

EGG HARBOR CITY

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

EGG HARBOR CITY

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EGG HARBOR CITY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of Common Council
City of Egg Harbor City
County of Atlantic, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of Egg Harbor City, as of December 31, 2023 and 2022, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Egg Harbor City as of December 31, 2023 and 2022, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2023 and 2022, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), 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 "Division"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Egg Harbor City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Egg Harbor City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services 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 an 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services, we:

- exercise professional judgement 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 the 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 Egg Harbor City'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 judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the Egg Harbor City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Egg Harbor City's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis 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. 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 supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of Egg Harbor City'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 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 Egg Harbor City's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

June 14, 2024

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EXHIBIT A - CURRENT FUND

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**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| | <u>2023</u> | <u>2022</u> |
|--|------------------------|---------------------|
| <u>ASSETS</u> | | |
| Regular Fund: | | |
| Cash: | | |
| Treasurer | \$ 2,878,526.31 | 2,194,371.18 |
| Change | 400.00 | 400.00 |
| Investment in Bond Anticipation Note | - | 100,000.00 |
| Total Cash | <u>2,878,926.31</u> | <u>2,294,771.18</u> |
| Receivables and Other Assets with Full Reserves: | | |
| Delinquent Property Taxes Receivable | 10,245.16 | 13,448.51 |
| Tax Title and Other Liens | 719,029.52 | 758,854.30 |
| Code Enforcement Special Charges | 2,940.71 | 860.63 |
| Property Acquired for Taxes - at Assessed Valuation | 749,889.00 | 749,889.00 |
| Due from Grant Fund | 5,335.20 | 38,024.74 |
| Total Receivables and Other Assets | <u>1,487,439.59</u> | <u>1,561,077.18</u> |
| Deferred Charges: | | |
| Emergency Authorization | - | 94,000.00 |
| Special Emergency NJSA 40:A;4-53 | 30,000.00 | 40,000.00 |
| Total Deferred Charges | <u>30,000.00</u> | <u>134,000.00</u> |
| Total Regular Fund | <u>4,396,365.90</u> | <u>3,989,848.36</u> |
| Federal and State Grant Fund: | | |
| Federal and State Grants Receivable | 4,009,077.13 | 1,776,180.07 |
| Total Federal and State Grant Fund | <u>4,009,077.13</u> | <u>1,776,180.07</u> |
| Total Current Fund | <u>\$ 8,405,443.03</u> | <u>5,766,028.43</u> |

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>2023</u> | <u>2022</u> |
|---|------------------------|---------------------|
| Regular Fund: | | |
| Liabilities: | | |
| Appropriation Reserves | \$ 167,463.03 | 164,035.34 |
| Reserve for Encumbrances | 158,004.27 | 213,357.89 |
| Accounts Payable | 98,627.65 | 62,708.98 |
| Taxes Collected in Advance | 126,638.30 | 103,555.35 |
| Overpaid Taxes | 94,738.64 | 83,076.37 |
| Payroll Taxes Payable | 49,315.83 | 30,006.96 |
| Special Emergency Note Payable | - | 40,000.00 |
| County Added Tax Payable | 16,382.65 | 8,499.97 |
| Regional High School District-Taxes | 24,840.07 | 66,625.07 |
| Due to State: | | |
| Veterans and Senior Citizens | 7,894.84 | 6,268.57 |
| Burial Permits | - | 5.00 |
| Marriage Licence Fees | 375.00 | - |
| DCA Training Fees | 1,808.00 | 880.00 |
| Lead Inspection Fees | 260.00 | - |
| Other Reserve for | | |
| Municipal Relief Fund | 49,384.09 | 24,697.56 |
| COVID Relief Funds | - | 82,116.98 |
| Land Sales | - | 5,500.00 |
| Master Plan Update | 30,080.00 | 40,430.00 |
| Curbs and Sidewalks | 7,651.71 | 7,651.71 |
| | <u>833,464.08</u> | <u>939,415.75</u> |
| Reserve for Receivables and Other Assets | 1,487,439.59 | 1,561,077.18 |
| Fund Balance | <u>2,075,462.23</u> | <u>1,489,355.43</u> |
| Total Regular Fund | <u>4,396,365.90</u> | <u>3,989,848.36</u> |
| Federal and State Grant Fund: | | |
| Unappropriated Reserves | 10,763.65 | 3,743.26 |
| Appropriated Reserves | 3,736,399.55 | 1,501,225.25 |
| Encumbrances Payable | 186,587.86 | 163,195.95 |
| Due to Current Fund | 5,335.20 | 38,024.74 |
| Due to Trust Fund | 69,990.87 | 69,990.87 |
| Total Federal and State Grant Fund | <u>4,009,077.13</u> | <u>1,776,180.07</u> |
| Total Current Fund | <u>\$ 8,405,443.03</u> | <u>5,766,028.43</u> |

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31,**

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|
| Revenue and Other Income Realized | | |
| Fund Balance | \$ 309,000.00 | 215,000.00 |
| Miscellaneous Revenue Anticipated | 7,801,791.36 | 2,489,395.41 |
| Receipts from Delinquent Taxes | 43,791.36 | 129,585.52 |
| Receipts from Current Taxes | 10,942,423.60 | 10,809,034.47 |
| Non Budget Revenue | 52,882.01 | 152,745.30 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Res. | 78,478.00 | 135,245.76 |
| Cancellation of Prior Year Liabilities | 28,673.38 | 6,975.62 |
| Interfunds Returned | 32,689.54 | - |
| Total Income | <u>19,289,729.25</u> | <u>13,937,982.08</u> |
| Expenditures | | |
| Budget and Emergency Appropriations: | | |
| Appropriations Within "CAPS" | | |
| Operations: | | |
| Salaries and Wages | 2,110,533.02 | 2,032,350.00 |
| Other Expenses | 2,930,882.60 | 2,749,135.00 |
| Deferred Charges & Statutory Expenditures | 655,890.00 | 608,701.00 |
| Appropriations Excluded from "CAPS" | | |
| Operations: | | |
| Other Expenses | 2,571,035.75 | 1,177,266.26 |
| Capital Improvements | 25,000.00 | 129,000.00 |
| Debt Service | 1,543,594.06 | 270,833.14 |
| Deferred Charges | 2,270,000.00 | 10,000.00 |
| Transferred to Board of Education for use by | | |
| Local and Regional High School Districts | 19,364.00 | 18,822.00 |
| Local District School Tax | 3,474,881.00 | 3,465,395.00 |
| County Tax | 1,300,519.84 | 1,240,397.65 |
| County Share of Added Tax | 16,382.65 | 8,499.97 |
| Regional High School Tax | 1,466,915.00 | 1,567,056.00 |
| Interfunds Created | - | 38,024.74 |
| Refund of Prior Year Revenue | 5,663.96 | - |
| Cancellation of Prior Year Revenue-Grants | 3,960.57 | 5,677.62 |
| Total Expenditures | <u>18,394,622.45</u> | <u>13,321,158.38</u> |
| Excess in Revenue | <u>895,106.80</u> | <u>616,823.70</u> |

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31,**

| | <u>2023</u> | <u>2022</u> |
|--|------------------------|---------------------|
| Adjustments to Income before Fund Balance: | | |
| Expenditures included above which are by | | |
| Statute Deferred Charges to Budgets of | | |
| Succeeding Year | | |
| Special Emergency | - | 94,000.00 |
| Total Adjustments | <u>-</u> | <u>94,000.00</u> |
| Statutory Excess to Fund Balance | 895,106.80 | 710,823.70 |
| Fund Balance January 1 | <u>1,489,355.43</u> | <u>993,531.73</u> |
| | 2,384,462.23 | 1,704,355.43 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | <u>309,000.00</u> | <u>215,000.00</u> |
| Fund Balance December 31 | <u>\$ 2,075,462.23</u> | <u>1,489,355.43</u> |

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Anticipated | | | Excess or |
|--|---------------|-----------------|------------|-------------|
| | Budget | N.J.S. 40A:4-87 | Realized | (Deficit) |
| Fund Balance Anticipated | \$ 309,000.00 | | 309,000.00 | |
| Total Fund Balance Anticipated | 309,000.00 | - | 309,000.00 | - |
| Miscellaneous Revenues: | | | | |
| Section A: Local Revenues | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | 39,000.00 | | 40,166.52 | 1,166.52 |
| Other | 45,000.00 | | 69,322.00 | 24,322.00 |
| Interest and Costs on Taxes | 96,000.00 | | 60,956.45 | (35,043.55) |
| Interest Earned on Investments | 2,500.00 | | 112,834.97 | 110,334.97 |
| Rental of Municipal Property | 31,000.00 | | 36,871.00 | 5,871.00 |
| Lake Parking Fees | 120,000.00 | | 179,979.00 | 59,979.00 |
| Campground Royalty | 15,000.00 | | 16,125.64 | 1,125.64 |
| Total Section A: Local Revenues | 348,500.00 | - | 516,255.58 | 167,755.58 |
| Section B: State Aid Without Offsetting Appropriations | | | | |
| Energy Receipts Tax | 476,734.00 | | 476,733.74 | (0.26) |
| Reserve for Municipal Relief Aid | 24,698.00 | | 24,698.00 | |
| Total Section B: State Aid Without Offsetting Appropriations | 501,432.00 | - | 501,431.74 | (0.26) |
| Section C: Uniform Construction Code Fees | | | | |
| Uniform Construction Code Fees | 55,500.00 | | 80,416.00 | 24,916.00 |
| Total Section C: Uniform Construction Code Fees | 55,500.00 | - | 80,416.00 | 24,916.00 |

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Anticipated | | Realized | Excess or (Deficit) |
|---|---------------------|---------------------|---------------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | | |
| Section F: Special Items - Public and Private Programs | | | | |
| Off-Set with Appropriations | | | | |
| Clean Communities Program | 16,994.51 | | 16,994.51 | |
| Stormwater Assistance Grant | | 25,000.00 | 25,000.00 | |
| DMHAS Municipal Alliance Grant | 3,124.38 | | 3,124.38 | |
| Body Armor Grant | 1,305.76 | | 1,305.76 | |
| Statewide Insurance Safety Grant | 3,140.00 | | 3,140.00 | |
| Municipal Alliance on Alcoholism and Drug Abuse | 6,622.98 | | 6,622.98 | |
| Bulletproof Vest Grant | 2,437.50 | 2,437.50 | 4,875.00 | |
| Body Worn Camera Policy & Implementation Program | | 16,000.00 | 16,000.00 | |
| Drunk Driving Enforcement Fund | | 1,349.37 | 1,349.37 | |
| NJ Transportation Trust Fund-FY23 100 & 300 Liverpool Ave | 287,800.00 | | 287,800.00 | |
| Local Recreation Improvement Grant | 63,000.00 | | 63,000.00 | |
| NJDOT-FY23 Safe Streets to Transit-Atlantic Ave Phase IV | 330,000.00 | | 330,000.00 | |
| 2023 Small Cities Grant-Lake Improvements | 400,000.00 | | 400,000.00 | |
| 2023 Sustainable Jersey PSEG Grant | 2,000.00 | | 2,000.00 | |
| USDA Forest Service - Urban & Community Forestry Program | | 1,000,000.00 | 1,000,000.00 | |
| DCA Neighborhood Preservation Program - Year 3 | | 125,000.00 | 125,000.00 | |
| DCA Neighborhood Preservation Program - American Rescue Plan | | 238,668.00 | 238,668.00 | |
| Comcast Technology Grant | | 12,000.00 | 12,000.00 | |
| Total Section F: Special Items - Public and Private Programs | 1,116,425.13 | 1,420,454.87 | 2,536,880.00 | - |
| Off-Set with Appropriations | | | | |
| Section G: Special Items of General Revenue Anticipated with | | | | |
| Prior Written Consent of Director of Local Government | | | | |
| Services - Other Special Items | | | | |
| Uniform Fire Safety Act | 11,000.00 | | 13,619.85 | 2,619.85 |
| Rental Registrations | 80,000.00 | | 118,175.00 | 38,175.00 |
| Payment in Lieu of Taxes | 40,000.00 | | 99,066.81 | 59,066.81 |
| Cemetery Contribution | 15,000.00 | | 15,000.00 | - |
| Conifer PILOT | 64,000.00 | | 66,329.40 | 2,329.40 |
| Reserve for Coronavirus Local Fiscal Recovery Fund | 82,116.98 | | 82,116.98 | - |

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Anticipated | | Realized | Excess or (Deficit) |
|--|---------------|-----------------|---------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | | |
| Reserve for Land Sales | 5,500.00 | - | 5,500.00 | - |
| Utility Operating Surplus of Prior Year | 216,000.00 | - | 216,000.00 | - |
| Sale of Water & Sewer Utility | 3,551,000.00 | - | 3,551,000.00 | - |
| Total Section G: Other Special Items | 4,064,616.98 | - | 4,166,808.04 | 102,191.06 |
| Total Miscellaneous Revenues: | 6,086,474.11 | 1,420,454.87 | 7,801,791.36 | 294,862.38 |
| Receipts from Delinquent Taxes | 7,500.00 | | 43,791.36 | 36,291.36 |
| Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes | 4,643,857.85 | | 4,903,306.57 | 259,448.72 |
| Total Amount to be Raised by Taxes for Support of Municipal Budget | 4,643,857.85 | - | 4,903,306.57 | 259,448.72 |
| Budget Totals | 11,046,831.96 | 1,420,454.87 | 13,057,889.29 | 590,602.46 |
| Non- Budget Revenues: | | | | |
| Other Non- Budget Revenues: | - | - | 52,882.01 | 52,882.01 |
| \$ | 11,046,831.96 | 1,420,454.87 | 13,110,771.30 | 643,484.47 |

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

| | | |
|--------------------------|----|---------------|
| Revenue from Collections | \$ | 10,942,423.60 |
|--------------------------|----|---------------|

Allocated to:

| | |
|--------------------------------|--------------|
| School, County and Other Taxes | 6,258,698.49 |
|--------------------------------|--------------|

| | |
|--|--------------|
| Balance for Support of Municipal Budget Appropriations | 4,683,725.11 |
|--|--------------|

Increased by:

| | |
|--|------------|
| Appropriation "Reserved for Uncollected Taxes" | 219,581.46 |
|--|------------|

| | |
|---|--------------|
| Amount for Support of Municipal Budget Appropriations | 4,903,306.57 |
|---|--------------|

Receipts from Delinquent Taxes:

| | |
|----------------------------|-----------|
| Delinquent Tax Collection | 11,758.23 |
| Tax Title Lien Collections | 32,033.13 |

| | |
|--------------------------------------|-----------|
| Total Receipts from Delinquent Taxes | 43,791.36 |
|--------------------------------------|-----------|

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Tax Collector:

| | | |
|--------------------------|--------|--|
| Code Enforcement Fee | 495.00 | |
| Tax Search Fees | 57.00 | |
| Subtotal - Tax Collector | 552.00 | |

Treasurer:

| | | |
|---|-----------|--|
| Cable Franchise Fee | 13,809.46 | |
| Sale of Property | 1,570.25 | |
| Police Department | 6,389.00 | |
| Harbor Lights Donation | 300.00 | |
| ARC Donations | 1,100.00 | |
| Vacant Property Registrations | 4,200.00 | |
| Clerk Miscellaneous | 50.00 | |
| Building Department Miscellaneous | 1,175.00 | |
| FEMA Federal Share Increase Reimbursement | 509.22 | |
| Miscellaneous Refunds | 269.75 | |
| Monsanto Co. Lawsuit Settlement | 17,414.03 | |
| Municipal Receipts/Sale of Assets | 2,586.00 | |
| Veteran's and Senior Citizen 2% | | |
| Administrative Fee | 510.00 | |
| Other Miscellaneous | 2,447.30 | |
| Subtotal - Treasurer | 52,330.01 | |

| | | |
|---|----|-----------|
| Total Miscellaneous Revenue Not Anticipated | \$ | 52,882.01 |
|---|----|-----------|

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------|-------------------------------|--------------------|------------|----------|---|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| OPERATIONS WITHIN "CAPS" | | | | | | |
| GENERAL GOVERNMENT | | | | | | |
| Administrative and Executive | | | | | | |
| Salaries and Wages | \$ 27,500.00 | 27,500.00 | 27,500.00 | | - | |
| Governing Body | 122,000.00 | 122,000.00 | 120,999.27 | | 1,000.73 | |
| Municipal Clerk | | | | | | |
| Other Expenses | 20,000.00 | 23,000.00 | 22,207.38 | 434.68 | 357.94 | |
| City Clerk | 9,500.00 | 9,500.00 | 9,463.65 | (22.36) | 58.71 | |
| Governing Body | | | | | | |
| Financial Administration | 116,000.00 | 111,500.00 | 110,132.64 | | 1,367.36 | |
| Salaries and Wages | 40,000.00 | 42,500.00 | 40,279.16 | | 882.37 | |
| Other Expenses | 25,500.00 | 25,500.00 | 25,500.00 | | - | |
| Audit Services | | | | | | |
| Assessment of Taxes | | | | | | |
| Salaries and Wages | 20,600.00 | 20,600.00 | 20,586.00 | | 14.00 | |
| Other Expenses | 9,500.00 | 9,500.00 | 9,281.82 | | 218.18 | |
| Tax Collector | | | | | | |
| Salaries and Wages | 40,000.00 | 40,000.00 | 39,277.43 | | 722.57 | |
| Other Expenses: | | | | | | |
| Tax Sale Costs | 600.00 | 5,600.00 | - | 600.00 | 5,000.00 | |
| Miscellaneous Other Expenses | 5,500.00 | 5,500.00 | 5,103.69 | 11.74 | 384.57 | |
| Liquidation of Tax Title Liens and | | | | | | |
| Foreclosed Property | | | | | | |
| Other Expenses | 100.00 | 100.00 | 88.00 | | 12.00 | |
| Legal Services and Costs | | | | | | |
| Other Expenses | 115,000.00 | 100,000.00 | 86,312.05 | 4,035.00 | 9,652.95 | |
| Engineering Services and Costs | | | | | | |
| Other Expenses | 20,000.00 | 23,000.00 | 9,625.00 | 9,399.00 | 3,976.00 | |
| Public Buildings and Grounds | | | | | | |
| Other Expenses | 50,000.00 | 50,000.00 | 41,972.08 | 7,852.47 | 175.45 | |
| Municipal Land Use Law (NJSA 40:55D-1) | | | | | | |
| Combined Planning & Zoning/Code Board | | | | | | |
| Salaries and Wages | 87,000.00 | 74,000.00 | 71,969.52 | | 2,030.48 | |
| Other Expenses | 15,000.00 | 10,450.00 | 8,428.26 | 898.60 | 1,123.14 | |
| Economic Development | | | | | | |
| Other Expenses | 15,000.00 | 27,150.00 | 10,650.00 | 16,500.00 | - | |

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|---|----------------|-------------------------------|--------------------|------------|-----------|---|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| PUBLIC SAFETY | | | | | | |
| Fire | | | | | | |
| Salaries and Wages | 2,700.00 | 2,700.00 | 2,700.00 | - | - | - |
| Other Expenses: | | | | | | |
| Aid to Volunteer Companies | 30,000.00 | 30,000.00 | 30,000.00 | - | - | - |
| Contractual-Grant Admin | 3,850.00 | 3,850.00 | 3,850.00 | - | - | - |
| Fire Prevention | | | | | | |
| Salaries and Wages | 13,500.00 | 13,500.00 | 13,500.00 | - | - | - |
| Other Expenses | 1,500.00 | 2,050.00 | 1,602.97 | - | 447.03 | - |
| Right to Know Act/Safety Coordinator | | | | | | |
| Salaries and Wages | 1,500.00 | 1,500.00 | 1,500.00 | - | - | - |
| Other Expenses | 250.00 | 250.00 | - | - | 250.00 | - |
| Police | | | | | | |
| Salaries and Wages | 1,355,883.02 | 1,350,883.02 | 1,299,447.64 | - | 51,435.38 | - |
| ARP Salaries and Wages | 82,116.98 | 82,116.98 | 82,116.98 | - | - | - |
| Other Expenses: | | | | | | |
| Miscellaneous Other Expenses | 125,000.00 | 125,000.00 | 86,377.72 | 38,548.83 | 73.45 | - |
| Police Radio and Communications | | | | | | |
| Salaries and Wages | 1,200.00 | 1,200.00 | 1,200.00 | - | - | - |
| Other Expenses | 195,000.00 | 202,000.00 | 201,750.39 | - | 249.61 | - |
| Municipal Court | | | | | | |
| Other Expenses | 3,967.62 | 3,967.62 | - | 3,967.62 | - | - |
| First Aid Organization | | | | | | |
| Other Expenses - Emergency Medical Services | 46,100.00 | 46,100.00 | 46,050.00 | - | 50.00 | - |
| Emergency Management Services | | | | | | |
| Salaries and Wages | 1,050.00 | 1,050.00 | 1,050.00 | - | - | - |
| Other Expenses | 900.00 | 900.00 | 900.00 | - | - | - |
| PUBLIC WORKS | | | | | | |
| Solid Waste Collection (Public Works) | | | | | | |
| Salaries and Wages | 220,000.00 | 200,000.00 | 194,541.73 | - | 5,458.27 | - |
| Salaries & Wages-Tree Care | 10,000.00 | 10,000.00 | 10,000.00 | - | - | - |
| Other Expenses: | | | | | | |
| Hauling Fee (Tipping and Hauling Fee) | 335,000.00 | 335,000.00 | 315,833.50 | - | 19,166.50 | - |
| Miscellaneous Other Expenses | 30,000.00 | 40,000.00 | 34,981.70 | 4,981.54 | 36.76 | - |
| Vehicle Maintenance | 110,000.00 | 117,000.00 | 106,908.87 | 8,823.10 | 1,268.03 | - |
| Solid Waste Disposal Cost | 195,000.00 | 188,500.00 | 179,985.92 | - | 8,514.08 | - |

