500.00		532,500.00
12-16	Various Road Improvements	4/28/17	4/8/21	3/8/22	1.00%		392,000.00		392,000.00
08-18	Road Improvements	4/26/19	4/8/21	3/8/22	1.00%		800,000.00		800,000.00
09-18	Veterans Park	4/26/19	4/8/21	3/8/22	1.00%		270,000.00		270,000.00
31-18	Various Capital Improvements	4/26/19	4/8/21	3/8/22	1.00%		380,000.00		380,000.00
10-19	2019 Road Improvement Program	4/10/20	4/8/21	3/8/22	1.00%		1,765,000.00		1,765,000.00
11-19	Improvements to Main Street Park	4/10/20	4/8/21	3/8/22	1.00%		170,000.00		170,000.00
05-20	Various Capital Improvements	04/08/21	4/8/21	3/8/22	1.00%		1,000,100.00		1,000,100.00
						<u>\$5,015,000.00</u>	<u>\$5,450,000.00</u>	<u>\$5,015,000.00</u>	<u>\$5,450,000.00</u>
					Ref.	C			C
					Renewals		\$4,449,900.00	\$4,449,900.00	
					Issued for Cash		1,000,100.00		
					Notes not Renewed	C-2		355,590.00	
					Paid by Budget Appropriation	C-5		209,510.00	
					Paid by Bond Funds	C-2		-	
							<u>\$5,450,000.00</u>	<u>\$5,015,000.00</u>	

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$891,648.00
Increased by:		
Funding for General Capital Improvement Authorizations	C-7	-
		<u>891,648.00</u>
Decreased by:		
Cash Receipts -		
Ordinance 05-20 - N.J.D.O.T. for Various Capital Improvements	C-2	\$75,432.41
Cancelled	C-7	<u>-</u>
		<u>75,432.41</u>
Balance, December 31, 2021	C	<u><u>\$816,215.59</u></u>

Detail:

<u>Description</u>	<u>Ordinance Number</u>	
N.J.D.O.T. for the 2019 Road Improvement Program	10-19	\$168,750.00
N.J.D.O.T. for Various Capital Improvements	05-20	281,065.59
County of Monmouth CDBG for Various Capital Improvements	05-20	162,400.00
County of Monmouth Open Space Grant for Improvements to Main Street Park	11-19	<u>204,000.00</u>
		<u><u>\$816,215.59</u></u>

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorization	Bond Anticipation Notes Issued	Bonds Issued	Balance Dec. 31, 2021
15-03, 17-16	Construction of a Public Works Complex	\$705,444.02				\$705,444.02
05-20	Various Capital Improvements	1,000,100.00		\$1,000,100.00		
08-21	Purchase of a Fire Engine with Related Apparatus and Equipment		\$665,000.00		\$665,000.00	
		<u>\$1,705,544.02</u>	<u>\$665,000.00</u>	<u>\$1,000,100.00</u>	<u>\$665,000.00</u>	<u>\$705,444.02</u>
	Ref. (Footnote C)		C-7	C-9		(Footnote C)

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
<u>Reserves for:</u>				
Insurance Proceeds	\$24,254.20			\$24,254.20
Bond Issuance Costs		\$21,500.00		21,500.00
	<u>\$24,254.20</u>	<u>\$21,500.00</u>	<u>-</u>	<u>\$45,754.20</u>
<u>Ref.</u>	C	C-2	C-2	C

