

**CITY OF VENTNOR CITY**

**ATLANTIC COUNTY**

**NEW JERSEY**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2022**



# CITY OF VENTNOR CITY

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**CITY OF VENTNOR CITY**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2022**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of the City Commission  
City of Ventnor  
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 the City of Ventnor, as of December 31, 2022 and 2021, 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, 2022 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 the City of Ventnor as of December 31, 2022 and 2021, 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 balance sheets and account group as of December 31, 2022 and 2021, 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, 2022 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 the City of Ventnor 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 the City of Ventnor 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 the City of Ventnor'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 City of Ventnor'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 City of Ventnor's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ventnor 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 September 5, 2023, on our consideration of the City of Ventnor'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 the City of Ventnor'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**

**September 5, 2023**

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## **EXHIBIT A - CURRENT FUND**

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

	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>		
Regular Fund:		
Cash:		
Cash Treasurer	\$ 11,788,866.65	11,054,523.21
Cash - Change	130.00	130.00
Total Cash	<u>11,788,996.65</u>	<u>11,054,653.21</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	22,176.45	23,740.44
Total Other Receivables	<u>22,176.45</u>	<u>23,740.44</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	1,226,066.44	1,105,283.92
Property Acquired for Taxes - at Assessed Valuation	267,200.00	267,200.00
Revenue Accounts Receivable	15,316.22	7,029.90
Demolition Lien Receivable	39,495.19	39,495.19
Due from Local School District	80,968.13	869.21
Interfund Receivable:		
Animal Control Fund	6,640.80	3,169.60
Trust - Other	622.26	622.26
Water and Sewer Utility Operating	314,945.27	317,324.52
Total Receivables and Other Assets	<u>1,951,254.31</u>	<u>1,740,994.60</u>
Deferred Charges:		
None	-	-
Total Deferred Charges	<u>-</u>	<u>-</u>
Total Regular Fund	<u>13,762,427.41</u>	<u>12,819,388.25</u>
Federal and State Grant Fund:		
Federal and State Grants Receivable	4,291,249.23	1,513,204.37
Due from Current Fund	390,153.23	316,489.41
Due from Utility Operating	517,847.68	-
Total Federal and State Grant Fund	<u>5,199,250.14</u>	<u>1,829,693.78</u>
Total Current Fund	<u>\$ 18,961,677.55</u>	<u>14,649,082.03</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2022</u>	<u>2021</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,137,645.21	1,342,912.11
Reserve for Encumbrances	564,037.07	464,201.92
Accounts Payable	42,513.06	3,810.98
Prepaid Taxes	1,156,906.75	1,011,318.04
Overpaid Taxes	63,298.91	86,201.77
County Added Tax Payable	81,078.37	121,455.26
Due to State:		
Marriage Licenses Fees	125.00	325.00
State Training Fees	5,748.00	19,385.00
Interfund Payable:		
Federal and State Grant Fund	390,153.23	316,489.41
General Capital Fund	297,522.47	-
Other		
Reserve for Municipal Property Tax Relief	31,721.47	-
Reserve for Payroll Deductions	0.71	0.71
Reserve for Judgements	42,500.00	42,500.00
Reserve for Revaluation	115,603.00	115,603.00
	<u>3,928,853.25</u>	<u>3,524,203.20</u>
Reserve for Receivables and Other Assets	1,951,254.31	1,740,994.60
Fund Balance	<u>7,882,319.85</u>	<u>7,554,190.45</u>
Total Regular Fund	<u>13,762,427.41</u>	<u>12,819,388.25</u>
Federal and State Grant Fund:		
Unappropriated Reserves	543,954.44	24,014.69
Appropriated Reserves	4,649,379.93	1,782,745.87
Encumbrances Payable	5,915.77	22,933.22
	<u>5,199,250.14</u>	<u>1,829,693.78</u>
Total Federal and State Grant Fund	<u>5,199,250.14</u>	<u>1,829,693.78</u>
Total Current Fund	<u>\$ 18,961,677.55</u>	<u>14,649,082.03</u>