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Appropriations | | Expended | | (Over expended) Unexpended Balance Cancelled |
|-------------------------------------|----------------|-------------------------------|--------------------|------------|---|
| | Budget | Budget After Modifications | Paid or Charged | Encumbered | Reserved |
| City Garage | | | | | |
| Salaries and Wages | 100.00 | 100.00 | - | | 100.00 |
| Other Expenses | 90.00 | 90.00 | - | | 90.00 |
| HEALTH AND WELFARE | | | | | |
| Animal Control (Dog Regulation) | | | | | |
| Other Expenses | 10,200.00 | 8,700.00 | 7,700.00 | 700.00 | 300.00 |
| RECREATION AND EDUCATION | | | | | |
| Parks and Playgrounds | | | | | |
| Salaries and Wages | 75,000.00 | 75,000.00 | 74,942.75 | | 57.25 |
| Other Expenses: | | | | | |
| Lining of Kern Field | 25.00 | 25.00 | - | | 25.00 |
| Miscellaneous Other Expenses | 30,000.00 | 55,000.00 | 21,626.65 | 20,165.69 | 13,207.66 |
| Anniversary or Holiday | | | | | |
| Other Expenses | 4,500.00 | 4,500.00 | 4,189.76 | 300.00 | 10.24 |
| Youth Program | | | | | |
| Other Expenses: | | | | | |
| Key Rec Youth Group | 5,000.00 | 5,000.00 | 5,000.00 | | - |
| Crusaders Youth Program | 14,000.00 | 14,000.00 | 14,000.00 | | - |
| INSURANCE | | | | | |
| Group Insurance Plans for Employees | 515,000.00 | 515,000.00 | 512,626.14 | 50.00 | 2,323.86 |
| Firemen's Group Insurance Premiums | 24,000.00 | 24,150.00 | 24,136.61 | | 13.39 |
| Surety Bond Premiums | 1,000.00 | 500.00 | - | | 500.00 |
| Other Insurance Premiums: | | | | | |
| Liability Insurance (JIF) | 240,494.00 | 236,494.00 | 235,994.04 | | 499.96 |
| Workers Compensation (JIF) | 97,239.00 | 97,239.00 | 97,238.76 | | 0.24 |
| Health Benefits Waiver | 7,500.00 | 9,000.00 | 8,958.31 | | 41.69 |
| UNIFORM CONSTRUCTION CODE | | | | | |
| Construction Official | | | | | |
| Salaries and Wages | 67,500.00 | 69,000.00 | 68,899.60 | | 100.40 |
| Other Expenses | 1,350.00 | 1,850.00 | 1,802.61 | | 47.39 |

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Appropriations | | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|---------------------|-------------------------------|---------------------|-------------------|---|
| | Budget | Budget After Modifications | Paid or Charged | Encumbered | Reserved |
| UNCLASSIFIED | | | | | |
| Street Lighting | 145,000.00 | 160,000.00 | 143,662.35 | 15,336.03 | 1,001.62 |
| Gasoline | 72,500.00 | 72,500.00 | 57,792.35 | 2,320.20 | 12,387.45 |
| Electric | 115,000.00 | 100,000.00 | 81,291.35 | 5,230.13 | 13,478.52 |
| Natural Gas | 40,000.00 | 50,000.00 | 40,197.48 | 5,486.27 | 4,316.25 |
| Telephone | 37,500.00 | 27,500.00 | 22,429.99 | 4,890.32 | 179.69 |
| Fire Hydrant Service | 30,000.00 | 15,700.00 | 11,210.18 | 2,156.94 | 2,332.88 |
| Accumulated Absences | 15,000.00 | 15,000.00 | 15,000.00 | - | - |
| TOTAL OPERATIONS WITHIN "CAPS" | 5,051,315.62 | 5,041,315.62 | 4,722,372.30 | 154,004.27 | 164,939.05 |
| Contingent | 100.00 | 100.00 | - | - | 100.00 |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS" | 5,051,415.62 | 5,041,415.62 | 4,722,372.30 | 154,004.27 | - |
| Detail: | | | | | |
| Salaries and Wages | 2,161,533.02 | 2,110,533.02 | 2,048,246.58 | - | 62,286.44 |
| Other Expenses | 2,889,882.60 | 2,930,882.60 | 2,674,125.72 | 154,004.27 | 102,752.61 |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES: | | | | | |
| Deferred Charges: | | | | | |
| None | | | | | |
| Statutory Expenditures: | | | | | |
| Contributions to: | | | | | |
| Public Employees' Retirement System | 122,434.00 | 122,434.00 | 122,434.00 | - | - |
| Social Security System (O.A.S.I.) | 160,000.00 | 170,000.00 | 169,473.20 | 526.80 | 526.80 |
| Police and Fireman's Retirement System of NJ | 358,456.00 | 358,456.00 | 358,456.00 | - | - |
| Unemployment Compensation Insurance | 5,000.00 | 5,000.00 | 5,000.00 | - | - |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES: | 645,890.00 | 655,890.00 | 655,363.20 | - | 526.80 |

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Appropriations | | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|---------------------|-------------------------------|---------------------|-------------------|---|
| | Budget | Budget After Modifications | Paid or Charged | Encumbered | |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | 5,697,305.62 | 5,697,305.62 | 5,377,735.50 | 154,004.27 | - |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | |
| (A) Operations - Excluded from "CAPS" | 7,500.00 | 7,500.00 | 6,309.60 | - | 1,190.40 |
| Recycling Tax Appropriation | | | | | |
| | 7,500.00 | 7,500.00 | 6,309.60 | - | 1,190.40 |
| | | | | | |
| (A) Public and Private Programs Off-Set by Revenues | | | | | |
| Matching Funds for Grants | 25,000.00 | 25,000.00 | 25,000.00 | - | - |
| Clean Communities Act (NJSA 13:13-99.1 et. seq.) | 16,994.51 | 16,994.51 | 16,994.51 | - | - |
| Body Armor | 1,305.76 | 1,305.76 | 1,305.76 | - | - |
| Statewide Insurance Safety Grant | 3,140.00 | 3,140.00 | 3,140.00 | - | - |
| Municipal Alliance July 1-June 30 | 6,622.98 | 6,622.98 | 6,622.98 | - | - |
| Municipal Alliance Local Share | 1,655.75 | 1,655.75 | 1,655.75 | - | - |
| Municipal Alliance Grant - DMHAS | 3,124.38 | 3,124.38 | 3,124.38 | - | - |
| Bulletproof Vest Grant | 2,437.50 | 4,875.00 | 4,875.00 | - | - |
| NJ Transportation Trust FY23-100&300 Liverpool Ave | 287,800.00 | 287,800.00 | 287,800.00 | - | - |
| NJDOT-FY23 Safe Streets to Transit | 330,000.00 | 330,000.00 | 330,000.00 | - | - |
| Local Recreation Improvement Grant | 63,000.00 | 63,000.00 | 63,000.00 | - | - |
| 2023 Small Cities Grant-Lake Improvements | 400,000.00 | 400,000.00 | 400,000.00 | - | - |
| 2023 Sustainable Jersey PSEG Grant | 2,000.00 | 2,000.00 | 2,000.00 | - | - |
| Neighborhood Preservation Year 3 | - | 125,000.00 | 125,000.00 | - | - |
| Neighborhood Preservation Program-ARP | - | 238,668.00 | 238,668.00 | - | - |
| Drunk Driving Enforcement Fund | - | 1,349.37 | 1,349.37 | - | - |
| Comcast Technology Grant | - | 12,000.00 | 12,000.00 | - | - |
| NJDEP Stormwater Assistance | - | 25,000.00 | 25,000.00 | - | - |
| USDA Forestry Grant | - | 1,000,000.00 | 1,000,000.00 | - | - |
| USDOJ Body Worn Camera | - | 16,000.00 | 16,000.00 | - | - |
| | | | | | |
| Total Public and Private Programs Off-Set by Revenues | 1,143,080.88 | 2,563,535.75 | 2,563,535.75 | - | - |

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Appropriations | | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------|-------------------------------|--------------------|------------|---|
| | Budget | Budget After Modifications | Paid or Charged | Encumbered | |
| Total Operations - Excluded from "CAPS" | 1,150,580.88 | 2,571,035.75 | 2,569,845.35 | - | 1,190.40 |
| Detail: | | | | | |
| Salaries and Wages | - | - | | | |
| Other Expenses | 1,150,580.88 | 2,571,035.75 | 2,569,845.35 | - | 1,190.40 |
| (C) Capital Improvements | | | | | |
| Capital Improvement Fund | 20,000.00 | 20,000.00 | 20,000.00 | - | - |
| Computer Equipment | 5,000.00 | 5,000.00 | 293.22 | 4,000.00 | 706.78 |
| Total Capital Improvements | 25,000.00 | 25,000.00 | 20,293.22 | 4,000.00 | 706.78 |
| (D) Debt Service | | | | | |
| Payment of Bond Principal | 190,000.00 | 190,000.00 | 190,000.00 | | - |
| Payment of Bond Anticipation Notes and Capital Notes | 60,000.00 | 60,000.00 | 58,750.00 | | 1,250.00 |
| Interest on Bonds | 15,000.00 | 15,000.00 | 8,550.00 | | 6,450.00 |
| Interest on Notes | 15,000.00 | 15,000.00 | 14,544.06 | | 455.94 |
| Debt Defeasance | 1,385,000.00 | 1,385,000.00 | 1,271,750.00 | | 113,250.00 |
| Total Debt Service | 1,665,000.00 | 1,665,000.00 | 1,543,594.06 | - | 121,405.94 |
| (E) Deferred Charges | | | | | |
| Emergency Authorizations | 94,000.00 | 94,000.00 | 94,000.00 | | - |
| Special Emergency Authorizations - 5 years | 10,000.00 | 10,000.00 | 10,000.00 | | - |
| Ord #13-2022 | 2,166,000.00 | 2,166,000.00 | 2,166,000.00 | | - |
| Total Deferred Charges | 2,270,000.00 | 2,270,000.00 | 2,270,000.00 | - | - |
| (N) Transferred to Board of Education for Use of Local Schools (NJSA 40:48-17.1 & 17.3) | 19,364.00 | 19,364.00 | 19,364.00 | - | - |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | 5,129,944.88 | 6,550,399.75 | 6,423,096.63 | 4,000.00 | 1,897.18 |
| | | | | | 121,405.94 |

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Appropriations | | Expended | | (Over expended) Unexpended Balance Cancelled |
|-----------------------------------|------------------|-------------------------------|--------------------|---------------------------|---|
| | Budget | Budget After Modifications | Paid or Charged | Encumbered | Reserved |
| SUBTOTAL GENERAL APPROPRIATIONS | 10,827,250.50 | 12,247,705.37 | 11,800,832.13 | 158,004.27 | 167,463.03 |
| (M) Reserve for Uncollected Taxes | 219,581.46 | 219,581.46 | 219,581.46 | - | |
| TOTAL GENERAL APPROPRIATIONS | \$ 11,046,831.96 | 12,467,286.83 | 12,020,413.59 | 158,004.27 | 167,463.03 |
| Budget | | 11,046,831.96 | | | 121,405.94 |
| Appropriations by 40A.4-87 | | 1,420,454.87 | | | - |
| Emergency Appropriations | | 12,467,286.83 | | | 121,405.94 |
| Reserve for Uncollected Taxes | | | 219,581.46 | | |
| Emergency Authorization | | | 94,000.00 | | |
| Special Emergency - Master Plan | | | 10,000.00 | | |
| Federal and State Grants | | | 2,563,535.75 | | |
| Disbursements | | | 9,345,878.92 | | |
| | | | 12,232,996.13 | | |
| Less Appropriation Refunds | | | (212,582.54) | | |
| | | | 12,020,413.59 | | |
| | | | | Cancelled Overexpended | 121,405.94 - |
| | | | | | 121,405.94 |

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EXHIBIT B - TRUST FUND

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TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

| | <u>2023</u> | <u>2022</u> |
|---|-----------------------------|----------------------------|
| ASSETS | | |
| Animal Control Fund: | | |
| Cash | \$ <u>138.95</u> | <u>195.60</u> |
| | <u>138.95</u> | <u>195.60</u> |
| Other Funds: | | |
| Cash - Treasurer | 304,212.59 | 301,790.67 |
| Cash - Collector | 345,296.77 | 730,131.07 |
| Due from Federal and State Grant Fund | <u>69,990.87</u> | <u>69,990.87</u> |
| | <u>719,500.23</u> | <u>1,101,912.61</u> |
| | <u><u>719,639.18</u></u> | <u><u>1,102,108.21</u></u> |
| LIABILITIES, RESERVES AND FUND BALANCE | | |
| Animal Control Fund: | | |
| Reserve for Expenditures | <u>138.95</u> | <u>195.60</u> |
| | <u>138.95</u> | <u>195.60</u> |
| Other Funds: | | |
| Reserve for Program Loan Repayment | 177,156.10 | 158,663.10 |
| Reserves - Miscellaneous | 542,344.13 | 943,249.51 |
| | <u>719,500.23</u> | <u>1,101,912.61</u> |
| | \$ <u><u>719,639.18</u></u> | <u><u>1,102,108.21</u></u> |

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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EXHIBIT C - CAPITAL FUND

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**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| | <u>2023</u> | <u>2022</u> |
|---|------------------------|---------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 2,910,383.57 | 14,324.53 |
| Fund Held at Escrow Agent | 570,000.00 | - |
| Due from State of New Jersey - Federal and State Grants | 163,431.60 | 788,546.25 |
| Deferred Charges to Future Taxation - | | |
| Funded | - | 760,000.00 |
| Unfunded | - | 2,926,500.00 |
| | <u>3,643,815.17</u> | <u>4,489,370.78</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Encumbrances Payable | 1,882,573.17 | 2,195,690.36 |
| Bond Anticipation Notes Payable | 0.00 | 860,500.00 |
| Serial Bonds Payable | 570,000.00 | 760,000.00 |
| Improvement Authorizations: | | |
| Funded | 579,318.42 | 1,623.40 |
| Unfunded | 573,932.51 | 653,565.95 |
| Capital Improvement Fund | 29,001.60 | 9,001.60 |
| Fund Balance | 8,989.47 | 8,989.47 |
| | <u>\$ 3,643,815.17</u> | <u>4,489,370.78</u> |

There were bonds and notes authorized but not issued at December 31

| | |
|------|--------------|
| 2022 | 2,066,000.00 |
| 2023 | - |

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

| | <u>2023</u> | <u>2022</u> |
|--|--------------------|-----------------|
| Beginning Balance January 1 | \$ 8,989.47 | 8,989.47 |
| Increased by: | | |
| Premium on Sale of Bond Anticipation Notes | <u>-</u> | <u>-</u> |
| Ending Balance December 31 | \$ <u>8,989.47</u> | <u>8,989.47</u> |

EXHIBIT D - WATER AND SEWER UTILITY FUND

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**WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| | <u>2023</u> | <u>2022</u> |
|--|------------------------|-------------------|
| <u>ASSETS</u> | | |
| Operating Fund: | | |
| Cash - Treasurer | \$ 3,518,097.42 | 638,994.30 |
| Change Fund | 200.00 | 200.00 |
| Due from State-NJDOT Reimbursement | - | 2,204.31 |
| | <u>3,518,297.42</u> | <u>641,398.61</u> |
| Receivables and Other Assets with Full Reserves: | | |
| Consumer Accounts Receivable | 29,925.29 | 36,006.44 |
| Water and Sewer Utility Liens | 7,290.96 | 8,931.21 |
| | <u>37,216.25</u> | <u>44,937.65</u> |
| Total of Operating Fund | \$ <u>3,555,513.67</u> | <u>686,336.26</u> |

**WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| | <u>2023</u> | <u>2022</u> |
|---|------------------------|----------------------|
| Capital Fund: | | |
| Cash | \$ 1,350,354.38 | 1,185,125.12 |
| Funds Held at Escrow Agent | 5,545,000.00 | - |
| Fixed Capital - Sewer | 21,428.00 | 13,012,043.44 |
| Fixed Capital - Water | 89,428.00 | 16,403,469.36 |
| Fixed Capital - Authorized & Uncomp. | 14,144.00 | 15,644.00 |
| | <u>7,020,354.38</u> | <u>30,616,281.92</u> |
| | <u>10,575,868.05</u> | <u>31,302,618.18</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Operating Fund: | | |
| Liabilities: | | |
| Appropriation Reserves | 526,509.72 | 48,283.99 |
| Reserve for Encumbrances | - | 47,950.80 |
| Accrued Interest on Bonds | - | 90,724.12 |
| Utility Rent Overpayments | 4,009.84 | 3,941.14 |
| Due to State of New Jersey - | | |
| Utility Assistance Payments | - | 2,119.16 |
| Payments Received in Advance | | |
| Utility Rents | - | 184,119.98 |
| Fire Receipts | - | 2,831.30 |
| | <u>530,519.56</u> | <u>379,970.49</u> |
| Reserve for Receivables | 37,216.25 | 44,937.65 |
| Fund Balance | 2,987,777.86 | 261,428.12 |
| Total of Operating Fund | \$ <u>3,555,513.67</u> | <u>686,336.26</u> |

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| | <u>2023</u> | <u>2022</u> |
|--|-----------------------------|--------------------------|
| Capital Fund: | | |
| Bond Anticipation Notes | \$ - | 540,500.00 |
| Serial Bonds-Water and Sewer | 5,545,000.00 | 13,909,067.69 |
| Improvement Authorizations | | |
| Unfunded | 14,144.00 | 15,644.00 |
| Reserves for: | | |
| Amortization - Water | - | 9,429,606.69 |
| Amortization - Sewer | - | 5,395,482.84 |
| Amortization - Deferred | - | 31,500.00 |
| Water Quality Act Improvements | 1,451,678.37 | 1,293,255.78 |
| Fund Balance | 9,532.01 | 1,224.92 |
| Total of Capital Fund | <u>7,020,354.38</u> | <u>30,616,281.92</u> |
| Total Liabilities, Reserves and Fund Balance | \$ <u>10,575,868.05</u> | <u>31,302,618.18</u> |

There were Bonds and Notes authorized but not issued at December 31

| | |
|------|------------|
| 2022 | 125,000.00 |
| 2023 | 125,000.00 |

**WATER AND SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

| | <u>2023</u> | <u>2022</u> |
|--|------------------------|---------------------|
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Anticipated | \$ - | 132,697.04 |
| Rents | 1,311,836.49 | 2,099,179.64 |
| Miscellaneous Revenue Anticipated | 46,010.10 | 73,250.22 |
| Fire Hydrant Service | - | 30,000.00 |
| Sale of Water & Sewer Utility | 18,313,095.85 | - |
| Reserve for Debt Service | - | 6,302.96 |
| Utility Capital Fund Balance | - | 8,250.00 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 6,650.19 | 17,450.06 |
| Cancellation of Prior Year Liabilities | - | 30.00 |
| Total Income | <u>19,677,592.63</u> | <u>2,367,159.92</u> |
| <u>Expenditures</u> | | |
| Operating | 1,112,750.00 | 1,118,000.00 |
| Debt Service | 14,658,492.89 | 985,241.53 |
| Deferred Charges and Statutory Expenditures | 24,000.00 | 23,000.00 |
| Other Debits: | | |
| Amount Appropriated in the 2023 Budget with Prior Written Consent of Director of Local Government Services | 216,000.00 | - |
| Amount to Fund Capital Ordinance #13-2023 | 940,000.00 | - |
| Total Expenditures | <u>16,951,242.89</u> | <u>2,126,241.53</u> |
| Excess in Revenue | 2,726,349.74 | 240,918.39 |
| Adjustments to Income before Fund Balance: | | |
| Expenditures included above which are by Statute deferred charges to budget of succeeding year | <u>-</u> | <u>-</u> |
| Statutory Excess to Fund Balance | 2,726,349.74 | 240,918.39 |
| Fund Balance January 1 | 261,428.12 | 153,206.77 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | - | 132,697.04 |
| Fund Balance December 31 | <u>\$ 2,987,777.86</u> | <u>261,428.12</u> |