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOANS PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$614,246.47
Increased by:		
Loan Proceeds	C-4	-
		<u>614,246.47</u>
Decreased by:		
Paid by Open Space Fund Budget Appropriation	C-4	<u>55,725.82</u>
Balance, December 31, 2021	C	<u><u>\$558,520.65</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY FUND
SCHEDULE OF CASH
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2020	D	\$431,170.31	\$5,261.66
Increased by Receipts:			
Miscellaneous Revenue	D-3	\$199,483.24	
BRSA Rent Reserve Refund	D-3	42,623.43	
Consumer Accounts Receivable	D-7	2,771,726.55	
Grants Receivable	D-22		\$25,000.00
Due to General Capital Fund			80,000.00
Premium on Bond Anticipation Notes Issued	D-12	3,977.36	
Prepaid Consumer Accounts		260,491.02	
Water and Sewer Rent Overpayments	D-11	4,203.78	
		<u>3,282,505.38</u>	
		3,713,675.69	<u>105,000.00</u>
			110,261.66
Decreased by Disbursements:			
Appropriations	D-4	2,888,976.97	
Appropriation Reserves	D-9	140,898.13	
Accrued Interest Payable	D-12	246,985.39	
Improvement Authorizations	D-17		83,422.75
		<u>3,276,860.49</u>	
Balance, December 31, 2021	D	<u><u>\$436,815.20</u></u>	<u><u>83,422.75</u></u> <u><u>\$26,838.91</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF WATER AND SEWER UTILITY CAPITAL FUND CASH
December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2021</u>
Capital Improvement Fund	\$87.00
Fund Balance	13,056.20
Encumbrances Payable	943,719.83
Due to General Capital Fund	80,000.00
Improvement Authorizations:	
<u>Ordinance Number</u>	<u>Improvement Description</u>
01-14	Design and Permitting - USDA Phase II
	226.08
07-16/18-18	Perry Street Water Treatment Facility Upgrade
	304.01
09-21	Various Capital Improvements
	(904,442.08) *
08-09/10-11	Sanitary Sewer System Upgrades USDA
	(32,240.85) *
24-16	Various Water and Sewer Improvements
	(73,871.28) *
	<u>\$26,838.91</u>

Ref.

D

* Denotes Deficit (Deduction)

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	D		\$185,000.19
Increased by:			
Water and Sewer Rents Levied			<u>3,024,118.31</u>
			3,209,118.50
Decreased by:			
Collection	D-5	\$2,771,726.55	
Overpayments Applied	D-11	169.98	
Prepaid Consumer Accounts Applied		<u>198,998.38</u>	
	D-3		<u>2,970,894.91</u>
Balance, December 31, 2021	D		<u><u>\$238,223.59</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2021

Account	Balance December 31, 2021 and 2020
Distribution System Land	\$20,500.00
Miscellaneous Land - Capital	750.00
Springs and Wells	107,432.80
Collection Reservoir	15,000.00
Filters	31,877.89
Clear Well Basin	1,000.00
Pumping Station Structures	68,569.50
Reservoirs and Standpipes	10,000.00
Distribution Mains and Accessories	770,104.60
Fire Hydrants and Cisterns	2,500.00
Bulkheads	15,691.72
Meters and Meter Bonds	1,391.05
Insurance and Bonds	1,275.00
Electric Pumping Power Equipment	42,940.50
Ferry Street Plant and Wells	1,467,500.00
General Equipment	71,609.00
Construction of Well #8	249,863.33
Repairs and Improvements to Water Plant	435,000.00
Cedar Street Pumping Station	210,000.00
Rehabilitation of Sewer System	151,000.00
Various Improvements to Water and Sewer System	242,314.56
Perry Street Water Treatment Facility Upgrade	1,100,000.00
Cass Street Standpipe Painting Project	416,672.60
Various Water and Sewer Improvements	150,000.00
	<u>\$5,582,992.55</u>
<u>Ref.</u>	D

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	Balance	Balance	Paid or	Balance
	Dec. 31, 2020	After	Charged	Lapsed
	<u>Dec. 31, 2020</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages	\$4,755.12	\$4,755.12		\$4,755.12
Other Expenses	80,855.45	80,855.45	\$64,414.05	16,441.40
Bayshore Regional Sewerage Authority	4.59	4.59		4.59
Acquisition of Water	111,731.48	111,731.48	77,384.08	34,347.40
Statutory Expenditures:				
Social Security System (O.A.S.I.)	1,565.86	1,565.86		1,565.86
	<u>\$198,912.50</u>	<u>\$198,912.50</u>	<u>\$141,798.13</u>	<u>\$57,114.37</u>
				D-1
	<u>Ref.</u>			
Appropriation Reserve	D	\$47,762.96		
Encumbrances Payable	D-10	151,149.54		
		<u>\$198,912.50</u>		
Cash Disbursements	D-5		\$140,898.13	
Accounts Payable	D		900.00	
			<u>\$141,798.13</u>	

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$151,149.54
Increased by:		
Transferred from Budget Appropriations	D-4	<u>57,364.13</u>
		208,513.67
Decreased by:		
Transferred to Appropriation Reserves	D-9	<u>151,149.54</u>
Balance, December 31, 2021	D	<u><u>\$57,364.13</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER AND SEWER OVERPAYMENTS
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$169.98
Increased by:		
Overpayments in 2021	D-5	4,203.78
		<u>4,373.76</u>
Decreased by:		
Application to Consumer Accounts Receivable	D-7	169.98
		<u>169.98</u>
Balance, December 31, 2021	D	<u><u>\$4,203.78</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$52,364.52
Increased by:		
Budget Appropriations for Bonds, Notes and Loans	D-4	\$235,611.35
Premium on Bond Anticipation Notes Issued	D-5	<u>3,977.36</u>
		<u>239,588.71</u>
		<u>291,953.23</u>
Decreased by:		
Interest Paid	D-5	<u>246,985.39</u>
Balance, December 31, 2021	D	<u><u>\$44,967.84</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
Year Ended December 31, 2021