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

	2022	2021
Revenue and Other Income Realized		
Fund Balance	\$ 3,400,000.00	2,840,000.00
Miscellaneous Revenue Anticipated	6,716,442.90	5,334,725.72
Receipts from Delinquent Taxes	1,027,140.02	1,054,455.67
Receipts from Current Taxes	53,135,802.05	52,961,059.36
Non Budget Revenue	311,110.40	467,216.27
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,336,075.05	1,466,131.54
Interfunds Returned	2,379.25	136,153.64
Cancellation of Prior Year Liabilities	-	103,847.04
Total Income	<u>65,928,949.67</u>	<u>64,363,589.24</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	14,023,280.52	14,033,936.01
Other Expenses	8,390,009.32	7,715,590.00
Deferred Charges & Statutory Expenditures	3,909,111.52	3,631,063.89
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	41,900.00	17,900.00
Other Expenses	2,953,948.75	1,053,454.00
Capital Improvements	200,000.00	200,000.00
Debt Service	2,348,378.87	2,799,314.76
Deferred Charges	297,522.47	-
Type I School Debt Service	1,056,200.00	1,374,600.00
Deferred Charges - Local School	200,000.00	-
Local District School Tax	16,702,599.00	17,082,698.00
County Tax	11,916,692.53	11,535,624.22
County Share of Added Tax	81,078.37	121,455.26
Interfunds Created	80,098.92	318,185.49
Total Expenditures	<u>62,200,820.27</u>	<u>59,883,821.63</u>
Excess/(Deficit) in Revenue	<u>3,728,129.40</u>	<u>4,479,767.61</u>

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

	<u>2022</u>	<u>2021</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year		
Total Adjustments	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	<u>3,728,129.40</u>	<u>4,479,767.61</u>
Fund Balance January 1	<u>7,554,190.45</u>	<u>5,914,422.84</u>
	11,282,319.85	10,394,190.45
Decreased by:		
Utilization as Anticipated Revenue	<u>3,400,000.00</u>	<u>2,840,000.00</u>
Fund Balance December 31	<u>\$ 7,882,319.85</u>	<u>7,554,190.45</u>

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 3,400,000.00		3,400,000.00	-
Total Fund Balance Anticipated	3,400,000.00	-	3,400,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	5,000.00		10,043.00	5,043.00
Other	20,000.00		17,873.00	(2,127.00)
Fees and Permits	300,000.00		340,619.11	40,619.11
Fines and Costs:				
Municipal Court	140,000.00		149,746.01	9,746.01
Interest and Costs on Taxes	240,000.00		233,200.67	(6,799.33)
Parking Meters	150,000.00		144,999.66	(5,000.34)
Interest Earned on Investments	60,000.00		109,089.78	49,089.78
Beach Control Fees	350,000.00		440,491.85	90,491.85
Land Rental	87,000.00		87,501.00	501.00
Payment in Lieu of Taxes	120,000.00		130,008.00	10,008.00
Cable Television Franchise Fees	50,000.00		61,105.66	11,105.66
City Lease Fees	50,000.00		58,773.16	8,773.16
Ambulance Service Fees	160,000.00		283,222.10	123,222.10
Recreation Fees	9,000.00		76,010.00	67,010.00
Total Section A: Local Revenues	1,741,000.00	-	2,142,683.00	401,683.00

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	608,112.00		608,112.00	-
Total Section B: State Aid Without Offsetting Appropriations	608,112.00	-	608,112.00	-
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	325,000.00		358,863.00	33,863.00
Total Section C: Uniform Construction Code Fees	325,000.00	-	358,863.00	33,863.00
Section D: Special Items - Interlocal Municipal Service				
Agreements Offset with Appropriations				
Borough of Longport - Uniform Construction Code Office	44,150.00		44,150.00	-
Total Section D: Special Items of General Revenue Anticipated	44,150.00	-	44,150.00	-
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
NJ Transportation Trust Fund Authority Act	250,000.00		250,000.00	-
Recycling Tonnage Grant	12,951.93		12,951.93	-
Jeanne and Richard Klaskey Foundation	-	3,000.00	3,000.00	-
Clean Communities		33,593.05	33,593.05	-
Atlantic County DWI Checkpoint		4,680.00	4,680.00	-
Alcohol Education & Rehabilitation		4,032.81	4,828.01	-
Local Efficiency Achievement Program (LEAP)	795.20			
Office of Emergency Management		37,500.00	37,500.00	-
City Hall		112,500.00	112,500.00	-
FEMA-Emergency Management		10,000.00	10,000.00	-
FEMA-Flood Mitigation - Winchester Avenue		1,638,011.05	1,638,011.05	-
Coastal Resiliency		546,003.68	546,003.68	-
Click It or Ticket		2,800.00	2,800.00	-
Distracted Driving		5,600.00	5,600.00	-