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

WATER AND SEWER CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,

| | <u>2023</u> | <u>2022</u> |
|--|--------------------|-----------------|
| Balance Beginning of Year | \$ 1,224.92 | 9,474.92 |
| Increased by: | | |
| BAN Payoff - Interest on Internally Held Note | 8,306.67 | - |
| Miscellaneous Rounding Difference | 0.42 | - |
| Decreased by: | | |
| Appropriated as Revenue in the Utility Operating Fund | - | 8,250.00 |
| Balance End of Year | \$ <u>9,532.01</u> | <u>1,224.92</u> |

**WATER AND SEWER OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Anticipated Budget | Realized | Excess or (Deficit) |
|-------------------------------|-------------------------|----------------------|------------------------|
| Surplus Anticipated | \$ - | - | - |
| Water and Sewer Rents | 2,050,000.00 | 1,311,836.49 | (738,163.51) |
| Miscellaneous | 50,000.00 | 46,010.10 | (3,989.90) |
| Fire Hydrant Services | 30,000.00 | - | (30,000.00) |
| Sale of Water & Sewer Utility | 14,350,000.00 | 18,313,095.85 | 3,963,095.85 |
| | <u>\$ 16,480,000.00</u> | <u>19,670,942.44</u> | <u>3,190,942.44</u> |

Analysis of Realized Revenue

Rents

| | |
|------------------------------|---------------------|
| Consumer Accounts Receivable | 1,310,090.28 |
| Tax Title Liens | <u>1,746.21</u> |
| Total Collections | <u>1,311,836.49</u> |

Miscellaneous

| | |
|--|---------------------|
| Interest and Penalties | 16,873.50 |
| South Egg Harbor Main Break - JIF Deductible Reimbursement | 3,765.90 |
| Interest on Investments | 8,176.21 |
| Fire | <u>14,363.19</u> |
| Revenue Realized | 43,178.80 |
| Apply Prepaid Fire Receipts | <u>2,831.30</u> |
| Total Miscellaneous Revenue Realized | <u>\$ 46,010.10</u> |

**WATER AND SEWER OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Appropriations | | Expended | | | (Over expended) |
|---|-------------------------|-------------------------------|----------------------|------------|-------------------|------------------------------------|
| | Budget | Budget After Modifications | Paid or Charged | Encumbered | Reserved | Unexpended Balance Cancelled |
| OPERATING | | | | | | |
| Salaries and Wages | \$ 300,000.00 | 300,000.00 | 267,672.90 | - | 32,327.10 | |
| Other Expenses | 387,750.00 | 387,750.00 | 143,257.13 | - | 244,492.87 | |
| Engineering Fees | 25,000.00 | 25,000.00 | - | - | 25,000.00 | |
| Legal Fees | 25,000.00 | 25,000.00 | 22,615.33 | - | 2,384.67 | |
| Atlantic County Sewerage Authority - Contractual | 375,000.00 | 375,000.00 | 155,271.64 | - | 219,728.36 | |
| | <u>1,112,750.00</u> | <u>1,112,750.00</u> | <u>588,817.00</u> | <u>-</u> | <u>523,933.00</u> | <u>-</u> |
| CAPITAL IMPROVEMENTS | | | | | | |
| None | - | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| DEBT SERVICE | | | | | | |
| Payment of Bond Principal | 584,000.00 | 584,000.00 | 186,071.24 | - | | 397,928.76 |
| Payment of Bond Anticipation Notes and Capital Notes | 7,250.00 | 7,250.00 | 7,250.00 | - | | - |
| Interest on Bonds | 388,000.00 | 388,000.00 | 111,000.39 | - | | 276,999.61 |
| Interest on Notes | 14,000.00 | 14,000.00 | 4,738.31 | - | | 9,261.69 |
| Debt Defeasance | 14,350,000.00 | 14,350,000.00 | 14,349,432.95 | - | | 567.05 |
| | <u>15,343,250.00</u> | <u>15,343,250.00</u> | <u>14,658,492.89</u> | <u>-</u> | <u>-</u> | <u>684,757.11</u> |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to: | | | | | | |
| Social Security System (O.A.S.I.) | 23,000.00 | 23,000.00 | 20,423.28 | - | 2,576.72 | |
| Unemployment Compensation Insurance | 1,000.00 | 1,000.00 | 1,000.00 | - | - | |
| Deferred Charges: | | | | | | |
| None | - | - | | | - | |
| | <u>24,000.00</u> | <u>24,000.00</u> | <u>21,423.28</u> | <u>-</u> | <u>2,576.72</u> | <u>-</u> |
| | <u>\$ 16,480,000.00</u> | <u>16,480,000.00</u> | <u>15,268,733.17</u> | <u>-</u> | <u>526,509.72</u> | <u>684,757.11</u> |
| Adopted Budget | | 16,480,000.00 | | | | |
| Emergency Appropriation | | <u>-</u> | | | | |
| | | <u>16,480,000.00</u> | | | | |
| Interest on Bonds and Notes | | | 115,738.70 | | | |
| Debt Defeasance - Bonds Payoff | | | 14,349,432.95 | | | |
| Appropriation Refunds | | | | | | |
| Disbursed | | | <u>803,561.52</u> | | | |
| | | | <u>15,268,733.17</u> | | | |

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EXHIBIT G - GENERAL FIXED ASSET GROUP OF ACCOUNTS

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GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS
AS OF DECEMBER 31,

| | <u>2023</u> | <u>2022</u> |
|------------------------------------|-------------------------------|----------------------------|
| General Fixed Assets: | | |
| Buildings | \$ 1,262,941.11 | 1,248,177.11 |
| Improvements Other than Buildings | 561,682.50 | 561,682.50 |
| Equipment | 311,227.22 | 276,017.22 |
| Vehicles | 2,237,065.15 | 2,055,621.50 |
| Furniture | <u>4,832.00</u> | <u>4,832.00</u> |
| Total General Fixed Assets | <u><u>4,377,747.98</u></u> | <u><u>4,146,330.33</u></u> |
| Investment in General Fixed Assets | <u><u>\$ 4,377,747.98</u></u> | <u><u>4,146,330.33</u></u> |

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NOTES TO FINANCIAL STATEMENTS

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Egg Harbor City was incorporated in 1858 and is located in the northern section of Atlantic County. The population estimate by the US Department of Census as of July 2018 is 4,104. The City provides the following services to its citizens: public safety, recreation, public improvements, planning and zoning, garbage and trash collection, water and sewer services, and general administrative services.

Egg Harbor City is governed by a Mayor and a nine-member City Council. The Mayor is the chief executive officer and Council is the legislative body of the City. The Mayor is elected to a four-year term and the nine City Council members are elected to three-year terms. The Council monitors the daily administrative functions.

Except as noted below, the financial statements of Egg Harbor City include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by Egg Harbor City, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. Egg Harbor City operates a Cemetery which is managed by a seven member board. Although the Cemetery is a component unit of the City, under State of New Jersey reporting requirements it is not included in these financial statements. Complete financial statements of the Egg Harbor City Cemetery may be obtained from the City Clerk, Egg Harbor City, 500 London Avenue, Egg Harbor City, NJ 08215.

B. Description of Funds

The accounting policies of Egg Harbor City conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, Egg Harbor City accounts for its financial transactions through the following separate funds:

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

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

Water and Sewer Operating and Capital Funds -- account for the operations and acquisition of capital facilities other than those acquired in the Current Fund.

As permitted by Generally Accepted Accounting Principles (GAAP), the City has elected to apply all applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure, issued before November 30, 1989 in its accounting and reporting practices for its water and sewer utility fund.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

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

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

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

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

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets -- Egg Harbor City has developed a fixed assets accounting and reporting system in accordance with the requirements of the State of New Jersey, Division of Local Government Services. This reporting system differs in certain respects from Generally Accepted Accounting Principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

Fixed assets used in governmental operations (general fixed assets) are 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.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. The City's fixed asset capitalization threshold is \$5,000 for both general and utility capital assets.

No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by the Water and Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

The following schedule is a summarization of the changes in general fixed assets for the calendar years ended December 31, 2023 and 2022.

| | Balance 12/31/2022 | Additions/ Transfers | Disposals/ Transfers | Balance 12/31/2023 |
|--------------|------------------------|-------------------------|-------------------------|-----------------------|
| Buildings | \$ 1,248,177.11 | 14,764.00 | | 1,262,941.11 |
| Improvements | 561,682.50 | | | 561,682.50 |
| Equipment | 276,017.22 | 35,210.00 | | 311,227.22 |
| Furniture | 4,832.00 | | | 4,832.00 |
| Vehicles | 2,055,621.50 | 211,832.65 | 30,389.00 | 2,237,065.15 |
| | <u>\$ 4,146,330.33</u> | <u>261,806.65</u> | <u>30,389.00</u> | <u>4,377,747.98</u> |

| | Balance 12/31/2021 | Additions/ Transfers | Disposals/ Transfers | Balance 12/31/2022 |
|--------------|------------------------|-------------------------|-------------------------|-----------------------|
| Buildings | \$ 1,248,177.11 | | | 1,248,177.11 |
| Improvements | 561,682.50 | | | 561,682.50 |
| Equipment | 667,454.22 | 30,175.00 | 421,612.00 | 276,017.22 |
| Furniture | 4,832.00 | | | 4,832.00 |
| Vehicles | 1,626,863.81 | 428,757.69 | | 2,055,621.50 |
| | <u>\$ 4,109,009.64</u> | <u>458,932.69</u> | <u>421,612.00</u> | <u>4,146,330.33</u> |

The following schedule is a summarization of the changes in utility capital fixed assets for the calendar years ended December 31, 2023 and 2022. Under the New Jersey Regulatory Basis of Accounting no depreciation is taken on these assets.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

| | Balance 12/31/2022 | Additions | Adjustments/ Disposals | Balance 12/31/2023 |
|-------------------|-----------------------|-----------|---------------------------|-----------------------|
| Sewer Assets | \$ 13,012,043.44 | 1,500.00 | 12,992,115.44 | 21,428.00 |
| Water Assets | 16,403,469.36 | | 16,314,041.36 | 89,428.00 |
| Authorized Assets | | | | |
| Sewer | 15,644.00 | | 1,500.00 | 14,144.00 |
| | \$ 29,431,156.80 | 1,500.00 | 29,307,656.80 | 125,000.00 |

| | Balance 12/31/2021 | Additions | Adjustments/ Disposals | Balance 12/31/2022 |
|-------------------|-----------------------|-----------|---------------------------|-----------------------|
| Sewer Assets | \$ 13,012,043.44 | | | 13,012,043.44 |
| Water Assets | 16,403,469.36 | | | 16,403,469.36 |
| Authorized Assets | | | | |
| Sewer | 15,644.00 | | | 15,644.00 |
| | \$ 29,431,156.80 | - | - | 29,431,156.80 |

The City's Water and Sewer Utility was sold to New Jersey American Water Company as of June 1, 2023. Any assets that will remain with the City will be transferred to the General Capital Fund.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Utility Levy – The City operated both a sewer and water utility through May 31, 2023. Rates were determined by ordinance and changed when needed. Sewer charges are based on flat fees based on the type of entity. Water charges were based on a flat “meter” charge, based on the size of the meter, plus a usage charge as determined by meter readings. The water and sewer charges were billed on January 1, April 1, July 1, and October 1. The City established a 100% reserve for all outstanding water and sewer receivables. Revenue was recognized when the payment was made.

Interest on Delinquencies – On an annual basis, City Council determines the rate of interest to charge for delinquent tax and utility charges. For the years 2023 and 2022 the City charged 8% of the first \$1,500.00 of delinquency and 18% for any cumulative amount in excess of \$1,500.00. In addition, there is an annual charge of 6% for any delinquencies in excess of \$10,000.00 on December 31. The City allows a ten (10) day grace period from the quarterly due date; but the interest is calculated from the due date for any payments beyond the grace period.

Capitalization of Interest -- It is the policy of Egg Harbor City to treat interest on general capital projects as a current expense and the interest is included in the current operating budget. Total interest charged to the operating budget was \$23,094.06 in 2023 and \$27,083.14 in 2022. For utility capital projects, the City elects on a project by project basis the decision to capitalize interest. Total interest charged to the utility operating budget was \$115,738.70 in 2023 and \$408,710.97 in 2022. During the year ended December 31, 2023 and 2022, no interest, was charged to utility capital projects.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reports amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting. Balance sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the City's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Recent Accounting Pronouncements Not Yet Effective

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)". This statement, which is effective for fiscal years beginning after June 15, 2023, may have an effect on the City's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, will not have an effect on the City's financial statements.

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, "Certain Risk Disclosures". This statement, which is effective for fiscal years beginning after June 15, 2024, will not have an effect on the City's financial statements.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2023 and 2022 statutory budgets included a reserve for uncollected taxes in the amount of \$219,581.46 and \$237,072.61. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2023 and 2022 statutory budgets was \$309,000.00 and \$215,000.00.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by City Council. The following significant budget transfers were approved in the 2023 and 2022 calendar years:

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|-------------------------------|-------------|--------------|
| Police | | |
| Salaries & Wages | \$ - | (127,300.00) |
| Other Expenses | - | 75,000.00 |
| Financial Administration | | |
| Other Expenses | - | 14,500.00 |
| Legal Services and Costs | | |
| Other Expenses | (15,000.00) | - |
| Public Buildings and Grounds | | |
| Other Expenses | | 14,000.00 |
| Public Works | | |
| Salaries & Wages | (20,000.00) | - |
| Other Expenses - | | |
| Vehicle Maintenance | - | 65,000.00 |
| Parks and Playgrounds | | |
| Other Miscellaneous Expense | 25,000.00 | 18,500.00 |
| Insurance: | | |
| Group Insurance for Employees | - | (65,000.00) |
| Liability Insurance | - | (12,500.00) |
| Worker's Compensation | - | (12,500.00) |
| Street Lighting | 15,000.00 | 14,000.00 |
| Electric | (15,000.00) | - |
| Fire Hydrant Service | (14,300) | - |

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During the 2023 and 2022 calendar years, City Council approved the following budget insertions:

| | <u>2023</u> | <u>2022</u> |
|---|------------------------|------------------|
| Bulletproof Vest Partnership Grant | \$ 2,437.50 | - |
| DMHAS Municipal Alliance Grant | - | 3,124.38 |
| American Rescue Plan-Firefighter Assistance | - | 43,000.00 |
| Stormwater Assistance Grant | 25,000.00 | - |
| Body Worn Camera Policy & Implementation | 16,000.00 | - |
| Drunk Driving Enforcement Fund | 1,349.37 | |
| USDA Forest Service - Urban & | | |
| Community Forestry Program | 1,000,000.00 | - |
| NJ Board of Public Utilities - | | |
| Community Energy Planning Grant | - | 25,000.00 |
| DCA Neighborhood Preservation Program- | | |
| Year 3 | 125,000.00 | - |
| American Rescue Plan | 238,668.00 | - |
| Comcast Technology Grant | 12,000.00 | - |
| Sustainable Jersey Small Cities Program | - | 5,000.00 |
| | <u>\$ 1,420,454.87</u> | <u>76,124.38</u> |

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During the 2021 calendar year, City Council adopted a special emergency in the amount of \$50,000 for the Master Plan Update. No emergency appropriations were approved by the Common Council during the 2023 calendar year, however a \$94,000 emergency appropriation was approved during 2022 to fund down payments on improvements. This emergency was raised in the 2023 Local Municipal Budget.

Note 3: INVESTMENTS

As of December 31, 2023 and 2022, the municipality had investments totaling \$0.00 and \$100,000.00.

During the period ended December 31, 2022, the City held investments in Bond Anticipation Notes of the City in the amount of \$100,000.00. This investment represented 100% of the City's investments. Interest was charged at 0.00% per annum. The fair value measurement of this investment falls within the Level 3 hierarchy level, indicating there is a measurable input for the asset or liability. There has been no change in valuation technique or related inputs. This Bond Anticipation Note was paid off during the 2023 calendar year.

Interest Rate Risk. The municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The municipality places no limit on the amount the City may invest in any one issuer.

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the Act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). 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, 2023 and 2022, \$0 of the municipality's bank balance of \$11,467,523.51 and \$5,191,594.37 was exposed to custodial credit risk.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 5: LONG TERM DEBT

Long-term debt as of December 31, 2023 and 2022 consisted of the following:

| | Balance 12/31/2022 | Additions | Reductions | Balance 12/31/2023 | Due in One Year |
|-------------------------|-----------------------|------------------|---------------------|-----------------------|--------------------|
| General | \$ 760,000.00 | | 190,000.00 | 570,000.00 | 190,000.00 |
| Water and Sewer Utility | 13,909,067.69 | | 8,364,067.69 | 5,545,000.00 | 260,000.00 |
| Compensated Absences | 380,619.37 | 28,231.79 | | 408,851.16 | 6,707.81 |
| Total | <u>15,049,687.06</u> | <u>28,231.79</u> | <u>8,554,067.69</u> | <u>6,523,851.16</u> | <u>456,707.81</u> |

| | Balance 12/31/2021 | Additions | Reductions | Balance 12/31/2022 | Due in One Year |
|-------------------------|-----------------------|------------------|-------------------|-----------------------|--------------------|
| General | \$ 950,000.00 | | 190,000.00 | 760,000.00 | 190,000.00 |
| Water and Sewer Utility | 14,478,348.25 | | 569,280.55 | 13,909,067.70 | 583,110.79 |
| Compensated Absences | 326,628.81 | 53,990.56 | - | 380,619.37 | 11,012.60 |
| Total | <u>15,754,977.06</u> | <u>53,990.56</u> | <u>759,280.55</u> | <u>15,049,687.07</u> | <u>784,123.39</u> |

Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the City:

\$1,543,000 General Improvement Bond dated 4/13/16 payable in annual installments commencing 4/1/17 and continuing through 4/1/26. Interest is paid semiannually at 2.250% per annum. The bonds are not subject to redemption prior to their stated maturities. The balance remaining as of December 31, 2023 was \$570,000.00.

Outstanding bonds whose principal and interest are paid from the Utility Operating Fund Budget of the City:

\$1,690,000 Water and Sewer Refunding Bond dated April 26, 2011 payable in annual installments commencing 8/1/11 and continuing through 8/1/25. Interest is paid semiannually at varying rates ranging from 2.00% to 4.00%. The total savings to the City was \$58,271, or 3.695% as a result of refunding the 1990 bond issues. Refunding bonds maturing on or after 8/1/22 are subject to redemption prior to maturity at the option of the City on any date on or after 8/1/21. The balance remaining as of December 31, 2023 was \$0.00. This issue was fully paid through the sale of the City's water and sewer utility.

\$5,056,000 Water and Sewer Utility Bond dated 10/14/11 with the United States Department of Agriculture, Rural Economic and Community Development. This bond is payable in semiannual installments of \$96,216 through 10/14/51. Interest is calculated at 2.25% and is included in the semiannual installments. The City has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2023 was \$0.00. This issue was fully paid through the sale of the City's water and sewer utility.

\$5,295,000 Water and Sewer Refunding Bonds dated 10/8/14 payable in annual installments commencing 10/15/17 and continuing through 10/15/43. Interest is paid semiannually at varying rates ranging from 2.0% to 4.0%. The total savings to the City was \$254,145, or 4.973% as a result of refunding the 2002, 2004, 2005, and 2008 USDA Loans. Refunding bonds maturing on or after 10/15/25 are subject to redemption prior to maturity at the option of the City on any date on or after 10/15/24. The remaining balance as of December 31, 2023 was \$4,470,000.00.