Purpose	Original Issue		Maturities of Bonds Outstanding Dec. 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
	Date	Amount	Date	Amount					
MCIA Bonds	12/24/14	\$1,070,000.00	12/1/22	\$90,000.00	5.00%	\$560,000.00		\$90,000.00	\$470,000.00
			12/1/23	95,000.00	5.00%				
			12/1/24	95,000.00	5.00%				
			12/1/25	95,000.00	5.00%				
			12/1/26	95,000.00	5.00%				
						<u>\$560,000.00</u>	<u>-</u>	<u>\$90,000.00</u>	<u>\$470,000.00</u>
					<u>Ref.</u>				
					D-20	D		<u>\$90,000.00</u>	D
					Paid by Budget Appropriation				

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date of Issue Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
08-09/10-11	Sanitary Sewer System Upgrades - USDA	4/27/18	4/10/20	4/9/21	2.25%	\$220,000.00		\$220,000.00	
24-16	Various Water and Sewer Improvements	4/27/18	4/10/20	4/9/21	2.25%	463,000.00		463,000.00	
08-09/10-11	Sanitary Sewer System Upgrades - USDA	4/27/18	4/8/21	3/8/22	1.00%		\$217,000.00		\$217,000.00
24-16	Various Water and Sewer Improvements	4/27/18	4/8/21	3/8/22	1.00%		447,000.00		447,000.00
						\$683,000.00	\$664,000.00	\$683,000.00	\$664,000.00
					Ref.				
	Renewals						D		D
	Issued for Cash						\$664,000.00	\$664,000.00	
	Paid by Budget Appropriation				D-21		-		
							19,000.00	19,000.00	
							\$664,000.00	\$683,000.00	

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$10,129,465.06
Decreased by:		
Loan Principal Paid by Operating Budget	D-22	<u>189,843.42</u>
Balance, December 31, 2021	D	<u><u>9,939,621.64</u></u>
 <u>Analysis of Loans Payable Balance:</u>		
USDA Loan - 2014		\$2,343,628.12
USDA Loan - 2015		2,786,919.21
USDA Loan - 2020		4,809,074.31
		<u><u>\$9,939,621.64</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$50,087.00
Increased by:		
2021 Budget Appropriation	D-5	<u>-</u>
		50,087.00
Decreased by:		
Appropriated to Finance		
Improvement Authorization	D-21	<u>50,000.00</u>
Balance, December 31, 2021	D	<u><u>\$87.00</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance		Transferred from Encumbrances Payable	2021 Authorizations		Paid or Charged	Balance	
		Dec. 31, 2020			Capital Improvement Fund	Deferred Charges to Future Revenue		Dec. 31, 2021	
		Funded	Unfunded					Funded	Unfunded
08-09/10-11	Sanitary Sewer System Upgrades - USDA		\$78,664.15				\$16,190.00		\$62,474.15
01-14	Design and Permitting - USDA Phase II	\$226.08						\$226.08	
07-16/18-18	Perry Street Water Treatment Facility Upgrade			\$3,914.51			\$3,610.50	304.01	
24-16	Various Water and Sewer Improvements		154,328.72				52,900.00		101,428.72
09-21	Various Capital Improvements				\$50,000.00	\$950,000.00	954,442.08		45,557.92
		<u>\$226.08</u>	<u>\$232,992.87</u>	<u>\$3,914.51</u>	<u>\$50,000.00</u>	<u>\$950,000.00</u>	<u>\$1,027,142.58</u>	<u>\$530.09</u>	<u>\$209,460.79</u>
	<u>Ref.</u>	D	D	D	D-18,D-21	D-18		D	D
				<u>Ref.</u>					
				Cash Disbursements	1-D		\$83,422.75		
				Encumbrances Payable	D		943,719.83		
							<u>\$1,027,142.58</u>		