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Drive Sober - Labor Day		5,760.00	5,760.00	-
Drive Sober - December 2022		2,520.00	2,520.00	-
NJ Department of Environmental Protection				
Electric Vehicle Fast Charger		75,000.00	75,000.00	-
Clean Energy - Electric Vehicle		82,000.00	82,000.00	-
Clean Fleet - Electric Vehicle		83,000.00	83,000.00	-
American Rescue Plan (ARP)				
Firefighter Grant		36,000.00	36,000.00	-
Total Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations	263,747.13	2,682,000.59	2,945,747.72	-
Section G: Other Special Items				
Utility Fund Expense Allocation	410,000.00		410,000.00	-
Reserve for Payment of Debt	206,887.18		206,887.18	-
Total Section G: Other Special Items	616,887.18	-	616,887.18	-
Total Miscellaneous Revenues:	3,598,896.31	2,682,000.59	6,716,442.90	435,546.00
Receipts from Delinquent Taxes	950,000.00		1,027,140.02	77,140.02
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	24,016,127.10		25,420,797.56	1,404,670.46
Amount for Local District Tax	1,256,200.00		1,256,200.00	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	25,272,327.10	-	26,676,997.56	1,404,670.46
Budget Totals	33,221,223.41	2,682,000.59	37,820,580.48	1,917,356.48
Non- Budget Revenues:				
Other Non- Budget Revenues:			311,110.40	311,110.40
\$	33,221,223.41	2,682,000.59	38,131,690.88	2,228,466.88

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

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 53,135,802.05
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Less: Reserve for Tax Appeals Pending	-
---------------------------------------	---

Net Revenue from Collections	53,135,802.05
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Allocated to:

School, County and Other Taxes	28,700,369.90
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Balance for Support of Municipal Budget Appropriations	24,435,432.15
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Increased by:

Appropriation "Reserved for Uncollected Taxes"	2,241,565.41
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Amount for Support of Municipal Budget Appropriations	26,676,997.56
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	\$ 1,027,140.02	
---------------------------	-----------------	--

Tax Title Lien Collections	-	
----------------------------	---	--

Total Receipts from Delinquent Taxes	1,027,140.02
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Lifeguards	4,625.00	
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City Clerk	625.00	
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Host Compliance	84,696.00	
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Sale of Municipal Assets	11,625.00	
--------------------------	-----------	--

Banner Advertising	12,880.00	
--------------------	-----------	--

Miscellaneous Collector & Assessor	7,290.40	
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Police	38,120.25	
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Community Champions	15,400.00	
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Fire	28,434.14	
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Storm Reimbursements	11,678.99	
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Reimbursement - DM Medical Billing	5,000.00	
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Recreation Fees	600.00	
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Atlantic City Elevator Fees	9,117.80	
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Farmer's Market Donation	550.00	
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Atlantic City Electric Reimbursement	26,964.13	
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Fire Apparatus Payment	3,799.00	
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Beach Improvements	4,375.00	
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Trash Carts	3,707.00	
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Shared Services Agreement - Margate	3,550.00	
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Senior & Vets Admin Fee	1,097.31	
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Miscellaneous	36,975.38	
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Total Miscellaneous Revenue Not Anticipated:	\$ 311,110.40
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**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
Mayor's Office						
Salaries and Wages	\$ 92,493.90	92,493.90	90,557.74		1,936.16	
Other Expenses	7,700.00	7,700.00	4,523.07		3,176.93	
City Administrator						
Salaries and Wages	15,000.00	16,200.00	15,576.00		624.00	
Other Expenses	220,500.00	220,500.00	146,562.26	40,594.00	33,343.74	
Police						
Salaries and Wages	3,985,372.64	4,095,372.64	4,085,147.82		10,224.82	
Other Expenses	343,850.00	343,850.00	297,189.32	22,443.71	24,216.97	
Fire						
Salaries and Wages	4,755,605.98	4,805,605.98	4,736,598.61		69,007.37	
Other Expenses	131,700.00	131,700.00	106,835.40	7,142.65	17,721.95	
Uniform Fire Safety Act (P.L. 1983, C.383)						
Other Expenses	4,800.00	4,800.00	3,084.04	1,042.50	673.46	
Radio and Communications						
Salaries and Wages	599,000.00	599,000.00	596,576.72		2,423.28	
Other Expenses	7,000.00	7,000.00	2,665.07		4,334.93	
Office of Emergency Management						
Other Expenses	13,100.00	13,100.00	5,869.00	5,114.68	2,116.32	
Traffic and Electrical Division						
Salaries and Wages	81,850.00	81,850.00	77,247.19		4,602.81	
Other Expenses	42,500.00	42,500.00	9,589.24	21,052.00	11,858.76	
Beach Patrol						
Salaries and Wages	616,000.00	584,000.00	582,421.30		1,578.70	
Other Expenses	89,950.00	69,950.00	63,709.99	5,493.73	746.28	
Celebration of Public Events						
Other Expenses	45,000.00	45,000.00	24,168.25		20,831.75	
Beach Control						
Salaries and Wages	71,000.00	80,000.00	78,802.61		1,197.39	
Other Expenses	10,500.00	10,800.00	10,691.15		108.85	
Animal Control						
Other Expenses	8,400.00	8,400.00	7,700.00	700.00	-	