\$1,700,000 Water and Sewer Utility Bond dated 4/13/16 payable in annual installments commencing 4/1/17 and continuing through 4/1/31. Interest is paid semiannually at varying rates ranging from 2.25% to 2.5%. Bonds maturing on or after 4/1/27 are redeemable at the option of the City in whole or in part on any date on or after 4/1/26. The balance remaining as of December 31, 2023 was \$1,075,000.00.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

\$3,974,000 Water and Sewer Utility Bond dated 4/14/16 with the United States Department of Agriculture, Rural Economic and Community Development. This bond is payable in semiannual installments of \$75,626 through 4/14/56. Interest is calculated at 2.25% and is included in the semiannual installments. The City has received approval from the Local Finance Board to use this method of interest calculation for this issue. The remaining balance as of December 31, 2023 was \$0.00. This issue was fully paid through the sale of the City's water and sewer utility.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

| Year | General Capital | | Utility Capital | |
|-----------|----------------------|------------------|---------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 190,000.00 | 10,687.50 | 260,000.00 | 195,687.50 |
| 2025 | 190,000.00 | 6,412.50 | 265,000.00 | 188,637.50 |
| 2026 | 190,000.00 | 2,137.50 | 315,000.00 | 180,462.50 |
| 2027 | | | 325,000.00 | 171,725.00 |
| 2028 | | | 330,000.00 | 162,662.50 |
| 2023-2033 | | | 1,410,000.00 | 673,831.25 |
| 2034-2038 | | | 1,185,000.00 | 460,025.00 |
| 2039-2043 | | | 1,455,000.00 | 179,750.00 |
| | <u>\$ 570,000.00</u> | <u>19,237.50</u> | <u>5,545,000.00</u> | <u>2,212,781.25</u> |

As of December 31, 2023, the carrying value of the above bonds approximates the fair value of the bonds.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Summary of Municipal Debt

| | <u>Year 2023</u> | <u>Year 2022</u> | <u>Year 2021</u> |
|---|------------------------|----------------------|----------------------|
| Issued | | | |
| General-Bonds and Notes | \$ 570,000.00 | 1,620,500.00 | 1,674,250.00 |
| Water & Sewer Utility - Bonds and Notes | <u>5,545,000.00</u> | <u>14,449,567.69</u> | <u>15,026,098.25</u> |
| Total Issued | <u>6,115,000.00</u> | <u>16,070,067.69</u> | <u>16,700,348.25</u> |
| Authorized But Not Issued | | | |
| General – Bonds and Notes | 0.00 | 2,066,000.00 | 90,000.00 |
| Water & Sewer Utility – Bonds and Notes | <u>125,000.00</u> | <u>125,000.00</u> | <u>125,000.00</u> |
| Total Authorized But Not Issued | <u>125,000.00</u> | <u>2,191,000.00</u> | <u>215,000.00</u> |
| Total | <u>\$ 6,240,000.00</u> | <u>18,261,067.69</u> | <u>16,915,348.25</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 1.587%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|------------------------------------|-------------------------|----------------------|-----------------|
| Local School District Debt | \$ 5,270,000.00 | 5,270,000.00 | - |
| Regional High School District Debt | 1,041,871.69 | 1,041,871.69 | - |
| Water & Sewer Utility Debt | 5,670,000.00 | 5,670,000.00 | - |
| General Debt | <u>570,000.00</u> | <u>570,000.00</u> | - |
| | <u>\$ 12,551,871.69</u> | <u>12,551,871.69</u> | <u>-</u> |

As a Kindergarten through Grade 8 District, the allowable deduction to gross debt is limited to 3% of the average equalized valuation. As indicated above, the Local School District gross debt exceeded 3%, and therefore a portion is included as Net Debt to the City.

Net Debt \$0.00 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$266,953,885.67=0.00%.

The above information is in agreement with the Annual Debt Statement filed by Egg Harbor City.

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

| | |
|---|------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 9,343,386.00 |
| Net Debt | <u>-</u> |
| Remaining Borrowing Power | <u>\$ 9,343,386.00</u> |

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 6: SHORT TERM OBLIGATIONS

| | Balance 12/31/2022 | Additions | Reductions | Balance 12/31/2023 |
|-------------------------|------------------------|-----------|---------------------|-----------------------|
| General Capital Notes | \$ 860,500.00 | | 860,500.00 | - |
| Utility Capital Notes | 540,500.00 | | 540,500.00 | - |
| Special Emergency Notes | 40,000.00 | | 40,000.00 | - |
| | <u>\$ 1,441,000.00</u> | <u>-</u> | <u>1,441,000.00</u> | <u>-</u> |

| | Balance 12/31/2021 | Additions | Reductions | Balance 12/31/2022 |
|-------------------------|------------------------|-------------------|------------------|-----------------------|
| General Capital Notes | \$ 724,250.00 | 190,000.00 | 53,750.00 | 860,500.00 |
| Utility Capital Notes | 547,750.00 | | 7,250.00 | 540,500.00 |
| Special Emergency Notes | 50,000.00 | | 10,000.00 | 40,000.00 |
| | <u>\$ 1,322,000.00</u> | <u>190,000.00</u> | <u>71,000.00</u> | <u>1,441,000.00</u> |

At December 31, 2023 the City had no outstanding special emergency or bond anticipation notes.

Note 7: LEASE OBLIGATIONS

During the year ended December 31, 2023, the City had lease agreements in effect for the following:

Operating Lease:

Effective 7/19/2021, the City has entered into an agreement for the lease of a mail system. The term of the lease is 60 months, and the City has the option to purchase the equipment at fair market value upon expiration. Payments of \$279.00 are due monthly.

Future minimum payments under this lease are as follows:

| Year | Amount |
|-------|--------------------|
| 2024 | \$ 3,348.00 |
| 2025 | 3,348.00 |
| 2026 | 1,953.00 |
| 2027 | - |
| 2028 | - |
| Total | <u>\$ 8,649.00</u> |

Capital Leases:

Effective March 25, 2019, the City entered into an agreement for the lease of two (2) Toshiba copy machines. The term of the lease is 48 months and the City has the option to purchase the equipment for \$1.00 upon expiration. Payments of \$240.00 are due monthly. The final payment on this lease was made in February 2023.

Also, effective August 2022, the City entered into an agreement for the lease of three (3) police vehicles. The term of the lease is 48 months. Annual payments in the amount of \$37,669.69 are due on August 17 of each year and include interest at 3.20% per annum.

In addition, effective September 2023, the City entered into an agreement for the lease of two (2) 2023 Ram 2500 trucks for the Department of Public Works. The term of the lease is 60 months with an option to continue month-to-month for an unlimited period of time. Payments in the amount of \$2,563.76 are due monthly.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

The following is a schedule of the future minimum lease payments under these capital leases.

| <u>Year</u> | <u>Amount</u> |
|---|---------------|
| 2024 | 68,434.81 |
| 2025 | 68,434.81 |
| 2026 | 30,765.12 |
| 2027 | 30,765.12 |
| 2028 | 23,073.84 |
| Total Minimum Lease Payments | 221,473.70 |
| Less: Amount Representing Interest | 3,467.94 |
| Present Value of Net Minimum Lease Payments | \$ 218,005.76 |

Rental expenses charged to operations in 2023 and 2022 were \$41,977.69 and \$43,897.69, respectively.

Note 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2023 and 2022 which are anticipated to be appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2024 and 2023 were as follows:

| | <u>Year</u> | <u>Balance December 31st</u> | <u>Utilized in Budget of Succeeding Year</u> | <u>Percent Utilized</u> |
|----------------------------|-------------|--------------------------------------|--|-----------------------------|
| Current Fund | 2023 | \$ 2,075,462.23 | 487,750.00 | 23.50% |
| | 2022 | 1,489,355.43 | 309,000.00 | 20.75% |
| | 2021 | 993,531.73 | 215,000.00 | 21.64% |
| | 2020 | 470,517.63 | 215,000.00 | 45.69% |
| | 2019 | 239,700.88 | 215,000.00 | 89.70% |
| Water & Sewer Utility Fund | 2023 | 2,987,777.86 | 110,855.58 | 3.71% |
| | 2022 | 261,428.12 | - | 0.00% |
| | 2021 | 153,206.77 | 132,697.04 | 86.61% |
| | 2020 | 110,254.97 | 100,000.00 | 90.70% |
| | 2019 | 104,308.95 | - | 0.00% |

Municipalities are permitted to appropriate the full amount of fund balance, net of any amounts due from the State of New Jersey for Senior Citizens and Veterans deductions, deferred charges, and cash deficit. The total amount of fund balance available to the City to appropriate in the 2024 budget is \$2,045,462.23 for the current fund and \$2,987,777.86 for the utility fund.

Note 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the following deferred charges are shown on the balance sheets of the various funds:

| | <u>Balance 12/31/2023</u> | <u>2023 Budget Appropriation</u> | <u>Balance to Succeeding Budgets</u> |
|--------------------|-------------------------------|--------------------------------------|--|
| Current Fund: | | | |
| Special Emergency | | | |
| NJSA 40A:4-55 | \$ 30,000.00 | 10,000.00 | 20,000.00 |
| Total Current Fund | \$ 30,000.00 | 10,000.00 | 20,000.00 |

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

The appropriations in the 2024 Budget are not less than that required by statute.

Note 10: SCHOOL TAXES

Local District School Taxes in the amounts of \$3,474,881 and \$3,465,395.00 have been raised for the 2023 and 2022 calendar years and remitted to the local school district. Regional High School Tax in the amounts of \$1,567,056.00 and \$1,466,915.00 have been raised for the 2023 and 2022 calendar years and remitted to the regional high school district. The regional high school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service, if any. New Jersey Statutes permit a deferral of up to 50% of the current tax levy for those districts that levy on fiscal year.

| | Regional High School Tax | |
|----------------|--------------------------|------------|
| | Balance | Balance |
| | 12/31/2023 | 12/31/2022 |
| Balance of Tax | \$ 509,948.07 | 551,733.07 |
| Deferred | 485,108.00 | 485,108.00 |
| Tax Payable | \$ 24,840.07 | 66,625.07 |

Note 11: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

| | Balance | Balance |
|---|---------------|------------|
| | 12/31/2023 | 12/31/2022 |
| Prepaid Taxes | \$ 126,638.30 | 103,555.35 |
| Cash Liability for Taxes Collected in Advance | 126,638.30 | 103,555.35 |

Note 12: PENSION FUNDS

Description of Plans

Substantially all of the City's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at – <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

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

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost sharing multiple-employer defined contribution pension fund. 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 NJSA 43:15C-1 et seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.50% of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 17.83% of covered payroll. The City's contributions to PERS for the years ended December 31, 2023, 2022, and 2021 were \$122,434.00, \$124,723.28, and \$126,413.00.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The current PFRS rate is 29.45% of covered payroll. The City's contributions to PFRS for the years ended December 31, 2023, 2022, and 2021 were \$358,456.00, \$318,976.67, and \$340,567.00.

The total payroll for the year ended December 31, 2023, 2022, and 2021 was \$2,609,951.43, \$2,435,955.77, and \$2,399,271.61. Payroll covered by PERS was \$686,725.00, \$689,288.00, and \$681,881.00. Covered payroll by PFRS was \$1,217,427.00, \$999,439.00, and \$986,383.00.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Note 13: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the City's pension liabilities. However, due to the fact that the City reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the City's pension liabilities as June 30, 2022:

Public Employees' Retirement System

The City has a liability of \$1,387,684 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City's proportion would be 0.00919520890%, which would be a decrease of 16.04% from its proportion measured as of June 30, 2021.

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For the year ended December 31, 2022, the City would have recognized pension expense of \$(202,119). At December 31, 2022, the City would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected & actual experience | \$ 10,016 | \$ (8,832) |
| Changes of assumptions | 4,299 | (207,791) |
| Changes in proportion | 10,363 | (319,235) |
| Net difference between projected and actual earnings on pension plan investments | 57,435 | |
| Total | <u>\$ 82,113</u> | <u>\$ (535,858)</u> |

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

| Year ended June 30, | |
|------------------------|---------------------|
| 2023 | \$ (414,748) |
| 2024 | (152,749) |
| 2025 | (10,733) |
| 2026 | 125,460 |
| 2027 | (975) |
| Total | <u>\$ (453,745)</u> |

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

| | |
|----------------------------|---|
| Inflation rate | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary increases: | 2.75% – 6.55% (based on years of service) |
| Investment rate of return: | 7.00% |

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

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generational basis. Disability retirement rates used to value disable 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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------------|----------------------|--|
| US equity | 27.00% | 8.12% |
| Non-U.S. developed markets equity | 13.50% | 8.38% |
| Emerging markets equity | 5.50% | 10.33% |
| Private equity | 13.00% | 11.80% |
| Real estate | 8.00% | 11.19% |
| Real assets | 3.00% | 7.60% |
| High yield | 4.00% | 4.95% |
| Private Credit | 8.00% | 8.10% |
| Investment grade credit | 7.00% | 3.38% |
| Cash equivalents | 4.00% | 1.75% |
| U.S. Treasuries | 4.00% | 1.75% |
| Risk mitigation strategies | 3.00% | 4.91% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 made 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 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 in determining the total pension liability.

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|---------------------------|-------------------------------------|---------------------------|
| City's proportionate share of the net pension liability | \$ 1,664,118 | \$ 1,387,684 | \$ 1,152,689 |

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Police and Firemen's Retirement System

The City has a liability of \$3,027,312 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2021 that was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City's proportion would be 0.02644782000%, which would be an increase of 1.52% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City would have recognized pension expense of \$(222,010). At December 31, 2022, the City would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected & actual experience | \$ 137,024 | \$ (185,464) |
| Changes of assumptions | 8,297 | (381,079) |
| Changes in proportion | 90,974 | (548,863) |
| Net difference between projected and actual earnings on pension plan investments | 277,213 | - |
| Total | <u>\$ 513,508</u> | <u>\$ (1,115,406)</u> |

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

| Year ended June 30, | |
|------------------------|---------------------|
| 2023 | \$ (632,847) |
| 2024 | (404,429) |
| 2025 | (385,263) |
| 2026 | 804,755 |
| 2027 | 7,756 |
| Thereafter | 8,130 |
| Total | <u>\$ (601,898)</u> |

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Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation of July 1, 2020, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

| | | |
|----------------------------|--|--|
| Inflation rate | | |
| Price | | 2.75% |
| Wage | | 3.25% |
| Salary increases: | | |
| | | 3.25% - 16.25% (based on years of service) |
| Investment rate of return: | | |
| | | 7.00% |

Employee mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females. Disability rates were based on the Pub-2010 amount-weighted mortality table with a 152% 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------------|-------------------|--|
| US equity | 27.00% | 8.12% |
| Non-U.S. developed markets equity | 13.50% | 8.38% |
| Emerging markets equity | 5.50% | 10.33% |
| Private equity | 13.00% | 11.80% |
| Real estate | 8.00% | 11.19% |
| Real assets | 3.00% | 7.60% |
| High yield | 4.00% | 4.95% |
| Private credit | 8.00% | 8.10% |
| Investment grade credit | 7.00% | 3.38% |
| Cash equivalents | 4.00% | 1.75% |
| U.S. Treasuries | 4.00% | 1.75% |
| Risk mitigation strategies | 3.00% | 4.91% |

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Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made 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 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 City's proportionate share of the net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | Decrease (6.00%) | Rate (7.00%) | Increase (8.00%) |
|--|---------------------|-----------------|---------------------|
| City's proportionate share of the net pension liability | 4,277,981.36 | 3,027,312.00 | 1,986,245.81 |

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under 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 June 30, 2022 State special funding situation net pension liability amount of \$2,037,115,833.00 is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2022 State special funding situation pension expense of \$235,029,281.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required 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 2022, the State contributed an amount more than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the City was 0.02644782000% for 2022. The net pension liability amount allocated to the City was \$538,773. For the fiscal year ending June 30, 2022 State special funding situation pension expense of \$62,160 is allocated to the City.

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 14: OTHER POST-RETIREMENT BENEFITS

General Information about the Plan:

The City offers Other Post-Retirement Benefits (OPEB) to its employees through the State Health Benefit Local Government Retired Employees Plan (the Plan) a cost-sharing multiple employer defined benefit other postemployment benefit plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at:

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

1) retired on a disability pension;

or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

Allocation Methodology:

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the City these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's

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YEARS ENDED DECEMBER 31, 2023 AND 2022

and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2022 were \$3,361,552,823 and \$3,872,142,278, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's non special funding situation during the measurement period July 1, 2021 through June 30, 2022. Employer and non-employer allocation percentages have been rounded for presentation purposes.

Special Funding Situation:

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer 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 non-employer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

Net OPEB Liability:

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2022 is as follows:

| | June 30, 2022 | |
|---|-----------------------------|--------------------------------|
| | Collective Total | Proportionate Share |
| Total OPEB Liability | \$ 16,090,925,144 | \$ 5,104,951 |
| Plan Fiduciary Net Position (Deficit) | (58,670,334) | (17,117) |
| Net OPEB Liability | <u>\$ 16,149,595,478</u> | <u>\$ 5,122,068</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | -0.36% | -0.34% |

At June 30, 2022 the City's proportionate share of the Collective Net OPEB Liability was \$5,122,068. The State's proportionate share for the Special Funding Situation that is associated with the City is \$462,243. The City's proportion of the Collective Net OPEB Liability was 0.0291751% which was a decrease from the prior year of 1.22%. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was 0.012165% which was an increase from the prior year of 1.62%.

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| | |
|--|---------------------|
| City's Proportionate Share of Collective Net OPEB Liability | \$ 4,711,644 |
| State's proportionate share that is associated with the City | 410,424 |
| Total | \$ <u>5,122,068</u> |

For the Year ended June 30, 2021 the City's Total OPEB Expense was \$214,982 and the State of New Jersey realized Total OPEB Expense in the amount of \$(67,318) for its proportionate share of Total OPEB Expense that is associated with the City.

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Investment Rate of Return
Including Inflation rate 3.54%

Salary increases*:

| PERS | <u>Completed Years of Service</u> | <u>Annual Rate of Increase (%)</u> |
|------|-----------------------------------|------------------------------------|
| | 0 | 6.55 |
| | 5 | 5.75 |
| | 10 | 4.75 |
| | 15 | 3.75 |
| | 20 | 3.15 |
| | 25 | 2.85 |
| | >=29 | 2.75 |

| PFRS | <u>Completed Years of Service</u> | <u>Annual Rate of Increase (%)</u> |
|------|-----------------------------------|------------------------------------|
| | 0 | 16.25 |
| | 5 | 11.00 |
| | 10 | 6.00 |
| | 15 | 4.00 |
| | >=17 | 3.25 |

Mortality:

Pre-Retirement Healthy Mortality:

PERS: Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS: Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Post-Retirement Healthy Mortality

Chapter 330 Retirees: PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Retirees: PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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Disable Retiree Mortality:

PERS Future Disabled Retirees: PUB-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

PFRS Future Disabled Retirees: PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Chapter 330 Current Retirees: PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Current Retirees: PUB-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021 and July 1, 2018 to June 30, 2021, respectively.

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

Discount Rate

The discount rate for June 30, 2022 was 3.54%. The discount rate will change each year based on the Bond Buyer Go 20-Bond Municipal Bond Index each year.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the Net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

| | | 1% Decrease (2.54%) | Discount Rate (3.54%) | 1% Increase (4.54%) |
|---------------------|----|------------------------|--------------------------|------------------------|
| Collective | | | | |
| Net OPEB Liability | \$ | 18,720,632,230 | 16,149,595,478 | 14,080,955,857 |
| Proportionate Share | | | | |
| Net OPEB Liability | \$ | 5,937,508 | 5,122,068 | 4,465,970 |

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

The following presents the net OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

NOTES TO FINANCIAL STATEMENTS
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| | | <u>1% Decrease</u> | <u>Healthcare cost Trend Rate</u> | <u>1% Increase</u> |
|---------------------|----|--------------------|---------------------------------------|--------------------|
| Collective | | | | |
| Net OPEB Liability | \$ | 13,700,188,049 | 16,149,595,478 | 19,286,596,671 |
| Proportionate Share | | | | |
| Net OPEB Liability | \$ | 4,345,204 | 5,122,068 | 6,117,011 |

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

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

| | <u>Collective Totals</u> | | <u>Proportionate Share</u> | |
|--|---|--|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between expected and actual experience | \$ 833,982,363 | (2,993,448,535) | 243,314 | (873,339) |
| Changes of assumptions | 2,155,230,462 | (5,511,545,572) | 628,788 | (1,607,993) |
| Net difference between projected and actual earnings on OPEB plan investments | 4,251,491 | | 1,240 | |
| Changes in proportion and differences between contributions and proportionate share of contributions | | | 2,042,479 | (738,808) |
| Total | \$ 2,993,464,316 | (8,504,994,107) | 2,915,821 | (3,220,140) |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB will be recognized in OPEB expense as follows:

| <u>Year Ended June 30,</u> | <u>Collective Totals</u> | <u>Proportionate Share</u> |
|--------------------------------|--------------------------|--------------------------------|
| 2023 | \$ (1,463,380,541.00) | (80,800.53) |
| 2024 | (1,464,672,406.00) | (80,871.86) |
| 2025 | (1,156,630,075.00) | (63,863.30) |
| 2026 | (516,557,746.00) | (28,521.72) |
| 2027 | (115,810,526.00) | (6,394.48) |
| Thereafter | (794,478,497.00) | (43,867.11) |
| Total | \$ (5,511,529,791.00) | (304,319.00) |

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

Collective OPEB Expenses reported by the State of New Jersey

The components of allocable OPEB Expense related to specific liabilities of individual employers for the year ending June 30, 2022 are as follows:

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| | |
|--|-----------------------|
| Service cost | \$ 796,654,029 |
| Interest on Total OPEB Liability | 401,372,615 |
| Expected Investment Return | 86,955 |
| Administrative Expenses | 12,334,441 |
| Changes of Benefit Terms | 402,474,416 |
| Current Period Recognition (Amortization) of Deferred Inflow s/ Outflow s of Resources: | |
| Differences between Expected and Actual Experience | (630,413,303) |
| Changes in Assumptions | (835,585,441) |
| Differences between Projected and Actual Investment Earnings on OPEB Plan Investments | 4,032,008 |
| Total Collective OPEB Expense | <u>\$ 150,955,720</u> |

Schedule of City's Share of Net OPEB Liability

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|--------------|-------------|-------------|-------------|-------------|
| City's Proportionate Share of Net OPEB Liability | 0.029175% | 0.029370% | 0.017275% | 0.018778% | 0.022209% |
| City's Share of Net OPEB Liability | \$ 5,122,068 | 5,286,536 | 3,100,277 | 2,543,681 | 3,479,399 |
| City's Covered Payroll | 689,288 | 681,881 | 721,904 | 761,451 | 828,749 |
| City's Proportionate Share of the Net Net OPEB Liability as a percentage of its Covered-Employee Payroll | 743.10% | 775.29% | 429.46% | 334.06% | 419.84% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | -0.36% | 0.28% | 0.97% | 1.97% | 1.98% |

Note 15: DEFERRED COMPENSATION

Employees of Egg Harbor City may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the City has an obligation of due care in selecting the third party administrator. In the opinion of the City's legal counsel, the City has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 16: ACCRUED SICK AND VACATION BENEFITS

The City has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$408,851.16 in 2023 and \$380,619.37 in 2022. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. Employees covered by the PBA contract will be paid for unused vacation days and up to 45 days of accumulated sick time upon retirement. Employees covered under the Teamsters, as well as non-union employees, will be paid for the number of vacation days accumulated from the current year plus any days remaining from the prior year, along with a maximum of 45 sick days. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002, the State of New Jersey is allowing municipalities to accrue a compensated absences liability. As of December 31, 2023, and 2022, the total amount accumulated was \$22,696.43 and \$19,379.99, respectively.