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations		Balance Dec. 31, 2021
			Deferred Reserve for Amortization	Deferred Charges to Future Revenue	
08-09/10-11	Sanitary Sewer System Upgrades - USDA	\$3,500,000.00			\$3,500,000.00
01-14	Design and Permitting - USDA Phase II	180,000.00			180,000.00
06-14	Various Water and Sewer Improvements - USDA Phase II	3,890,000.00			3,890,000.00
07-16/18-18	Perry Street Water Treatment Facility Upgrade	5,450,000.00			5,450,000.00
24-16	Various Water and Sewer Improvements	638,300.00			638,300.00
09-21	Various Capital Improvements		\$50,000.00	\$950,000.00	1,000,000.00
		<u>\$13,658,300.00</u>	<u>\$50,000.00</u>	<u>\$950,000.00</u>	<u>\$14,658,300.00</u>
		D	D-17	D-17	D

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2021</u>
08-09/10-11	Sanitary Sewer System Upgrades - USDA	\$94,715.00			\$94,715.00
24-16	Various Water and Sewer Improvements	175,300.00			175,300.00
09-21	Various Capital Improvements	<u>950,000.00</u>	<u>\$950,000.00</u>	<u>-</u>	<u>950,000.00</u>
		<u>\$270,015.00</u>	<u>\$950,000.00</u>	<u>-</u>	<u>\$1,220,015.00</u>
	<u>Ref.</u>	(Footnote D)	D-17	D-14	(Footnote D)

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$5,022,992.55
Increased by:		
Serial Bonds Paid by Operating Budget	D-13	<u>90,000.00</u>
Balance, December 31, 2021	D	<u><u>\$5,112,992.55</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	D		\$2,575,819.94
Increased by:			
USDA Loans Paid by Operating Budget	D-15	\$189,843.42	
Capital Improvement Fund	D-16:D-17	50,000.00	
Notes Paid by Operating Budget	D-14	<u>19,000.00</u>	
			<u>258,843.42</u>
Balance, December 31, 2021	D		<u>\$2,834,663.36</u>

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$606,970.00
Decreased by:		
Cash Receipts	D-5	25,000.00
Balance, December 31, 2021	D	\$581,970.00

Analysis of Grants Receivable Balance:

<u>Improvement Description/Grantor</u>	<u>Ordinance Number</u>	
Various Improvements to Water And Sewer Utility/NJOEM	24-16	\$581,970.00

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PAYROLL AGENCY FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Federal Withholding Tax		\$504,275.91	\$504,275.91	
Social Security/ Medicare		463,016.46	463,016.46	
State Withholding Tax		171,604.65	171,604.65	
SUI/ Disability		47,435.88	47,428.72	\$7.16
457B Plan		25,386.00	25,386.00	
AFLAC		14,892.36	14,892.36	
PERS		146,171.72	146,171.72	
PFRS		257,572.44	257,572.44	
Police/ Firemen's Insurance		3,681.84	3,681.84	
Garnishments		32,526.79	32,464.18	62.61
Monoc Credit Union		2,600.00	2,600.00	
PBA Dues		20,225.00	20,225.00	
Clerical/ PW Union Dues		22,707.70	22,707.70	
Miscellaneous	\$1,416.81	0.50	263.41	1,153.90
Health Insurance Co-Pay		132,441.35	132,441.35	
DCRP		4,515.33	4,334.78	180.55
FSA Ameriflex 125 Plan	223.29	3,123.44	3,059.02	287.71
	<u>\$1,640.10</u>	<u>\$1,852,177.37</u>	<u>\$1,852,125.54</u>	<u>\$1,691.93</u>
<u>Ref.</u>	E	E-2	E-2	E

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PAYROLL AGENCY FUND
SCHEDULE OF CASH
Year Ended December 31, 2021

Balance, December 31, 2020	<u>Ref.</u> E	\$1,640.10
Increased by:		
Payroll Deductions Payable	E-1	<u>1,852,177.37</u>
		1,853,817.47
Decreased by:		
Payroll Deductions Payable	E-1	<u>1,852,125.54</u>
Balance, December 31, 2021	E	<u><u>\$1,691.93</u></u>

See Independent Auditor's Report

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS
Year Ended December 31, 2021

	Balance Dec. 31, 2020	Additions	Dispositions and Adjustment	Balance Dec. 31, 2021
General Fixed Assets:				
Land	\$5,186,100.00		\$64,800.00	\$5,121,300.00
Buildings and Improvements	5,481,800.00		267,700.00	5,214,100.00
Motor Vehicles and Equipment	3,972,228.08	\$43,764.00		4,015,992.08
Machinery and Equipment	519,878.30			519,878.30
Office Furniture and Equipment	163,066.09			163,066.09
Other Equipment	218,914.00			218,914.00
	<u>\$15,541,986.47</u>	<u>\$43,764.00</u>	<u>\$332,500.00</u>	<u>\$15,253,250.47</u>
<u>Ref.</u>	F			F

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
COMMENTS
YEAR ENDED DECEMBER 31, 2021

Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4

N.J.S. 40A:11-4 states “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law.”