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

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>DEPARTMENT OF PUBLIC WORKS, PARKS &amp; PUBLIC PROPERTY</b>						
Director's Office						
Salaries and Wages	10,000.00	10,000.00	10,000.00		-	
Street Repairs and Maintenance						
Salaries and Wages	733,596.00	653,596.00	609,555.44		44,040.56	
Other Expenses	77,500.00	57,500.00	28,816.79	7,759.38	20,923.83	
Motor Vehicle Maintenance						
Salaries and Wages	266,732.00	267,732.00	259,920.56		7,811.44	
Other Expenses	102,000.00	82,000.00	34,923.22	20,235.27	26,841.51	
Buildings and Grounds						
Salaries and Wages	373,400.53	373,400.53	361,448.57		11,951.96	
Other Expenses	472,000.00	407,000.00	301,763.99	50,229.38	55,006.63	
Recreation						
Salaries and Wages	297,035.00	337,035.00	332,770.42		4,264.58	
Other Expenses	114,500.00	115,500.00	94,681.35	20,814.27	4.38	
Solid Waste/Recycling						
Salaries and Wages	150,950.00	160,950.00	149,857.88		11,092.12	
Other Expenses	1,252,200.00	1,172,200.00	1,122,763.52	36,888.53	12,547.95	
City Engineer						
Other Expenses	300,000.00	290,000.00	135,728.75	109,308.75	44,962.50	
<b>DEPARTMENT OF REVENUE AND FINANCE</b>						
Director's Office						
Salaries and Wages	10,000.00	10,000.00	10,000.00		-	
City Clerk						
Salaries and Wages	143,600.00	144,600.00	144,353.86		246.14	
Other Expenses	41,390.00	31,390.00	29,197.79	1,573.08	619.13	
Revision and Codification of Ordinances	11,000.00	12,000.00	11,646.00		354.00	
Elections						
Other Expenses	16,000.00	12,000.00	10,601.48		1,398.52	
Financial Administration						
Salaries and Wages	381,000.00	370,299.99	357,640.75		12,659.24	
Other Expenses	81,300.00	86,300.00	82,552.56	1,000.00	2,747.44	
Audit Fee						
Other Expenses	51,200.00	51,200.00	47,200.00	4,000.00	-	

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



**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Information Technology						
Salaries and Wages	78,494.48	84,494.48	84,238.43		256.05	
Other Expenses	512,319.32	432,319.32	344,049.79	77,569.84	10,699.69	
Collection of Taxes						
Salaries and Wages	100,000.00	108,000.00	107,671.74		328.26	
Other Expenses	11,300.00	11,300.00	9,319.18		1,980.82	
Assessment of Taxes						
Salaries and Wages	88,200.00	88,200.00	87,851.96		348.04	
Other Expenses	18,900.00	23,900.00	14,629.80	8,907.35	362.85	
Legal Services and Costs						
Other Expenses	350,000.00	340,000.00	258,469.00	49,251.00	32,280.00	
Insurance						
General Liability	125,000.00	205,000.00	133,207.55	29,437.97	42,354.48	
Workers Compensation	800,000.00	800,000.00	764,033.90	6,895.00	29,071.10	
Employee Group Health	1,900,000.00	1,987,000.00	1,585,402.60	16,072.00	385,525.40	
Health Waiver	75,000.00	75,000.00	68,419.86		6,580.14	
Municipal Land Use Law (N.J.S.A. 40:55 D-1)						
Planning Board						
Salaries and Wages	17,750.00	17,750.00	12,139.56		5,610.44	
Other Expenses	30,400.00	32,400.00	28,961.11	2,183.40	1,255.49	
Municipal Court						
Contractual	288,000.00	284,000.00	282,428.80		1,571.20	
UNIFORM CONSTRUCTION CODE						
Construction Official						
Salaries and Wages	395,000.00	440,000.00	438,260.36		1,739.64	
Other Expenses	106,250.00	86,250.00	86,197.18		52.82	
Inspection of Housing						
Salaries and Wages	140,000.00	135,000.00	131,800.53		3,199.47	
Other Expenses	4,950.00	6,450.00	5,406.32	750.00	293.68	
Electrical and Plumbing Inspections						
Salaries and Wages	47,000.00	47,700.00	47,564.40		135.60	