Note 17: ECONOMIC DEPENDENCY

The Egg Harbor City is not economically dependent on any one business or industry as a major source of tax revenue for the City.

Note 18: RISK MANAGEMENT

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

Property and Liability Insurance – The City maintains commercial insurance coverage for property, liability and surety bonds. During the years ended December 31, 2023 and 2022 the City did not incur claims in excess of the coverage and the amount of coverage did not significantly decrease.

The City is a member of the Statewide Joint Insurance Fund which also includes other municipalities throughout the State. The City is obligated to remit insurance premiums into this fund for sufficient insurance coverage. There is an unknown contingent liability with the Statewide Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The City has a coverage limitation of \$10,000,000. There was no reduction in coverage and no claims in excess of coverage during 2023 or 2022. The Statewide Insurance Fund issues its own financial report which may be obtained from the Statewide Insurance Fund, 30A Vreeland Road, Florham Park, NJ 07932-0678.

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

| Calendar Year | | City Contributions | Interest | Employee Contributions | Amount Reimbursed | Ending Balance |
|------------------|----|-----------------------|----------|---------------------------|----------------------|-------------------|
| 2023 | \$ | 6,000.00 | 372.92 | 4,696.82 | 15,059.65 | 43,114.45 |
| 2022 | | 6,000.00 | 47.34 | 4,650.46 | 8,567.34 | 47,104.36 |
| 2021 | | 8,500.00 | 54.21 | 4,743.12 | 17,054.89 | 44,973.90 |

Note 19: TAX ABATEMENT PROGRAM

The tax abatement program was established to encourage commercial and industrial development in Egg Harbor City. It is a five-year program where real estate taxes on the approved buildings are abated and payments are made in lieu. The value of the building improvements must exceed \$100,000 for commercial, and the properties are tax exempt until the project is complete. Once completed, the taxpayer pays no tax in

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

the first year after completion. Beginning in the second year, the taxpayer is assessed taxes on 20% of the assessed value, with annual increases of 20% until the end of five years.

The tax exemption program was established to encourage residential property improvements in Egg Harbor City. This exemption is permitted on properties that are more than twenty (20) years old as well as new dwellings. This is also a five-year program. The Assessor's full and true value of the home improvements must not exceed \$15,000 and will not increase the value of the property for five years.

Note 20: LITIGATION

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

Note 21: UNION CONTRACTS

City employees are organized into two collective bargaining units; the Policeman's Benevolent Association, Inc. (PBA) and Teamster's Local #331. The current five year contract for the PBA is effective for the period of January 1, 2022 through December 31, 2024. A Memorandum of Understanding has been approved for contract term of 1/1/2022 through 12/31/2027. The current four year contract for the Teamsters is effective for the period of January 1, 2021 through December 31, 2023.

| <u>Bargaining Unit</u> | <u>Job Category</u> | <u>Members</u> |
|---------------------------|---------------------|---|
| PBA Mainland Local No. 77 | Police | Full time police personnel with arrest powers, with the exception of the Chief of Police and Police Clerk |
| Teamsters Local #331 | General | All full time and regular part-time blue collar employees and white collar employees; Excludes all managerial executives, confidential employees, police employees, supervisors, professional employees, craft employees and all other employees of the City |

Note 22: RELATED PARTY TRANSACTIONS

The seven members of the Egg Harbor City Cemetery Board of Trustees are appointed by the Common Council of Egg Harbor City. During the 2023 and 2022 calendar years, the City paid \$48,299.81 and \$42,521.74, respectively for salaries and related benefits for Cemetery employees. In addition, the City charged the Cemetery \$15,000.00 for maintenance services performed at the Cemetery during 2023 and 2022. The Cemetery has reimbursed the City for all expenses.

Note 23: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City is the owner of a non-operating landfill. The State of New Jersey Department of Environmental Protection is the organization that monitors all activity related to landfills. Prior to closing the landfill certain fees were placed into an escrow which has a balance of \$8,501.53 and \$8,436.49 on December 31, 2023 and 2022. 100% of the landfill capacity has been used and, therefore the landfill has no remaining useful life. The recognition of liability for closure and post closure costs is generally based on the landfill capacity used to date. However, the cost to close the landfill and to cover future post closure costs has not been determined. The City anticipates meeting the post closure requirements on a pay as you go basis. The \$8,501.53 certificate of deposit is restricted for post closure use.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 24: INTERFUND BALANCE

As of December 31, 2023, the following interfunds were included on the balance sheets of the various funds of Egg Harbor City:

| | <u>Due From</u> | <u>Due To</u> |
|---------------|---------------------|------------------|
| Current Fund: | | |
| Grant Fund | 5,335.20 | |
| Grant Fund: | | |
| Current Fund | | 5,335.20 |
| Trust Fund | | 69,990.87 |
| Trust Fund: | | |
| Grant Fund | 69,990.87 | |
| | <u>\$ 75,326.07</u> | <u>75,326.07</u> |

The amount due to the Grant Fund from the Current Fund is the result of funds received on the various grants that have not yet been expended. The amounts due to the trust funds is the result of prior housing rehabilitation loans that were repaid and construction fees collected in the current fund that are due to the third party inspectors.

Note 25: SUBSEQUENT EVENTS

The City has evaluated subsequent events through June 14, 2024, the date which the financial statements were available to be issued and no additional items, except as noted above, were noted for disclosure or adjustment.

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SUPPLEMENTARY DATA

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FORD - SCOTT

& ASSOCIATES, L.L.C.

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

To the Honorable Mayor and
Members of Common Council
Egg Harbor City
County of Atlantic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements – regulatory basis, as listed in the accompanying table of contents, of Egg Harbor City, State of New Jersey, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 14, 2024, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, Egg Harbor City prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

Report Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

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.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

June 14, 2024

Schedule of Financial Statement Findings

NONE

Schedule of Federal and State Award Findings and Questioned Costs

NONE

STATUS OF PRIOR YEAR RECOMMENDATIONS

There were no findings in 2022

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

| | <u>Current Fund</u> |
|---|----------------------|
| Balance December 31, 2022 | \$ 2,194,371.18 |
| Increased by Receipts: | |
| Tax Collector | 11,245,243.66 |
| Revenue Accounts Receivable | 1,144,660.93 |
| Miscellaneous Revenue | 52,330.01 |
| Lake Security Deposits | 500.00 |
| Appropriation Refunds | 212,582.54 |
| Petty Cash | 200.00 |
| Code Enforcement Special Charges | 1,794.92 |
| Payroll Taxes Payable | 3,280,261.59 |
| Payoff City Held Bond Anticipation Note | 100,000.00 |
| Sale of Water and Sewer Utility | 21,864,095.85 |
| State of New Jersey | |
| Senior Citizens and Veterans | 25,500.00 |
| Marriage License Fees | 575.00 |
| DCA Training Fees | 5,265.00 |
| Lead Inspection Fees | 1,820.00 |
| Department of Transportation | 2,204.23 |
| Reserve for Municipal Relief Aid | 49,384.53 |
| Amounts Due From | |
| Utility Operating | 216,000.00 |
| Animal Control Fund | 600.00 |
| Unemployment Trust Fund | 15,059.65 |
| Other Trusts | 46,635.80 |
| Cemetery Fund | 404.72 |
| Grant Fund | |
| Current year Grants Receivable | 296,279.11 |
| Unappropriated Reserves | 10,763.65 |
| | <u>38,572,161.19</u> |
| | 40,766,532.37 |

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

| | <u>Current Fund</u> | |
|----------------------------------|----------------------|----------------------------|
| Decreased by Disbursements: | | |
| Current Year Appropriation | 9,345,878.92 | |
| Appropriations Reserves | 213,309.58 | |
| Accounts Payable | 49,686.98 | |
| County Taxes | 1,309,019.81 | |
| Local District School Tax | 3,474,882.00 | |
| Regional High School Tax | 1,508,700.00 | |
| Refund Overpayments | 69,163.05 | |
| Code Enforcement Special Charges | 3,875.00 | |
| Payroll Taxes Payable | 3,260,952.72 | |
| Special Emergency Note | 40,000.00 | |
| Lake Security Deposits | 500.00 | |
| Reserve for Master Plan | 10,350.00 | |
| Petty Cash | 200.00 | |
| State of New Jersey | | |
| Marriage License Fees | 200.00 | |
| Burial Permit Fees | 5.00 | |
| DCA Training Fees | 4,337.00 | |
| Lead Hazard Fee | 1,560.00 | |
| Amounts Due To | | |
| Animal Control Trust | 600.60 | |
| Grant Fund | 276,296.16 | |
| Unemployment Trust | 4,988.67 | |
| Utility Operating | 18,313,095.85 | |
| Cemetery Fund | 404.72 | |
| | <u>37,888,006.06</u> | |
| Balance December 31, 2023 | \$ | <u><u>2,878,526.31</u></u> |

**CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR**

| | | | |
|---------------------------------------|---------------|----|----------------------|
| Balance December 31, 2022 | | \$ | - |
| Increased by Receipts: | | | |
| Prepaid Taxes | 126,638.30 | | |
| Taxes Receivable | 10,845,084.78 | | |
| Revenue Accounts Receivable | 240,935.45 | | |
| Tax Title and Other Liens | 32,033.13 | | |
| Miscellaneous Revenue Not Anticipated | 552.00 | | |
| | | | <u>11,245,243.66</u> |
| | | | 11,245,243.66 |
| Payments to Treasurer | | | <u>11,245,243.66</u> |
| Balance December 31, 2023 | | \$ | <u><u>-</u></u> |

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| Year | Balance Dec. 31, 2022 | Current Year Levy | Added Taxes | Overpayments Created | Collections by Cash | Overpayments (Applied) | Adjustments | Transferred To Tax Title Lien | Arrears | Balance Dec. 31, 2023 |
|---------|--------------------------|----------------------|-------------|-------------------------|---------------------|---------------------------|-------------|-------------------------------------|---------|--------------------------|
| Arrears | \$ - | | | | | | | | | - |
| 2021 | 5,196.89 | | | | 5,147.60 | | | | | 49.29 |
| 2022 | 8,251.62 | | | 2,852.85 | 9,463.48 | | 1,386.96 | 254.03 | | 0.00 |
| | 13,448.51 | - | - | 2,852.85 | - | 14,611.08 | 1,386.96 | 254.03 | - | 49.29 |
| 2023 | | 10,886,952.48 | 137,249.16 | 15,479.18 | 103,555.35 | 10,854,347.43 | 14,990.36 | 56,591.81 | | 10,195.87 |
| \$ | 13,448.51 | 10,886,952.48 | 137,249.16 | 18,332.03 | 103,555.35 | 10,868,958.51 | 16,377.32 | 56,845.84 | - | 10,245.16 |

10,845,084.78 Cash Receipts
23,873.73 Senior Citizens and Veterans
10,868,958.51

Analysis of Current Year Tax Levy

Tax Yield:
General Property Tax
Added Taxes (54:4-63.1 et. Seq.)

10,886,952.48
137,249.16
11,024,201.64

Tax Levy:
General County Taxes
County Library Taxes
County Open Space Taxes
County Health Taxes
County Added and Omitted Taxes
Total County Taxes

1,316,902.49

Local School District Tax
Regional High School District Tax

3,474,881.00
1,466,915.00

Local Tax for Municipal Purposes
Add: Additional Tax Levied

4,643,857.85
121,645.30
4,765,503.15
11,024,201.64

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

| | | | |
|--|------------------|----|--------------------------|
| Balance December 31, 2022 | | \$ | 758,854.30 |
| Increased by: | | | |
| Transfers from Taxes Receivable | 56,845.84 | | |
| Interest and Costs Accrued by Sale of December 13, 2023 | <u>814.30</u> | | <u>57,660.14</u> |
| | | | 816,514.44 |
| Decreased by: | | | |
| Collections | 32,033.13 | | |
| Collector Adjustments | 1,498.91 | | |
| Reversal of Prior Year Foreclosure | <u>63,952.88</u> | | <u>97,484.92</u> |
| Balance December 31, 2023 | | \$ | <u><u>719,029.52</u></u> |

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| | Balance Dec. 31, 2022 | Accrued in 2023 | Collected by | | Balance Dec. 31, 2023 |
|--------------------------------|--------------------------|--------------------|--------------|--------------|--------------------------|
| | | | Collector | Treasurer | |
| Tax Collector: | | | | | |
| Interest and Costs on Taxes | \$ | 60,956.45 | 60,956.45 | | |
| Lake Parking Fees | | 179,979.00 | 179,979.00 | | |
| Treasurer: | | | | | |
| Licenses: | | | | | |
| Alcoholic Beverage | | 40,166.52 | | 40,166.52 | |
| Other | | 69,322.00 | | 69,322.00 | |
| Construction Code Fees | | 80,416.00 | | 80,416.00 | |
| Interest Earned on Investments | | 112,834.97 | | 112,834.97 | |
| Energy Receipts Tax | | 476,733.74 | | 476,733.74 | |
| Rental Registration Fees | | 118,175.00 | | 118,175.00 | |
| Campground Royalty | | 16,125.64 | | 16,125.64 | |
| Rental of Municipal Property | | 36,871.00 | | 36,871.00 | |
| Payment in Lieu of Taxes | | 99,066.81 | | 99,066.81 | |
| Uniform Fire Safety Act | | 13,619.85 | | 13,619.85 | |
| Cemetery Contribution | | 15,000.00 | | 15,000.00 | |
| Conifer Pilot | | 66,329.40 | | 66,329.40 | |
| | | | | | |
| | \$ - | 1,385,596.38 | 240,935.45 | 1,144,660.93 | - |

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charged | | Balance Lapsed | Over- Expended |
|--|--------------------------|-------------------------------|-----------------|---------------------|-------------------|-------------------|
| | | | Cash | Accounts Payable | | |
| OPERATIONS WITHIN "CAPS" | | | | | | |
| GENERAL GOVERNMENT | | | | | | |
| Administrative and Executive | | | | | | |
| Salaries and Wages | | | | | | |
| Municipal Clerk (Other) | 688.88 | 88.88 | | | 88.88 | |
| Other Expenses | | | | | | |
| City Clerk | 1,707.20 | 3,207.20 | 3,083.08 | | 124.12 | |
| Governing Body | 549.03 | 549.03 | 63.40 | | 485.63 | |
| Financial Administration | | | | | | |
| Salaries and Wages | 1,578.08 | 78.08 | | | 78.08 | |
| Other Expenses | 17,675.00 | 20,675.00 | 17,719.34 | 2,950.00 | 5.66 | |
| Assessment of Taxes | | | | | | |
| Salaries and Wages | 52.73 | 52.73 | | | 52.73 | |
| Other Expenses | 492.90 | 492.90 | | | 492.90 | |
| Tax Collector | | | | | | |
| Salaries and Wages | 388.48 | 388.48 | | | 388.48 | |
| Other Expenses: | | | | | | |
| Tax Sale Costs | 4,275.00 | 4,275.00 | 4,275.00 | | - | |
| Miscellaneous Other Expenses | 760.66 | 760.66 | 347.22 | | 413.44 | |
| Legal Services and Costs | | | | | | |
| Other Expenses | 17,864.25 | 9,464.25 | 5,989.23 | | 3,475.02 | |
| Engineering Services and Costs | | | | | | |
| Other Expenses | 20,302.00 | 8,102.00 | 1,868.00 | | 6,234.00 | |
| Public Buildings and Grounds | | | | | | |
| Other Expenses | 7,664.09 | 10,664.09 | 8,613.04 | | 2,051.05 | |
| Municipal Land Use Law (NJSA 40:55D-1) | | | | | | |
| Combined Planning & Zoning/Code Board | | | | | | |
| Salaries and Wages | 202.13 | 202.13 | | | 202.13 | |
| Other Expenses | 1,787.28 | 3,287.28 | 4.96 | 3,250.00 | 32.32 | |
| Contractual-Engineering | | - | | | - | |
| Economic Development | | | | | | |
| Other Expenses | 100.00 | 100.00 | - | - | 100.00 | |
| PUBLIC SAFETY | | | | | | |
| Fire Prevention | | | | | | |
| Salaries and Wages | 966.96 | 966.96 | | | 966.96 | |
| Other Expenses | 198.60 | 198.60 | 107.00 | | 91.60 | |

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charged | | Balance Lapsed | Over- Expended |
|---------------------------------------|--------------------------|-------------------------------|-----------------|---------------------|-------------------|-------------------|
| | | | Cash | Accounts Payable | | |
| Right to Know Act/Safety Coordinator | | | | | | |
| Other Expenses: | 250.00 | 250.00 | | | 250.00 | |
| Police | | | | | | |
| Salaries and Wages | 30,858.66 | 8,358.66 | | | 8,358.66 | |
| Other Expenses: | | | | | | |
| Miscellaneous Other Expenses | 99,820.77 | 99,820.77 | 37,016.12 | 59,405.65 | 3,399.00 | |
| Police Radio and Communications | | | | | | |
| Other Expenses | 15,913.00 | 15,913.00 | 15,885.86 | | 27.14 | |
| Municipal Court | | | | | | |
| Other Expenses | 100.00 | 100.00 | | | 100.00 | |
| Emergency Management Services | | | | | | |
| Other Expenses | 607.24 | 607.24 | 600.00 | | 7.24 | |
| PUBLIC WORKS | | | | | | |
| Solid Waste Collection (Public Works) | | | | | | |
| Salaries and Wages | 396.75 | 396.75 | | | 396.75 | |
| Other Expenses: | | | | | | |
| Hauling Fee (Tipping and Hauling Fee) | 1,626.20 | 1,626.20 | | | 1,101.20 | |
| Miscellaneous Other Expenses | 2,219.81 | 19,219.81 | 525.00 | | 136.42 | |
| Vehicle Maintenance | 50,154.38 | 64,154.38 | 21,218.61 | 20,000.00 | 22,935.77 | |
| Solid Waste Disposal Cost | 4,234.22 | 234.22 | | | 234.22 | |
| City Garage | | | | | | |
| Salaries and Wages | 100.00 | 100.00 | | | 100.00 | |
| Other Expenses | 90.00 | 90.00 | | | 90.00 | |
| HEALTH AND WELFARE | | | | | | |
| Animal Control (Dog Regulation) | | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | 700.00 | | 300.00 | |
| RECREATION AND EDUCATION | | | | | | |
| Parks and Playgrounds | | | | | | |
| Salaries and Wages | 10.00 | 10.00 | - | | 10.00 | |
| Other Expenses: | | | | | | |
| Lining of Kern Field | 25.00 | 25.00 | - | | 25.00 | |
| Miscellaneous Other Expenses | 217.49 | 24,717.49 | 20,253.00 | | 4,464.49 | |