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney’s opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation by categories of payments for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not be reasonably ascertained.

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

The minutes indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “Professional Services” per N.J.S. 40A:11-5.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, “For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.” In the auditing of the Borough’s expenditures, we performed tests of the Borough’s compliance with N.J.S. 40A:11-6.1 and noted no exceptions.

COMMENTS (continued)

Examination of Claims

In auditing the Borough's expenditures, we did not and were not required to determine or establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being subject to the Borough's system of internal control over the approval and payment of claims in accordance with N.J.S. 40A:5-16.

Payroll Withholdings

We did not and were not required to determine the propriety of withholdings from individual employee salaries for pensions, income taxes, social security and medicare taxes, and for other purposes.

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, assessments, or other municipal liens or charges, unless otherwise provided by law, on or before the date when they would become delinquent.

On January 1, 2021, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Keyport, County of Monmouth, State of New Jersey as follows:

The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of delinquency and 18% per annum on any amount in excess of \$1,500.00, to be calculated from the date the tax was payable until the date that actual payment to the tax collector is made and is further directed to charge 6% penalty on any municipal charges in excess of \$10,000 who fails to pay that delinquency as billed, prior to the end of the calendar fiscal year.

Effective January 1, 2021 there will be a ten (10) day grace period of quarterly tax payments.

Any payments not made in accordance in accordance with paragraph one of this Resolution shall be charged interest from the due date as set forth in N.J.S.A. 54:4-66. a. Taxes for municipalities operating under the calendar fiscal year shall be payable the first installment as hereinafter provided on February 1, the second installment on May 1, the third installment on August 1 and the fourth installment on November 1.

A certified copy of this Resolution shall be provided by the Borough Clerk to the Tax Collector, Borough Attorney and Borough Auditor for the Borough of Keyport.

BE IT FURTHER RESOLVED that said interest rates shall become effective January 1, 2021.

COMMENTS (continued)

Collection of Interest on Delinquent Taxes and Assessments (continued)

Based upon our audit of the tax collector's records, interest on delinquent accounts was charged in accordance with the foregoing resolution.

Tax Title Liens

The last tax sale was held on October 5, 2021 and was complete. The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2021	8
2020	8
2019	7

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

On December 31, 2021, 2020 and 2019, the value of property acquired by tax title lien liquidation, on the basis of the last assessed valuation of such properties, was \$508,800.00.

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2021	\$1,309,026.58	\$1,000,000.00
2020	1,544,536.69	1,120,000.00
2019	1,574,563.34	970,000.00

<u>Year</u>	<u>Water and Sewer Utility Operating Fund Balance</u>	<u>Utilized in Water and Sewer Utility Budget of Succeeding Year</u>
2021	\$399.50	-
2020	399.50	-
2019	121,399.50	\$120,000.00

COMMENTS (continued)

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT (Excluding Special District Tax Rate)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Municipal	.851	.877	.852
Municipal Open Space	.025	.025	.025
Municipal Library	.033	.033	.033
Local School	1.353	1.342	1.364
County	.262	.266	.265
Total Tax Rate	<u>\$2.524</u>	<u>\$2.543</u>	<u>\$2.539</u>

ASSESSED VALUATIONS

2021	\$822,360,027.00
2020	789,629,979.00
2019	714,535,300.00

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2021	\$20,974,651.03	\$20,621,257.95	98.31%
2020	20,429,141.29	20,002,106.45	97.91%
2019	19,117,285.11	18,596,143.47	97.27%

DELINQUENT TAXES AND TAX TITLE LIENS

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Title Liens	\$68,072.03	\$65,790.33	\$63,527.44
Delinquent Taxes	<u>337,701.66</u>	<u>433,408.18</u>	<u>518,399.78</u>
Total Delinquent	<u>\$405,773.69</u>	<u>\$499,198.51</u>	<u>\$581,927.22</u>
% of Tax Levy	1.93%	2.44%	3.04%

COMMENTS (continued)