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charged | | Balance Lapsed | Over- Expended |
|--|--------------------------------|--------------------------------|--------------------------------|---------------------|-------------------------|-------------------|
| | | | Cash | Accounts Payable | | |
| Anniversary or Holiday Other Expenses Youth Program Other Expenses Crusaders Youth Group | 520.71 6,165.86 | 520.71 6,165.86 | 220.00 6,165.86 | | 300.71 - | |
| INSURANCE | | | | | | |
| Group Insurance Plans for Employees | 7,861.98 | 2,861.98 | 875.63 | | 1,986.35 | |
| Firemen's Group Insurance Premiums | 220.48 | 220.48 | | | 220.48 | |
| Surety Bond Premiums | 100.00 | 100.00 | | | 100.00 | |
| Other Insurance Premiums: | | | | | | |
| Health Benefits Waiver | 1,708.33 | 1,708.33 | | | 1,708.33 | |
| UNIFORM CONSTRUCTION CODE | | | | | | |
| Construction Official | | | | | | |
| Salaries and Wages | 354.88 | 354.88 | | | 354.88 | |
| Other Expenses | 301.01 | 301.01 | 39.05 | | 261.96 | |
| UNCLASSIFIED | | | | | | |
| Street Lighting | 13,856.65 | 15,856.65 | 12,838.91 | | 3,017.74 | |
| Gasoline | 10,017.18 | 10,017.18 | 8,626.48 | | 1,390.70 | |
| Electric | 22,849.44 | 12,349.44 | 11,576.12 | | 773.32 | |
| Natural Gas | 9,559.48 | 7,559.48 | 7,559.41 | | 0.07 | |
| Telephone | 3,836.69 | 3,836.69 | 2,861.87 | | 974.82 | |
| Contingent | 100.00 | 100.00 | | | 100.00 | |
| Statutory Expenditures | | | | | | |
| Contribution to: | | | | | | |
| Social Security | 2,368.70 | 2,568.70 | - | | 2,568.70 | |
| Public Employees' Retirement System | 0.72 | 0.72 | | | 0.72 | |
| Police and Fireman's Retirement System of NJ | 0.33 | 0.33 | | | 0.33 | |
| OPERATIONS OUTSIDE "CAPS" | | | | | | |
| Recycling Tax Appropriation | 7,500.00 | 7,500.00 | | | 7,500.00 | |
| CAPITAL IMPROVEMENTS | | | | | | |
| Purchase of Computer Equipment | 5,194.00 | 5,194.00 | 5,194.00 | | - | |
| \$ | <u>377,393.23</u> | <u>377,393.23</u> | <u>213,309.58</u> | <u>85,605.65</u> | <u>78,478.00</u> | <u>-</u> |

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

| | | |
|---------------------------|----|---------------------|
| Balance December 31, 2022 | \$ | - |
| Increased by: | | |
| Levy - Calendar Year 2023 | | <u>3,474,881.00</u> |
| | | 3,474,881.00 |
| Decreased by: | | |
| Payments | | <u>3,474,881.00</u> |
| Balance December 31, 2023 | \$ | <u><u>-</u></u> |

**CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX**

| | | |
|--|----|----------------------------|
| Balance December 31, 2022 | | |
| School Tax Payable | \$ | 66,625.07 |
| School Tax Deferred | | <u>485,108.00</u> |
| | | 551,733.07 |
| Increased by: | | |
| Levy - School Year July 1, 2023 to June 30, 2024 | | <u>1,466,915.00</u> |
| | | 2,018,648.07 |
| Decreased by: | | |
| Payments | | <u>1,508,700.00</u> |
| Balance December 31, 2023 | | |
| School Tax Payable | | 24,840.07 |
| School Tax Deferred | | <u>485,108.00</u> |
| | | <u>509,948.07</u> |
| 2023 Liability for Regional High School Tax | | |
| Tax Paid | | 1,508,700.00 |
| Tax Payable @ December 31, 2023 | | <u>24,840.07</u> |
| | | 1,533,540.07 |
| Less: Tax Payable @ December 31, 2022 | | <u>66,625.07</u> |
| Amount Charged to 2023 Operations | \$ | <u><u>1,466,915.00</u></u> |

CURRENT FUND **SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

| <u>Purpose</u> | <u>Balance Dec. 31, 2022</u> | <u>Transferred From 2023 Revenues</u> | <u>Received</u> | <u>Adjustments/ (Canceled)</u> | <u>Balance Dec. 31, 2023</u> |
|---|----------------------------------|---|------------------|------------------------------------|----------------------------------|
| FEDERAL GRANTS: | | | | | |
| Transportation Alternatives | | | | | |
| Cedar Creek/Egg Harbor Lake Pedestrian | | | | | |
| Connection Project | \$ 723,000.00 | | | | 723,000.00 |
| Design Assistance - Bikeway Mod #1 | 137,927.50 | | 33,704.97 | | 104,222.53 |
| Small Cities Community Development Block Grants - | | | | | |
| ADA Improvements at Egg Harbor City Lake Park | - | 400,000.00 | | | 400,000.00 |
| US Department of Justice | | | | | |
| Bulletproof Vest | - | 4,875.00 | 2,437.50 | | 2,437.50 |
| Body Worn Amara Policy & Implementation Program | - | 16,000.00 | | | 16,000.00 |
| US Department of Agriculture Forest Service - Inflation | | | | | |
| Reduction Act Urban & Community Forestry Program | - | 1,000,000.00 | | | 1,000,000.00 |
| US Department of the Treasury | | | | | |
| American Rescue Plan (ARP) Firefighter Grant | 43,000.00 | | 43,000.00 | | - |
| Total Federal | 903,927.50 | 1,420,875.00 | 79,142.47 | - | 2,245,660.03 |
| STATE GRANTS: | | | | | |
| NJ Transportation Trust Fund Authority | | | | | |
| Reconstruction of- | | | | | |
| 100 & 300 Blocks of Liverpool Avenue | - | 287,800.00 | | | 287,800.00 |
| Various Locations | 96,725.00 | | | | 96,725.00 |
| FY2022 Safe Streets to Transit | 600,000.00 | | | | 600,000.00 |
| FY2023 Safe Streets to Transit Atlantic Avenue IV | | 330,000.00 | | | 330,000.00 |
| 2022 Local Aid Infrastructure Grant - Chicago Avenue | 120,000.00 | | 119,773.79 | (226.21) | 0.00 |
| NJ Department of Environmental Protection | | | | | |
| FY2021NJUCF Stewardship Grant | 30,000.00 | | 26,424.00 | | - |
| Clean Communities | - | 16,994.51 | 16,994.51 | | 3,576.00 |
| Stormwater Assistance Grant | - | 25,000.00 | 15,000.00 | | - |
| Local Recreation Improvement Grant | | | | | 10,000.00 |
| Body Armor | - | 63,000.00 | | | 63,000.00 |
| Drunk Driving Enforcement Fund | 0.00 | 1,305.76 | 1,305.76 | | 0.00 |
| | - | 1,349.37 | 1,349.37 | | - |

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

| <u>Purpose</u> | <u>Balance Dec. 31, 2022</u> | <u>Transferred From 2023 Revenues</u> | <u>Received</u> | <u>Adjustments</u> | <u>Balance Dec. 31, 2023</u> |
|---|----------------------------------|---|-------------------|--------------------|----------------------------------|
| Department of Community Affairs - Neighborhood Preservation Program - Revitalization of Philadelphia Avenue | | | | | |
| Year 1 - 2019 | 1,357.95 | | | (1,357.95) | (0.00) |
| Year 2 - 2021 | 12,500.00 | | 12,500.00 | | - |
| Year 3 - 2023 | - | 125,000.00 | | | 125,000.00 |
| American Rescue Plan (ARP) - Public Realm Placemaking within the NPP District | - | 238,668.00 | | | 238,668.00 |
| Total State | 860,582.95 | 1,089,117.64 | 193,347.43 | (1,584.16) | 1,754,769.00 |
| Local Grants: | | | | | |
| Municipal Alliance-Drug Abuse Resistance Education | | | | | |
| Fiscal Year 2021/2022 | 1,749.70 | | | (1,749.70) | - |
| Fiscal Year 2022/2023 | 4,073.17 | | 3,668.83 | (404.34) | - |
| Fiscal Year 2023/2024 | - | 6,622.98 | 1,099.26 | | 5,523.72 |
| DMHAS Grant | 3,124.38 | 3,124.38 | 3,124.38 | | 3,124.38 |
| Comcast Technology Grant | - | 12,000.00 | 12,000.00 | | - |
| Statewide Joint Insurance Fund Incentive Grant | 222.37 | 3,140.00 | 3,140.00 | (222.37) | - |
| Sustainable Communities Grant - 2022 | 2,500.00 | | 2,500.00 | | - |
| Sustainable Jersey PSEG Grant - 2023 | - | 2,000.00 | 2,000.00 | | - |
| Total Local | 11,669.62 | 26,887.36 | 27,532.47 | (2,376.41) | 8,648.10 |
| \$ | 1,776,180.07 | 2,536,880.00 | 300,022.37 | (3,960.57) | 4,009,077.13 |
| | | Cash | 296,279.11 | | |
| | | Unappropriated Reserves | 3,743.26 | | |
| | | Cancel by Resolution | 300,022.37 | (3,960.57) | |
| | | | | (3,960.57) | |

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

| | Balance December 31, 2022 | | 2023 | | Reverse Prior Year | | Refunds/ (Canceled) | Balance Dec. 31, 2023 |
|---|---------------------------|-----------------------------|---------------------|-------------------|-----------------------|------------------|------------------------|--------------------------|
| | Appropriated | Reserve for Encumbrances | Appropriations | Disbursed | Encumbrances | Encumbrances | | |
| FEDERAL GRANTS: | | | | | | | | |
| US Department of Justice | | | | | | | | |
| Bulletproof Vest Program | \$ 911.74 | | 4,875.00 | | | | | 2,730.13 |
| Body Worn Camera Policy & Implementation Program | | | 16,000.00 | | | 3,056.61 | | 16,000.00 |
| Transportation Alternatives Program | | | | | | | | |
| Cedar Creek/Egg Harbor Lake Pedestrian Connection Project | 723,000.00 | 124,894.83 | | | 38,830.89 | 86,063.94 | | 723,000.00 |
| Design Assistance - Bikeway (Mod #1) | | | | | | | | - |
| US Department of Agriculture Forest Service - Inflation Reduction Act Urban & Community Forestry Program | | | 1,000,000.00 | | | | | 1,000,000.00 |
| Small Cities Community Development Block Grant ADA Improvements at Egg Harbor City Lake Park | | | 400,000.00 | | | | | 400,000.00 |
| US Department of the Treasury | | | | | | | (24,653.15) | - |
| Coronavirus State and Local Fiscal Recovery Funds | 18,837.97 | | | (5,815.18) | | | | - |
| American Rescue Plan (ARP) Firefighters Grant | 43,000.00 | | | 43,000.00 | | | | - |
| Total Federal | <u>785,749.71</u> | <u>124,894.83</u> | <u>1,420,875.00</u> | <u>76,015.71</u> | <u>-</u> | <u>89,120.55</u> | <u>(24,653.15)</u> | <u>2,141,730.13</u> |
| STATE GRANTS: | | | | | | | | |
| Department of Transportation | | | | | | | | |
| 100 & 300 Blocks of Liverpool Avenue | - | | 287,800.00 | | | | | 287,800.00 |
| Various Locations | 0.00 | 2,782.39 | | 2,782.39 | | | | 0.00 |
| FY2022 Safe Streets to Transit | 600,000.00 | | | | | | | 600,000.00 |
| FY2023 Safe Streets to Transit - Atlantic Ave Phase IV | - | | 330,000.00 | | | | | 330,000.00 |
| Department of Environmental Protection | | | | | | | | |
| FY2021NJUCF Stewardship Grant | 640.00 | 27,260.00 | | 27,260.00 | | | | 640.00 |
| Clean Communities Program | 11,042.21 | 29.98 | 16,994.51 | 13,620.82 | | | | 14,445.88 |
| Recycling Tonnage Grant | 19,948.26 | | | 4,385.07 | | | | 15,563.19 |
| Stormwater Assistance Grant | | | 25,000.00 | | | 25,000.00 | | - |
| Body Armor Fund | 1,750.83 | | 1,305.76 | | | 3,056.59 | | - |
| Drunk Driving Enforcement Fund | 15,717.10 | | 1,349.37 | | | 17,066.47 | | - |
| Local Recreation Improvement Grant | | | 63,000.00 | | | | | 63,000.00 |
| Sustainable Jersey Small Grants Program-Resiliency Grant | 5,000.00 | | | 4,994.68 | | | (5.32) | (0.00) |
| Department of Community Affairs | | | | | | | | |
| Neighborhood Preservation Program - Revitalization of Philadelphia Avenue | | | | | | | | |
| Year 1 | 507.02 | | | | | | | 0.00 |
| Year 2 | 3,600.27 | | | 3,600.17 | | | (507.02) | 0.10 |
| Year 3 | | | 125,000.00 | 93,885.26 | | 28,001.25 | | 3,113.49 |
| American Rescue Plan (ARP) - Public Realm Placemaking within the NPP District | | | 238,668.00 | | | | | 238,668.00 |
| Board of Public Utilities (BPU) | | | | | | | | |
| Community Energy Planning Grant | 25,000.00 | | | 6,825.00 | | 12,675.00 | | 5,500.00 |
| Total State | <u>683,205.69</u> | <u>30,072.37</u> | <u>1,089,117.64</u> | <u>157,353.39</u> | <u>-</u> | <u>85,799.31</u> | <u>(512.34)</u> | <u>1,558,730.66</u> |

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

| | Balance December 31, 2022 | | 2023 Appropriations | Disbursed | Reverse Prior Year Encumbrances | Encumbrances | Refunds/ (Canceled) | Balance Dec. 31, 2023 |
|--|---------------------------|-----------------------------|------------------------|-------------------|---------------------------------------|-------------------|------------------------|--------------------------|
| | Appropriated | Reserve for Encumbrances | | | | | | |
| LOCAL GRANTS: | | | | | | | | |
| Drug Abuse Resistance Education 2021/2022 | 2,009.70 | | | | | | (2,009.70) | - |
| Drug Abuse Resistance Education 2022/2023 | 1,815.67 | 2,510.00 | 8,278.73 | 3,921.33 | | | (404.34) | - |
| Drug Abuse Resistance Education 2023/2024 | | | 3,124.38 | 2,502.90 | | 708.00 | | 5,067.83 |
| Municipal Alliance DMHAS Grant | 3,124.38 | | | 3,124.38 | | | | 3,124.38 |
| Sustainable Jersey PSEG Grant - 2023 | - | | 2,000.00 | 294.00 | | | | 1,706.00 |
| Neighborhood Preservation Program - Local Share - Year 1 | 97.73 | 1,943.75 | | 1,170.00 | | | (871.48) | - |
| Neighborhood Preservation Program - Local Share - Year 2 | | 3,775.00 | | 3,775.00 | | | | - |
| Neighborhood Preservation Program - Local Share - Year 3 | | | | 25,000.00 | | | | - |
| Small Cities Community Development Grant - Local Share | 25,000.00 | | | | | 10,960.00 | | 25,000.00 |
| Comcast Technology Grant | | | | | | | | 1,040.00 |
| Statewide Joint Insurance Fund Safety Grant 2023 | | | 3,140.00 | | | | | 0.55 |
| Statewide Joint Insurance Fund Incentive Grant | 222.37 | | | 3,139.45 | | | (222.37) | - |
| Total Local | <u>32,269.85</u> | <u>8,228.75</u> | <u>53,543.11</u> | <u>42,927.06</u> | <u>-</u> | <u>11,668.00</u> | <u>(3,507.89)</u> | <u>35,938.76</u> |
| | <u>\$ 1,501,225.25</u> | <u>163,195.95</u> | <u>2,563,535.75</u> | <u>276,296.16</u> | <u>-</u> | <u>186,587.86</u> | <u>(28,673.38)</u> | <u>3,736,399.55</u> |
| | | | Current Expenditures | 276,296.16 | | | (28,673.38) | |
| | | | Cancel by Resolution | | | | | |
| | | | Cash | 276,296.16 | | | (28,673.38) | |

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

| <u>Purpose</u> | <u>Balance Dec. 31, 2022</u> | <u>Transferred To 2023 Appropriations</u> | <u>Received</u> | <u>Transferred to Current Fund Revenue</u> | <u>Balance Dec. 31, 2023</u> |
|--------------------------------------|----------------------------------|---|------------------|--|----------------------------------|
| STATE GRANTS: | | | | | |
| Recycling Tonnage Grant | \$ - | | 6,739.84 | | 6,739.84 |
| Sustainable Communities Grant - 2023 | - | | 2,500.00 | | 2,500.00 |
| Bulletproof Vest | 2,437.50 | 2,437.50 | | | - |
| Body Armor | 1,305.76 | 1,305.76 | 1,523.81 | | 1,523.81 |
| | <u>3,743.26</u> | <u>3,743.26</u> | <u>10,763.65</u> | | <u>10,763.65</u> |
| Total State | <u>\$ 3,743.26</u> | <u>3,743.26</u> | <u>10,763.65</u> | <u>-</u> | <u>10,763.65</u> |

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

| | <u>Animal Control</u> | <u>Other</u> |
|---------------------------|-------------------------|--------------------------|
| Balance December 31, 2022 | \$ 195.60 | 301,790.67 |
| Increased By: | | |
| State Dog License Fees | 134.40 | |
| Municipal License Fees | 600.60 | |
| Developers Escrow | | 37,628.29 |
| Unemployment Trust | | 11,069.74 |
| Construction Code Fees | | 19.12 |
| Street Opening Escrow | | 29,170.00 |
| Accumulated Absences | | 15,168.37 |
| Community Events | | 3,050.00 |
| Maintenance Bonds | | 12.45 |
| Program Loan Repayments | | 18,493.00 |
| Interest Earned | | 65.04 |
| | <u>735.00</u> | <u>114,676.01</u> |
| | 930.60 | 416,466.68 |
| Decreased By: | | |
| Paid to State of NJ | 134.40 | |
| Dog Fund Expenditures | 657.25 | |
| Reserve for Program Loans | | |
| Unemployment Trust | | 15,059.65 |
| Developers Escrow | | 24,530.58 |
| Street Opening Escrow | | 26,320.00 |
| Recreation-Developers | | 7,600.00 |
| Fire Prevention Penalties | | 1,013.39 |
| Accumulated Absences | | 11,851.93 |
| Maintenance Bonds | | 23,707.55 |
| Community Events | | 2,170.99 |
| | <u>791.65</u> | <u>112,254.09</u> |
| Balance December 31, 2023 | \$ <u><u>138.95</u></u> | <u><u>304,212.59</u></u> |

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

| | <u>Dog Licenses</u> | <u>Other</u> |
|--|---------------------|-------------------|
| Analysis of December 31, 2023 Balance | | |
| Unemployment Trust Fund | \$ | 43,114.45 |
| POAA Trust | | 197.29 |
| Law Enforcement Trust Fund | | 12,796.89 |
| Sanitary Landfill Escrow | | 8,501.53 |
| Developer's Escrow | | 76,503.77 |
| Maintenance Bonds | | |
| Samir Ibrahim | | 7,593.49 |
| JC Custom Builders, LLC | | |
| Program Loans | | 107,165.23 |
| Police MDT | | 230.00 |
| Community Events | | 3,278.55 |
| Recreation Trust Fund | | 11,247.59 |
| Accumulated Absences | | 22,696.43 |
| Snow Removal | | 71.28 |
| Street Opening Escrows | | 8,915.00 |
| Fire Prevention Penalty | | 1,901.09 |
| | \$ | <u>304,212.59</u> |

**TRUST FUND
SCHEDULE OF CASH - COLLECTOR**

| | | |
|---|-------------------|--------------------------|
| Balance December 31, 2022 | \$ | 730,131.07 |
| Increased by Receipts: | | |
| Deposits for Redemption of Tax Sale Certificates | 847,491.04 | |
| Premiums Received at Tax Sale | <u>139,500.00</u> | |
| | | <u>986,991.04</u> |
| | | 1,717,122.11 |
| Decreased by Disbursements: | | |
| Tax Sale Redemptions | 871,225.34 | |
| Premiums Returned | <u>500,600.00</u> | |
| | | <u>1,371,825.34</u> |
| Balance December 31, 2023 | \$ | <u><u>345,296.77</u></u> |

ANALYSIS OF BALANCE - DECEMBER 31, 2023

| | |
|---------------------------|--------------------------|
| Tax Title Lien Redemption | 2,796.77 |
| Tax Sale Premium | <u>342,500.00</u> |
| | <u><u>345,296.77</u></u> |

\$

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
FUND EXPENDITURES

| | | |
|---|--------|--------------------|
| Balance December 31, 2022 | \$ | 195.60 |
| Increased by: | | |
| Dog License Fees Collected | 455.60 | |
| Cat License Fees Collected | 105.00 | |
| Late Fees | 40.00 | |
| | <hr/> | <hr/> |
| | | 600.60 |
| | | 796.20 |
| Decreased by: | | |
| Expenditures under N.J.S.A. 4:19-15.11: | | |
| Cash | 657.25 | |
| | <hr/> | <hr/> |
| | | 657.25 |
| Balance December 31, 2023 | \$ | <hr/> <hr/> 138.95 |

License Fees Collected

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2022 | 689.60 |
| 2021 | 646.40 |
| | <hr/> |
| | 1,336.00 |
| | <hr/> <hr/> |

TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023

| <u>Reserve</u> | <u>Increased by</u> | | <u>Decreased by</u> | | <u>Balance Dec. 31, 2023</u> |
|-----------------------------------|----------------------------------|---------------------|---------------------------------|----------------------|--|
| | <u>Balance Dec. 31, 2022</u> | <u>Receipts</u> | <u>Budget Appropriation</u> | <u>Disbursements</u> | <u>Payments made by Current Fund</u> |
| Unemployment | \$ 47,104.36 | 5,069.74 | 6,000.00 | 15,059.65 | 43,114.45 |
| Fire Prevention Penalty | 2,895.36 | 19.12 | | 1,013.39 | 1,901.09 |
| Sanitary Landfill Closure | 8,436.49 | 65.04 | | | 8,501.53 |
| Developer's Escrow | 63,406.06 | 37,628.29 | | 24,530.58 | 76,503.77 |
| Law Enforcement Trust | 12,796.89 | | | | 12,796.89 |
| Recreation Developers | 18,847.59 | | | 7,600.00 | 11,247.59 |
| Parking Offense Adjudication Fund | 197.29 | | | | 197.29 |
| Street Opening Escrows | 6,065.00 | 29,170.00 | | 26,320.00 | 8,915.00 |
| Accumulated Absences | 19,379.99 | 168.37 | 15,000.00 | 11,851.93 | 22,696.43 |
| Maintenance Bonds | 31,288.59 | 12.45 | | 23,707.55 | 7,593.49 |
| Community Events | 2,399.54 | 3,050.00 | | 2,170.99 | 3,278.55 |
| Storm Recovery Reserve | 71.28 | | | | 71.28 |
| Police MDT | 230.00 | | | | 230.00 |
| Tax Title Lien Redemptions | 26,531.07 | 847,491.04 | | 871,225.34 | 2,796.77 |
| Tax Sale Premiums | 703,600.00 | 139,500.00 | | 500,600.00 | 342,500.00 |
| | <u>\$ 943,249.51</u> | <u>1,062,174.05</u> | <u>21,000.00</u> | <u>1,484,079.43</u> | <u>542,344.13</u> |
| | | | | <u>-</u> | |

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

| | | | |
|--|---------------------|----|----------------------------|
| Balance December 31, 2022 | | \$ | 14,324.53 |
| Increased by: | | | |
| Capital Improvement Fund | 20,000.00 | | |
| NJ Department of Transportation Trust Fund | 625,114.65 | | |
| Ordinance Funded through Utility Operating | 940,000.00 | | |
| Deferred Charged Funded through Budget | <u>2,066,000.00</u> | | |
| | | | <u>3,651,114.65</u> |
| | | | 3,665,439.18 |
| Decreased by: | | | |
| Improvement Authorizations | <u>755,055.61</u> | | |
| | | | <u>755,055.61</u> |
| Balance December 31, 2023 | | \$ | <u><u>2,910,383.57</u></u> |

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

| | Balance Dec. 31, 2022 | Receipts | | Disbursements | | Transfers | | Balance Dec. 31, 2023 |
|---------------------------------------|--------------------------|---------------|-------------|-------------------------------|---------------|--------------|--------------|--------------------------|
| | | Miscellaneous | Debt Issued | Improvement Authorizations | Miscellaneous | From | To | |
| Fund Balance | \$ 8,989.47 | - | | | | | | 8,989.47 |
| Capital Improvement Fund | 9,001.60 | 20,000.00 | | | | - | | 29,001.60 |
| Encumbrances Payable | 2,195,690.36 | | | | | 2,195,690.36 | 1,882,573.17 | 1,882,573.17 |
| Improvement Authorizations: | | | | | | | | |
| #14-2012 Various General Improvements | 1,623.40 | | | | | - | - | 1,623.40 |
| #12-2014 Various General Improvements | 1,056.83 | | | | | | | 1,056.83 |
| #16-2019 Various General Improvements | (212,824.65) | 197,614.65 | | 7,382.67 | | 5,160.00 | 10,539.87 | (17,212.80) |
| #09-2021 Various General Improvements | 11,764.50 | | | 390.00 | | - | - | 11,374.50 |
| #13-2022 Various General Improvements | (2,000,976.98) | 2,493,500.00 | | 728,422.71 | | 1,533,968.42 | 2,185,150.49 | 415,282.38 |
| #13-2023 Various General Improvements | - | 940,000.00 | | 18,860.23 | | 343,444.75 | | 577,695.02 |
| | \$ 14,324.53 | 3,651,114.65 | - | 755,055.61 | - | 4,078,263.53 | 4,078,263.53 | 2,910,383.57 |

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

| | | | |
|-----------------------------|------------------|----|-------------------------|
| Balance December 31, 2022 | | \$ | 9,001.60 |
| Increased by: | | | |
| Budget Appropriation - 2023 | <u>20,000.00</u> | | <u>20,000.00</u> |
| Balance December 31, 2023 | | \$ | <u><u>29,001.60</u></u> |

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FUNDS HELD AT ESCROW AGENT**

| | | | |
|------------------------------------|-------------------|----|-------------------|
| Balance December 31, 2022 | | \$ | 760,000.00 |
| Decreased by: | | | |
| Budget Appropriation to Pay Bonds: | | | |
| Municipal Bonds | <u>190,000.00</u> | | <u>190,000.00</u> |
| Balance December 31, 2023 | | \$ | <u>570,000.00</u> |

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

| Ord # | Improvement Description | Balance Dec. 31, 2022 | 2023 Authorizations | Raised in 2023 Budget | Paid to Escrow Agent | Balance Dec. 31, 2023 | Analysis of Balance | | |
|-------------------------------------|------------------------------|--------------------------|------------------------|-----------------------------|-------------------------|--------------------------|-------------------------------|--------------|---|
| | | | | | | | Bond Anticipation Notes | Expenditures | Unexpended Improvement Authorizations |
| 8-2013 | Various General Improvements | \$ 126,500.00 | | 9,750.00 | 116,750.00 | - | | | |
| 12-2014 | Various General Equipment | 76,000.00 | | 19,000.00 | 57,000.00 | - | | | |
| 11-2015 | Various Road Reconstruction | 375,000.00 | | 25,000.00 | 350,000.00 | - | | | |
| 16-2019 | Various General Improvements | 93,000.00 | | 5,000.00 | 88,000.00 | - | | | |
| 9-2021 | Various General Improvements | 90,000.00 | | | 90,000.00 | - | | | |
| 13-2022 | Various General Improvements | 2,166,000.00 | - | 2,066,000.00 | 100,000.00 | - | | | |
| | | <u>\$ 2,926,500.00</u> | <u>-</u> | <u>2,124,750.00</u> | <u>801,750.00</u> | <u>-</u> | <u>-</u> | <u>-</u> | |
| Improvement Authorizations Unfunded | | | | | | | 573,932.51 | | |
| Less: | | | | | | | | | |
| Unexpended Proceeds of Bond | | | | | | | | | |
| Anticipation Notes Issued: | | | | | | | | | |
| | | <u>Ord. Number</u> | | | | | | | |
| | | 12-2014 | 1,056.83 | | | | | | |
| | | 16-2019 | 3,718.80 | | | | | | |
| | | 9-2021 | 11,374.50 | | | | | | |
| | | 13-2022 | 557,782.38 | | | | | | |

| Ord # | Improvement Description | Ord. Date | Amount | Authorizations | | | | | | | | | | |
|---------|--|------------|--------------|--|------------------|--|--------------------|----------------------------|------------------------------|----------------|---|---|------------|------------|
| | | | | Balance December 31, 2022 Funded Unfunded | Other Funding | Deferred Charges to Future Taxation | Paid or Charged | Prior Year Encumbrances | Current Year Encumbrances | Canceled | Balance December 31, 2023 Funded Unfunded | | | |
| 14-2012 | Various General Improvements | 9/13/2012 | 225,000.00 | \$ 1,623.40 | | | | | | | | | 1,623.40 | 1,056.83 |
| 12-2014 | Various General Equipment | 12/4/2014 | 180,000.00 | | | | | | | | | | | |
| 16-2019 | Various General Improvements | 11/27/2019 | 100,000.00 | 5,721.60 | | | 5,202.67 | (3,199.87) | | | | | | 3,718.80 |
| | a. Repaving & Reconstruction of Roads c. Reconstruction and Repaving of Various Sections of Chicago Avenue | | 290,000.00 | (0.00) | 2,180.00 | (7,340.00) | 5,160.00 | (0.00) | | | | | | |
| 9-2021 | Various General Improvements | 8/12/2021 | | | | | | | | | | | | |
| | b. Various Improvements to the Egg Harbor City Dam | | 20,000.00 | | | 390.00 | | | | | 11,374.50 | | | |
| 13-2022 | Various General Improvements | 10/13/2022 | 1,300,000.00 | 544,813.51 | | | 720,757.55 | (725,360.00) | 80,666.93 | | | | | 466,749.03 |
| | a. Road and Parking Lot Reconstruction | | 50,000.00 | 43,511.00 | (6,489.00) | 7,665.16 | (1,453,301.49) | 1,453,301.49 | | | | | | 42,334.84 |
| | b. City Hall Improvements c. Purchase of Fire Truck | | 1,500,000.00 | 46,698.51 | | | | | | | | | | 46,698.51 |
| 13-2023 | Various General Improvements | 7/13/2023 | 940,000.00 | | | | 18,860.23 | | 343,444.75 | | | | 577,695.02 | |
| | | | \$ | 1,623.40 | 653,565.95 | - | 940,000.00 | 940,000.00 | 755,055.61 | (2,195,690.36) | 1,882,573.17 | - | 579,318.42 | 573,932.51 |
| | | | | Capital Improvement Fund Due from Utility Operating | - | - | 940,000.00 | 940,000.00 | | | | | | |
| | | | | | | | 940,000.00 | 940,000.00 | | | | | | |

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2023 | | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|----------------------------------|---------------|--------------------------|---|------------|---------------|------------------------------|-----------|------------|-----------------------|
| | | | Date | Amount | | | | | |
| General Obligation Bonds of 2016 | 4/13/2016 | 1,543,000 | 4/1/2024-2026 | 190,000.00 | 2.250% | 760,000.00 | | 190,000.00 | 570,000.00 |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | \$ 760,000.00 | - | 190,000.00 | 570,000.00 |
| | | | | | | Paid through budget Refunded | | | |
| | | | | | | 190,000.00 | | | |
| | | | | | | - | | | |
| | | | | | | 190,000.00 | | | |

See Accompanying Auditor's Report

GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED

| Ordinance Number | Improvement Description | Balance Dec. 31, 2022 | 2023 Authorizations | Debt Issued | Paid Through Budget | Balance Dec. 31, 2023 |
|---------------------|------------------------------|--------------------------|------------------------|----------------|------------------------|--------------------------|
| 13-2022 | Various Capital Improvements | \$ 2,066,000.00 | | | 2,066,000.00 | - |
| | | <u>\$ 2,066,000.00</u> | <u>-</u> | <u>-</u> | <u>2,066,000.00</u> | <u>-</u> |

**WATER AND SEWER FUND
SCHEDULE OF CASH - TREASURER**

| | <u>Operating</u> | <u>Capital</u> |
|--|-------------------------------|----------------------------|
| Balance December 31, 2022 | \$ 638,994.30 | 1,185,125.12 |
| Increased by Receipts: | | |
| Collector | 1,333,055.90 | |
| Miscellaneous | 43,178.80 | |
| Fire Hydrants | - | |
| Petty Cash | 200.00 | |
| Appropriation Refunds | - | |
| Sale of Utility | 4,494,117.13 | |
| Due to State of NJ - | | |
| Water Quality Act Capital Fees | | 158,422.59 |
| Due from Current Fund | | 4,988.67 |
| Due from General Capital | | 801,750.00 |
| Due from Utility Operating | | 733,250.00 |
| Due from Utility Capital | 200,447.00 | |
| State of NJ-Route 30 Improvements | <u>2,204.31</u> | |
| | 6,073,203.14 | <u>1,698,411.26</u> |
| | 6,712,197.44 | 2,883,536.38 |
| Decreased by Disbursements: | | |
| Appropriations - Current | 803,561.52 | |
| Appropriations - Prior Year | 89,584.60 | |
| Accounts Payable | | |
| Improvement Authorizations | | 1,500.00 |
| Accrued Interest on Bonds | 206,462.82 | |
| Bond Anticipation Note | | 533,250.00 |
| Petty Cash | 200.00 | |
| Refund of Overpayments | 1,249.33 | |
| Due to State - Utility Assistance Payments | 2,119.16 | |
| Due to Current Fund | 410,422.59 | |
| Due to General Capital | | 801,750.00 |
| Due to Utility Operating | | 196,682.00 |
| Due to Utility Capital | 1,680,500.00 | |
| Refund of Prior Year Revenue | <u>3,194,100.02</u> | <u>1,533,182.00</u> |
| Balance December 31, 2023 | \$ <u><u>3,518,097.42</u></u> | <u><u>1,350,354.38</u></u> |

**WATER AND SEWER OPERATING FUND
SCHEDULE OF CASH - COLLECTOR**

| | | |
|-------------------------------|--------------|---------------------|
| Balance December 31, 2022 | | \$ - |
| Increased by Receipts: | | |
| Consumer Accounts Receivable | 1,172,887.10 | |
| Water Quality Act Capital Fee | 158,422.59 | |
| Utility Liens | 1,746.21 | |
| Prepaid Fire Receipts | <u>-</u> | |
| | | <u>1,333,055.90</u> |
| | | 1,333,055.90 |
| Decreased by Disbursements: | | |
| Payment to Treasurer | | <u>1,333,055.90</u> |
| Balance December 31, 2023 | | \$ <u><u>-</u></u> |

**WATER AND SEWER OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

| | | |
|---|-----------------|-------------------------|
| Balance December 31, 2022 | \$ | 36,006.44 |
| Increased by Receipts: | | |
| Utility Rents Levied | 1,509,866.01 | |
| Overpayments Created | <u>1,031.78</u> | |
| | | <u>1,510,897.79</u> |
| | | 1,546,904.23 |
| Decreased by Collections: | | |
| Collections - 2023 | 1,171,345.74 | |
| Collections - 2022 | 184,119.98 | |
| Collections - Water Quality Act Capital Fee | 158,422.59 | |
| Overpayments Applied | 509.58 | |
| Cancellations | 556.73 | |
| Transfers to Lien | <u>2,024.32</u> | |
| | | <u>1,516,978.94</u> |
| Balance December 31, 2023 | | <u><u>29,925.29</u></u> |

**WATER AND SEWER OPERATING FUND
SCHEDULE OF LIENS**

| | | |
|---|----------|------------------------|
| Balance December 31, 2022 | | 8,931.21 |
| Increased by: | | |
| Transfers from Accounts Receivable | 2,024.32 | |
| Penalties and Costs Accrued by Sale of December 13, 2023 | <u>-</u> | |
| | | <u>2,024.32</u> |
| | | 10,955.53 |
| Decreased by: | | |
| Collections | 1,746.21 | |
| Foreclosed | 1,918.36 | |
| Adjustments | <u></u> | |
| | | <u>3,664.57</u> |
| Balance December 31, 2023 | \$ | <u><u>7,290.96</u></u> |

**WATER AND SEWER CAPITAL FUND
SCHEDULE OF FIXED CAPITAL - SEWER**

| ACCOUNT | Balance Dec. 31, 2022 | Additions by | | Cancelled | Balance Dec. 31, 2023 |
|--|--------------------------|-----------------------------|-----------------|---------------|--------------------------|
| | | Budget Capital Outlay | By Ordinance | | |
| Sewer Mains | \$ 161,073.44 | | | 161,073.44 | - |
| Engineering and Superintendants | 13,131.00 | | | 13,131.00 | - |
| General Equipment | 4,726.00 | | | 4,726.00 | - |
| Sewer Line Extension | 73,542.00 | | | 73,542.00 | - |
| Sewer Improvements | 87,500.00 | | | 87,500.00 | - |
| Erection of Fence | 4,361.00 | | | 4,361.00 | - |
| Various Improvements to Sewer System | 3,693,400.00 | | | 3,693,400.00 | - |
| 8th Terrace Sewer Replacement | 65,000.00 | | | 65,000.00 | - |
| Extension of Sanitary Sewers in Buerger Street, Beethoven Street, Baltimore Avenue and Claudius Street | 680,000.00 | | | 680,000.00 | - |
| Extension or Replacement of Sanitary Sewers and/or Water Mains on Various City Streets | 100,000.00 | | | 100,000.00 | - |
| Sanitary Sewer Replacement and Extension | 1,002,066.00 | | | 1,002,066.00 | - |
| #13-03 Sewer Extensions and Replacements | 150,582.00 | | | 150,582.00 | - |
| Sewer Extensions - 2004 | 160,800.00 | | | 160,800.00 | - |
| Sewer Plant Demolition | 140,000.00 | | | 140,000.00 | - |
| #13-04 Hamburg Avenue Sanitary Sewer Expansion | 3,100,000.00 | | | 3,100,000.00 | - |
| #14-06 Various Sewer Utility Improvements | 106,235.00 | | | 106,235.00 | - |
| #11-07 Various Sewer Utility Improvements | 250,000.00 | | | 250,000.00 | - |
| #20-08 EHC North Utility Improvements | 3,016,001.00 | | | 3,016,001.00 | - |
| #21-08 Various Sewer Utility Improvements | 38,219.00 | | | 38,219.00 | - |
| #05-13 Refunding Bond Issue | 60,729.00 | | | 60,729.00 | - |
| #11-2018 Various Sewer Utility Repairs | 84,750.00 | | | 84,750.00 | - |
| #17-2019 Various Water Utility Improvements | 19,928.00 | | 1,500.00 | - | 21,428.00 |
| | \$ 13,012,043.44 | - | 1,500.00 | 12,992,115.44 | 21,428.00 |

See Accompanying Auditor's Report

**WATER AND SEWER CAPITAL FUND
SCHEDULE OF FIXED CAPITAL - WATER**

| <u>ACCOUNT</u> | Additions by | | | Balance Dec. 31, 2023 |
|---|--------------------------|-----------------------------|-----------------|--------------------------|
| | Balance Dec. 31, 2022 | Budget Capital Outlay | By Ordinance | |
| \$ | 4,416.44 | | | - |
| Reservation Land | | | | - |
| Filters | 12,281.00 | | | - |
| Chemical Treatment Plant | 3,308.00 | | | - |
| Pumping Station Structures | 50,136.00 | | | - |
| Electric Power Pumping Equipment | 55,975.00 | | | - |
| Other Power Pumping Equipment | 755.00 | | | - |
| Storage Reservoirs, Tanks and Sandpipes | 153,918.00 | | | - |
| Distribution Mains and Accessories | 289,769.00 | | | - |
| Service Pipes and Stops | 13,559.00 | | | - |
| Meters, Meter Boxes and Vaults | 22,846.00 | | | - |
| Fire Hydrants and Fire Cisterns | 9,385.00 | | | - |
| General Structures | 16,699.00 | | | - |
| General Equipment | 16,219.00 | | | - |
| Chlorinator | 1,575.00 | | | - |
| Water Plant Improvements | 51,000.00 | | | - |
| Repairs to Water System | 25,000.00 | | | - |
| General Improvements | 124,373.00 | | | - |
| Refinishing Water Tower | 25,000.00 | | | - |
| New Wells and Filters | 205,327.00 | | | - |
| Various Improvements to Water System | 2,356,600.00 | | | - |
| Improvements to Monitoring Wells | 10,000.00 | | | - |
| Replacement of Well #3 | 260,000.00 | | | - |
| Purchase of Automated Meter Reading System | 15,000.00 | | | - |
| #9-03 Water Tank Renovations | 274,021.00 | | | - |
| Land for Water Plant - 2008 | 221,487.00 | | | - |
| #11-06 Improvements to Hamburg | | | | - |
| Avenue Water Service | 2,950,000.00 | | | - |
| #14-06 Various Water Utility Improvements | 83,114.00 | | | - |
| #11-07 Various Water Utility Improvements | 250,000.00 | | | - |
| #20-08 EHC North Utility Improvements | 3,016,000.00 | | | - |
| #21-08 Various Water Utility Improvements | 38,219.00 | | | - |
| #12-09 Acquisition of Land for Water Plant | 5,682,078.92 | | | - |
| #05-13 Refunding Bond Issue | 60,730.00 | | | - |
| #11-2018 Various Water Utility Repairs | 15,250.00 | | | - |
| #17-2019 Various Water Utility Improvements | 89,428.00 | | | 89,428.00 |
| | | | | |
| \$ | 16,403,469.36 | - | 16,314,041.36 | 89,428.00 |

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

| Improvement Description | Date | Amount | Balance Dec. 31, 2022 | 2023 Authorizations | | | Costs to Fixed Capital | Authorizations Canceled | Balance Dec. 31, 2023 |
|---|-----------|------------|--------------------------|---|---|--|---------------------------|----------------------------|--------------------------|
| | | | | Deferred Reserve for Amortization | Deferred Charges to Future Revenue | | | | |
| #17-2019 Various Sewer & Water Improvements | 9/21/2019 | 125,000.00 | \$ 15,644.00 | | | | 1,500.00 | | 14,144.00 |
| | | | \$ 15,644.00 | - | - | | 1,500.00 | - | 14,144.00 |