SUMMARY OF MUNICIPAL DEBT

<u>Issued</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Bonds, Notes and Loans:			
General	\$13,703,520.65	\$9,069,246.47	\$8,248,874.28
Water and Sewer Utility	<u>11,073,621.64</u>	<u>11,372,465.06</u>	<u>11,584,230.08</u>
Total Issued	<u>24,777,142.29</u>	<u>20,441,711.53</u>	<u>19,833,104.36</u>
Less:			
Funds on Hand to Pay Notes	<u>5,450,000.00</u>	-	-
Net Debt Issued	<u>19,327,142.29</u>	<u>20,441,711.53</u>	<u>19,833,104.36</u>
<u>Authorized but not Issued</u>			
Bonds and Notes:			
General	705,444.02	1,705,544.02	2,640,444.02
Water and Sewer Utility	<u>1,220,015.00</u>	<u>270,015.00</u>	<u>270,015.00</u>
	<u>1,925,459.02</u>	<u>1,975,559.02</u>	<u>2,910,459.02</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$21,252,601.31</u>	<u>\$22,417,270.55</u>	<u>\$22,743,563.38</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.204%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$15,875,000.00	\$15,875,000.00	
Water and Utility Debt	12,293,636.64	11,384,572.84	\$909,063.80
General Debt	<u>14,408,964.67</u>	<u>5,450,000.00</u>	<u>8,958,964.67</u>
	<u>\$42,577,601.31</u>	<u>\$32,709,572.84</u>	<u>\$9,868,028.47</u>

Net Debt \$9,868,028.47 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$819,873,332.67 equals 1.204%.

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

3½% of Equalized Valuation Basis	\$28,695,566.64
Net Debt	<u>9,868,028.47</u>
Remaining Borrowing Power	<u>\$18,827,538.17</u>

The Chief Financial Officer should file a revised annual debt statement.

COMMENTS (continued)

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

Cash Receipts from Fees, Rents, Other Charges and Fund Balance Anticipated		\$3,213,001.58
Deductions:		
Operating and Maintenance Cost	\$2,724,000.00	
Debt Service	<u>534,454.77</u>	
Total Deductions		<u>3,258,454.77</u>
Deficit in Revenue		<u>(\$45,453.19)</u>

COMPARISON OF WATER AND SEWER UTILITY LEVIES

Water and Sewer Utility Fund

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2021	\$3,024,118.31	\$2,970,894.91
2020	3,038,815.53	3,034,251.22
2019	2,990,379.02	2,720,313.31

*Annual amounts include collection of prior year receivables.

COMMENTS (continued)

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as of December 31, 2021:

<u>Name</u>	<u>Title</u>
Collette J. Kennedy	Mayor
Matthew Goode	Council President
Dennis Fotopoulos	Councilman
Delia Sosa McDermott	Councilwoman
Victoria Pacheco	Councilwoman
Lori Ann Davidson	Councilwoman
Kathleen McNamara	Councilwoman
Michele Clark	Borough Clerk
Jay Delaney	Borough Administrator
Thomas P. Fallon	Chief Financial Officer
Patricia Olsen	Clerk Assistant
Sandra Akes	Court Administrator
Michael Delre	Tax Assessor
Frank LaRocca	Judge - Municipal Court
Keri R. Stencil	Tax Collector and Utility Collector
Joseph P. Baumann, Jr.	Borough Attorney

Borough employees are covered by a public employee dishonesty bond in the amount of \$50,000.00 by the Monmouth Municipal Joint Insurance Fund. In addition, Borough employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000.00 by the Municipal Excess Liability Insurance Fund.

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART IV

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2021

#2021-001

Comment

We noted that certain of the Borough's departments made purchase commitments prior to the submission of a requisition to the chief financial officer for certification as to the availability of funds.

Recommendation

We recommend that purchase commitments not be executed by any Borough department prior to the submission of a requisition to the chief financial officer for certification as to the availability of funds.

#2021-002

Comment

We noted that dedication by riders were not obtained from the Division of Local Government Services for certain other trust fund reserves.

Recommendation

We recommend that all other trust fund reserves be reviewed and where appropriate, dedication by rider resolutions be adopted and submitted for approval by the Division of Local Government Services.

BOROUGH OF KEYPORT
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2021

Status of Prior Year Recommendation

The prior year recommendation relative to commitments for the purchase of goods or services prior to the certification of availability of funds has yet to be resolved and a similar recommendation has been made in 2021.



The aforementioned current year comments and the related recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the Borough's regulatory basis financial statements taken as a whole.