**WATER AND SEWER OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES**

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charged | Accounts Payable | Balance Lapsed | Over- Expended |
|---|--------------------------|-------------------------------|--------------------|---------------------|-------------------|-------------------|
| Operating: | | | | | | |
| Salaries and Wages | \$ 1,617.20 | 1,617.20 | - | | 1,617.20 | |
| Other Expenses | 38,906.90 | 64,906.90 | 64,410.62 | | 496.28 | |
| Engineering Fees | 19,711.50 | 9,711.50 | 9,520.00 | | 191.50 | |
| Legal Fees | 18,954.50 | 3,954.50 | 735.00 | | 3,219.50 | |
| Atlantic County Sewerage Authority - Contractual | 16,343.06 | 15,343.06 | 14,918.98 | | 424.08 | |
| Deferred Charges and Statutory Expenditures | | | | | | |
| Contribution to: | | | | | | |
| Social Security System (O.A.S.I.) | 701.63 | 701.63 | | | 701.63 | |
| | <u>96,234.79</u> | <u>96,234.79</u> | <u>89,584.60</u> | <u>-</u> | <u>6,650.19</u> | <u>-</u> |
| \$ | | | | | | |

**WATER AND SEWER OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
AND NOTES - ANALYSIS OF BALANCE -
DECEMBER 31, 2023**

| | |
|-----------------------------|--------------------|
| Balance December 31, 2022 | \$ 90,724.12 |
| Increased by: | |
| Budget Appropriation for | |
| Interest on Bonds and Notes | <u>115,738.70</u> |
| | 206,462.82 |
| Decreased by: | |
| Interest Paid - Treasurer | <u>206,462.82</u> |
| Balance December 31, 2023 | \$ <u><u>-</u></u> |

**WATER AND SEWER OPERATING FUND
SCHEDULE OF RENT OVERPAYMENTS**

| | | | |
|---------------------------|---------------|----|------------------------|
| Balance December 31, 2022 | | \$ | 3,941.14 |
| Increased by: | | | |
| Overpayments Created | | | <u>1,031.78</u> |
| | | | 4,972.92 |
| Decreased by: | | | |
| Overpayments Applied | 509.58 | | |
| Overpayments Refunded | <u>453.50</u> | | |
| | | | <u>963.08</u> |
| Balance December 31, 2023 | | \$ | <u><u>4,009.84</u></u> |

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

| Improvement Authorization | Ordinance Date | Amount | Balance Dec. 31, 2022 | | Authorizations | | | Paid or Charged | | Prior Year Encumbered | Authorizations Cancelled | Balance Dec. 31, 2023 | |
|---|-------------------|------------|--------------------------|-----------|---|---|----------|----------------------------|--------|--------------------------|-----------------------------|--------------------------|--|
| | | | Funded | Unfunded | Down Payment or Capital Improv. Fund | Deferred Charged to Future Revenue | Cash | Current Year Encumbered | Funded | | | Unfunded | |
| | | | | | | | | | | | | | |
| #17-2019 Various Water & Sewer System Improvements | 11/21/2019 | 125,000 \$ | | 15,644.00 | | | 1,500.00 | | | | | 14,144.00 | |
| | | | - | 15,644.00 | - | - | 1,500.00 | - | - | - | - | 14,144.00 | |
| | | | | | | | | | | | | | |
| | | | | | | Cash | 1,500.00 | | | | | | |
| | | | | | | | 1,500.00 | | | | | | |

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION - WATER**

| | | |
|--|---------------------|----------------------|
| Balance December 31, 2022 | \$ | 9,429,606.69 |
| Increased by: | | |
| Serial Bonds Paid | <u>2,602,709.47</u> | <u>2,602,709.47</u> |
| | | 12,032,316.16 |
| Decreased by: | | |
| Sale of Utility - Debt Paid Off Through Escrow Agent | | <u>12,032,316.16</u> |
| Balance December 31, 2023 | | <u><u>-</u></u> |

Exhibit D-18

SCHEDULE OF RESERVE FOR AMORTIZATION - SEWER

| | | |
|--|----------------------|----------------------|
| Balance December 31, 2022 | | 5,395,482.84 |
| Increased by: | | |
| Serial Bonds Paid | <u>5,761,358.22</u> | <u>5,761,358.22</u> |
| | | 11,156,841.06 |
| Decreased by: | | |
| Sale of Utility - Debt Paid Off Through Escrow Agent | <u>11,156,841.06</u> | <u>11,156,841.06</u> |
| Balance December 31, 2023 | \$ | <u><u>-</u></u> |

**WATER AND SEWER CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

| | | | |
|--|-------------------|----|-------------------|
| Balance December 31, 2022 | | \$ | 31,500.00 |
| Increased by: | | | |
| Paid from Operating Budget | | | |
| Bond Anticipation Notes | 7,250.00 | | |
| Bond Anticipation Notes Paid at Maturity | <u>533,250.00</u> | | |
| | | | <u>540,500.00</u> |
| | | | 572,000.00 |
| Decreased by: | | | |
| Sale of Utility - Debt Paid Off Through Escrow Agent | <u>572,000.00</u> | | |
| | | | <u>572,000.00</u> |
| Balance December 31, 2023 | | \$ | <u><u>-</u></u> |

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS**

| Purpose | Date of Issue | Original Issue | Maturities | | | | | | | |
|--|---------------------|-------------------|----------------------------------|----------------|--------------|--------------------------|-----------|--------------|--------------------------|---|
| | | | Outstanding December 31, 2023 | | Int. Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 | |
| | | | Date | Amount | | | | | | |
| Refunding Bond Issue | 4/26/11 | 1,690,000.00 | 8/1/24 | 160,000.00 | 4.000% | | | | | |
| | | | 8/1/25 | 170,000.00 | 4.000% | 485,000.00 | | 485,000.00 | | - |
| Egg Harbor City North Utility Improvements | 10/14/11 | 5,056,000.00 | 4/14/24 - 10/14/51 | 4,179,242.45 | 2.250% | 4,080,290.18 | | 4,080,290.18 | | - |
| | | | | | | | | | | |
| General Obligation Refunding Bonds, Series 2014 | 10/8/2014 | 5,295,000.00 | 10/15/2024 | 160,000.00 | 3.000% | | | | | |
| | | | 10/15/2025 | 165,000.00 (1) | 3.250% | | | | | |
| | | | 10/15/2026 | 165,000.00 (1) | 3.250% | | | | | |
| | | | 10/15/2027 | 175,000.00 (1) | 3.250% | | | | | |
| | | | 10/15/2028 | 180,000.00 (1) | 3.250% | | | | | |
| | | | 10/15/2029 | 185,000.00 (1) | 3.250% | | | | | |
| | | | 10/15/2030 | 190,000.00 (2) | 3.500% | | | | | |
| | | | 10/15/2031 | 195,000.00 (2) | 3.500% | | | | | |
| | | | 10/15/2032 | 205,000.00 (2) | 3.500% | | | | | |
| | | | 10/15/2033 | 210,000.00 (2) | 3.500% | | | | | |
| | | | 10/15/2034 | 220,000.00 (2) | 3.500% | | | | | |
| | | | 10/15/2035 | 225,000.00 (3) | 4.500% | | | | | |
| | | | 10/15/2036 | 235,000.00 (3) | 4.500% | | | | | |
| | | | 10/15/2037 | 245,000.00 (3) | 4.500% | | | | | |
| | | | 10/15/2038 | 260,000.00 (3) | 4.500% | | | | | |
| | | | 10/15/2039 | 270,000.00 (3) | 4.500% | | | | | |
| | | | 10/15/2040 | 280,000.00 (4) | 4.000% | | | | | |
| | | | 10/15/2041 | 295,000.00 (4) | 4.000% | | | | | |
| | | | 10/15/2042-43 | 305,000.00 (4) | 4.000% | 4,625,000.00 | | 155,000.00 | 4,470,000.00 | |
| Water Plant Construction | 4/13/2016 | 1,700,000.00 | 4/1/24-4/1/25 | 100,000.00 | 2.250% | | | | | |
| | | | 4/1/26-4/1/28 | 150,000.00 | 2.250% | | | | | |
| | | | 4/1/2029 | 150,000.00 | 2.375% | | | | | |
| | | | 4/1/2030 | 150,000.00 | 2.500% | | | | | |
| | | | 4/1/2031 | 125,000.00 | 2.500% | 1,175,000.00 | | 100,000.00 | 1,075,000.00 | |

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS**

| Purpose | Date of Issue | Original Issue | Maturities | | Int. Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|--------------------------|---------------------|-------------------|------------|-----------|--------------|--------------------------|-----------|-----------|--------------------------|
| | | | Date | Amount | | | | | |
| Water Plant Construction | 4/14/2016 | 3,974,000.00 | 4/14/2023 | 35,758.51 | 2.250% | | | | |
| | | | 10/14/2023 | 36,160.79 | 2.250% | | | | |
| | | | 4/14/2024 | 36,567.60 | 2.250% | | | | |
| | | | 10/14/2024 | 36,978.98 | 2.250% | | | | |
| | | | 4/14/2025 | 37,395.00 | 2.250% | | | | |
| | | | 10/14/2025 | 37,815.69 | 2.250% | | | | |
| | | | 4/14/2026 | 38,241.12 | 2.250% | | | | |
| | | | 10/14/2026 | 38,671.33 | 2.250% | | | | |
| | | | 4/14/2027 | 39,106.38 | 2.250% | | | | |
| | | | 10/14/2027 | 39,546.33 | 2.250% | | | | |
| | | | 4/14/2028 | 39,991.23 | 2.250% | | | | |
| | | | 10/14/2028 | 40,441.13 | 2.250% | | | | |
| | | | 4/14/2029 | 40,896.09 | 2.250% | | | | |
| | | | 10/14/2029 | 41,356.17 | 2.250% | | | | |
| | | | 4/14/2030 | 41,821.43 | 2.250% | | | | |
| | | | 10/14/2030 | 42,291.92 | 2.250% | | | | |
| | | | 4/14/2031 | 42,767.70 | 2.250% | | | | |
| | | | 10/14/2031 | 43,248.84 | 2.250% | | | | |
| | | | 4/14/2032 | 43,735.39 | 2.250% | | | | |
| | | | 10/14/2032 | 44,227.41 | 2.250% | | | | |
| | | | 4/14/2033 | 44,724.97 | 2.250% | | | | |
| | | | 10/14/2033 | 45,228.13 | 2.250% | | | | |
| | | | 4/14/2034 | 45,736.94 | 2.250% | | | | |
| | | | 10/14/2034 | 46,251.48 | 2.250% | | | | |
| | | | 4/14/2035 | 46,771.81 | 2.250% | | | | |
| | | | 10/14/2035 | 47,298.00 | 2.250% | | | | |

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS**

| Purpose | Date of Issue | Original Issue | Maturities | | Int. Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|---|---------------------|-------------------|-------------|-----------|--------------|--------------------------|-----------|-----------|--------------------------|
| | | | Outstanding | | | | | | |
| | | | Date | Amount | | | | | |
| Water Plant Construction (continued) | 4/14/2016 | 3,974,000.00 | 4/14/2036 | 47,830.10 | 2.250% | | | | |
| | | | 10/14/2036 | 48,368.19 | 2.250% | | | | |
| | | | 4/14/2037 | 48,912.33 | 2.250% | | | | |
| | | | 10/14/2037 | 49,462.59 | 2.250% | | | | |
| | | | 4/14/2038 | 50,019.05 | 2.250% | | | | |
| | | | 10/14/2038 | 50,581.76 | 2.250% | | | | |
| | | | 4/14/2039 | 51,150.81 | 2.250% | | | | |
| | | | 10/14/2039 | 51,726.25 | 2.250% | | | | |
| | | | 4/14/2040 | 52,308.17 | 2.250% | | | | |
| | | | 10/14/2040 | 52,896.64 | 2.250% | | | | |
| | | | 4/14/2041 | 53,491.73 | 2.250% | | | | |
| | | | 10/14/2041 | 54,093.51 | 2.250% | | | | |
| | | | 4/14/2042 | 54,702.06 | 2.250% | | | | |
| | | | 10/14/2042 | 55,317.46 | 2.250% | | | | |
| | | | 4/14/2043 | 55,939.78 | 2.250% | | | | |
| | | | 10/14/2043 | 56,569.10 | 2.250% | | | | |
| | | | 4/14/2044 | 57,205.50 | 2.250% | | | | |
| | | | 10/14/2044 | 57,849.07 | 2.250% | | | | |
| | | | 4/14/2045 | 58,499.87 | 2.250% | | | | |
| | | | 10/14/2045 | 59,157.99 | 2.250% | | | | |
| | | | 4/14/2046 | 59,823.52 | 2.250% | | | | |
| | | | 10/14/2046 | 60,496.53 | 2.250% | | | | |
| | | | 4/14/2047 | 61,177.12 | 2.250% | | | | |
| | | | 10/14/2047 | 61,865.36 | 2.250% | | | | |
| | | | 4/14/2048 | 62,561.35 | 2.250% | | | | |
| | | | 10/14/2048 | 63,265.16 | 2.250% | | | | |
| | | | 4/14/2049 | 63,976.90 | 2.250% | | | | |
| | | | 10/14/2049 | 64,696.64 | 2.250% | | | | |
| | | | 4/14/2050 | 65,424.47 | 2.250% | | | | |
| | | | 10/14/2050 | 66,160.50 | 2.250% | | | | |
| | | | 4/14/2051 | 66,904.80 | 2.250% | | | | |
| | | | 10/14/2051 | 67,657.48 | 2.250% | | | | |
| | | | 4/14/2052 | 68,418.63 | 2.250% | | | | |
| | | | 10/14/2052 | 69,188.34 | 2.250% | | | | |
| | | | 4/14/2053 | 69,966.71 | 2.250% | | | | |

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS**

| Purpose | Date of Issue | Original Issue | Maturities Outstanding | | Int. Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 | |
|--|---------------------|-------------------|---------------------------|-----------|--------------|----------------------------------|---------------|--------------|--------------------------|--------------|
| | | | Date | Amount | | | | | | |
| Water Plant Construction (continued) | 4/14/2016 | 3,974,000.00 | 10/14/2053 | 70,753.83 | 2.250% | | | | | |
| | | | 4/14/2054 | 71,549.81 | 2.250% | | | | | |
| | | | 10/14/2054 | 72,354.75 | 2.250% | | | | | |
| | | | 4/14/2055 | 73,168.74 | 2.250% | | | | | |
| | | | 10/14/2055 | 73,991.89 | 2.250% | 3,543,777.51 | | 3,543,777.51 | - | |
| | | | 4/14/2056 | 71,262.38 | 2.250% | | | | | |
| | | | | | | | | | | |
| | | | | | | \$ | 13,909,067.69 | - | 8,364,067.69 | 5,545,000.00 |
| | | | | | | Paid through budget | | 186,071.24 | | |
| | | | | | | Paid Off Through Debt Defeasance | | 8,177,996.45 | | |
| | | | | | | | | 8,364,067.69 | | |
| (1) \$870,000 3.25% Term Bond due October 15, 2029 | | | | | | | | | | |
| (2) \$1,020,000 3.50% Term Bond due October 15, 2034 | | | | | | | | | | |
| (3) \$1,235,000 4.50% Term Bond due October 15, 2039 | | | | | | | | | | |

- (1) \$870,000 3.25% Term Bond due October 15, 2029
(2) \$1,020,000 3.50% Term Bond due October 15, 2034
(3) \$1,235,000 4.50% Term Bond due October 15, 2039
(4) \$1,185,000 4.0% Term Bond due October 15, 2043

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

| Improvement Description | Date of Original Issue | Date of Maturity | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|---|------------------------------|---------------------|------------------|--------------------------|----------------------|-------------------|--------------------------|
| #6-2004 Sewer Extensions | 4/13/2016 | 3/28/2023 | 1.10% | \$ 151,800.00 | | 151,800.00 | - |
| #20-2008 Various Water & Sewer Improvements | 4/13/2016 | 3/28/2023 | 1.10% | 296,200.00 | | 296,200.00 | - |
| #11-2018 Various Water & Sewer Repairs | 4/9/2018 | 3/28/2023 | 1.10% | 92,500.00 | | 92,500.00 | - |
| | | | \$ | <u>540,500.00</u> | <u>-</u> | <u>540,500.00</u> | <u>-</u> |
| | | | | | Paid Through Budget | 7,250.00 | |
| | | | | | Paid to Escrow Agent | <u>533,250.00</u> | |
| | | | | | | <u>540,500.00</u> | |

See Accompanying Auditor's Report

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| Improvement Description | Date of Ordinance | Balance Dec. 31, 2022 | 2023 Authorizations | Transfer from BAN | Notes Issued | Authorizations Cancelled | Balance Dec. 31, 2023 |
|--------------------------------------|-------------------|--------------------------|------------------------|----------------------|-----------------|-----------------------------|--------------------------|
| #17-2019 Various Water/Sewer Repairs | 11/21/2019 | 125,000.00 | | | | | 125,000.00 |
| | | \$ 125,000.00 | - | - | - | - | 125,000.00 |

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EGG HARBOR CITY

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

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GENERAL COMMENTS

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$44,000, except by contract or agreement".

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed \$44,000 within the calendar year. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Counsel's opinion should be sought before a commitment is made.

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

Emergency Road and Water/Sewer Repairs
Vehicle Maintenance and Repair Services

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

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

My examination of expenditures did not reveal individual payments, contracts, or agreements in excess of \$44,000 "for the performance of any work 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.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they become delinquent.

The governing body on January 5, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, NJSA 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes, assessments, and water and sewer bills subject to any abatement or discount for the late payment of taxes and water and sewer bills as provided by law; and

WHEREAS, NJSA 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500 and allows an additional penalty of 6% to be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of Egg Harbor City, County of Atlantic, State of New Jersey as follows:

1. The Tax and Utility Collector's are hereby authorized and directed to charge 8% per annum on the first \$1,500 of taxes and water and sewer bills becoming delinquent after due date and 18% per annum on any amount of taxes and water and sewer bills in excess of \$1,500 becoming delinquent after due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged against the delinquency.

2. There is a ten (10) day grace period of quarterly tax and water and sewer bill payments made by cash, check or money order.

3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

4. This resolution shall be published in its entirety once in an official newspaper of Egg Harbor City.

5. A certified copy of this resolution shall be provided by the City Clerk to the Utility Collector, City Attorney, and City Auditor for Egg Harbor City.

It appears from an examination of the collector's records that interest was collected in accordance with the resolution adopted by the governing body.

Delinquent Taxes and Tax Title Liens

During the 2023 calendar year, the City held their tax sale on December 13, 2023. The sale was complete for all properties which could be included in the sale; however, there are several bankruptcies from prior years that could not be sold.

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

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|------------------------|
| 2023 | 4,094 |
| 2022 | 4,098 |
| 2021 | 4,108 |

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis. Included in the balances above are inactive tax title liens. These liens have been dormant since the early 1940's and represent approximately 3,300 liens.

Verification of Delinquent Taxes and Other Charges

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

| <u>Type</u> | <u>Number Mailed</u> |
|---|----------------------|
| Payment of 2023 & 2024 Taxes | 25 |
| Municipal Tax Title Liens | 5 |
| Payment of 2023 Water & Sewer Utility Charges | 25 |

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

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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>Currently</u> | | |
|-------------|------------------|-------------------------|-------------------------------|
| | <u>Tax Levy</u> | <u>Cash Collections</u> | <u>Percent of Collections</u> |
| 2023 | \$ 11,024,201.64 | 10,942,423.60 | 99.26% |
| 2022 | 10,922,366.95 | 10,809,034.47 | 98.96% |
| 2021 | 10,398,430.39 | 10,229,222.86 | 98.37% |
| 2020 | 10,597,564.44 | 10,322,741.53 | 97.40% |
| 2019 | 10,457,204.79 | 10,180,306.52 | 97.35% |

Comparative Schedule of Tax Rate Information

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Tax Rate | 5.391 | 5.453 | 5.225 | 5.281 | 5.255 |
| Apportionment of Tax Rate: | | | | | |
| Municipal | 2.300 | 2.299 | 2.299 | 2.299 | 2.299 |
| County | 0.644 | 0.624 | 0.571 | 0.579 | 0.596 |
| Local School | 1.721 | 1.742 | 1.632 | 1.647 | 1.638 |
| Regional High School | 0.726 | 0.788 | 0.723 | 0.756 | 0.722 |
| Assessed Valuation | 262,669,714 | 198,937,400 | 198,233,900 | 198,862,500 | 198,723,500 |

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 five years.

| <u>Year</u> | <u>Amount of Tax Title Liens</u> | <u>Amount of Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage Of Tax Levy</u> |
|-------------|----------------------------------|-----------------------------------|-------------------------|-------------------------------|
| 2023 | \$ 719,029.52 | 10,245.16 | 729,274.68 | 6.62% |
| 2022 | 758,854.30 | 13,448.51 | 772,302.81 | 7.07% |
| 2021 | 859,351.70 | 21,506.78 | 880,858.48 | 8.47% |
| 2020 | 890,314.48 | 18,176.54 | 908,491.02 | 8.57% |
| 2019 | 739,369.77 | 14,844.64 | 754,214.41 | 7.21% |

Uniform Construction Code

The construction code official of Egg Harbor City is in compliance with uniform construction code rules NJAC 5:23.17(b)2 and NJAC 5:23.4.17(b)3.

RECOMMENDATIONS

None

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

June 14, 2024