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

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>UNCLASSIFIED</b>						
Accumulated Leave Compensation	300,000.00	300,000.00	300,000.00	-	-	
Utility Expenses and Bulk Purchases						
Gasoline	150,000.00	230,000.00	193,872.58	9,646.86	26,480.56	
Electricity	650,000.00	558,000.00	546,339.97		11,660.03	
Telephone	150,000.00	150,000.00	123,497.26	7,931.72	18,571.02	
Natural Gas	60,000.00	66,000.00	63,343.96		2,656.04	
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>22,425,289.85</b>	<b>22,413,289.84</b>	<b>20,798,043.55</b>	<b>564,037.07</b>	<b>1,051,209.22</b>	<b>-</b>
Contingent	5,000.00	-			-	
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>22,430,289.85</b>	<b>22,413,289.84</b>	<b>20,798,043.55</b>	<b>564,037.07</b>	<b>1,051,209.22</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	13,869,080.53	14,023,280.52	13,800,590.56	-	222,689.96	-
Other Expenses	8,561,209.32	8,390,009.32	6,997,452.99	564,037.07	828,519.26	-
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	717,349.52	721,349.52	718,828.67		2,520.85	
Social Security System (O.A.S.I.)	330,000.00	330,000.00	317,738.12		12,261.88	
Consolidated Police and Firemen's Pension Fund					-	
Police and Firemen's Retirement System	2,610,762.00	2,613,762.00	2,611,390.70		2,371.30	
Unemployment	20,000.00	20,000.00	6,817.56		13,182.44	
Medicare Insurance	210,000.00	220,000.00	206,301.43		13,698.57	
Defined Contribution Retirement Program	4,000.00	4,000.00	1,214.64		2,785.36	
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<b>3,892,111.52</b>	<b>3,909,111.52</b>	<b>3,862,291.12</b>	<b>-</b>	<b>46,820.40</b>	<b>-</b>

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>26,322,401.37</b>	<b>26,322,401.36</b>	<b>24,660,334.67</b>	<b>564,037.07</b>	<b>1,098,029.62</b>	<b>-</b>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
(A) Operations - Excluded from "CAPS"						
Borough of Longport -						
Uniform Construction Code						
Salaries and Wages	41,900.00	41,900.00	4,534.41		37,365.59	
Other Expenses	2,250.00	2,250.00	-		2,250.00	
	<u>44,150.00</u>	<u>44,150.00</u>	<u>4,534.41</u>	<u>-</u>	<u>39,615.59</u>	<u>-</u>
<b>(A) Public and Private Programs Off-Set by Revenues</b>						
Matching Funds for Grants	4,760.82	4,760.82	4,760.82		-	
Recycling Tonnage Grant	12,951.93	12,951.93	12,951.93		-	
Clean Communities Program		33,593.05	33,593.05		-	
Atlantic County DWI Checkpoint		4,680.00	4,680.00		-	
Alcohol Education and Rehabilitation Grant	795.20	4,828.01	4,828.01		-	
Municipal Alliance on Alcoholism and Drug Abuse	1,190.21	1,190.21	1,190.21		-	
Body Armor Replacement Fund	1,807.27	1,807.27			-	1,807.27
FEMA - Emergency Management Assistance		10,000.00	10,000.00		-	
Distracted Driving		5,600.00	5,600.00		-	
Click it or Ticket Grant		2,800.00	2,800.00		-	
FEMA 2020 Winchester Flood Mitigation		1,638,011.05	1,638,011.05		-	
Local Efficiency Achievement Program (LEAP)						
Office of Emergency Management						
City Hall		37,500.00	37,500.00		-	
Drive Sober Get Pulled Over Labor Day		112,500.00	112,500.00		-	
Drive Sober Campaign December 2022		5,760.00	5,760.00		-	
NJDepartment of Environmental Protection		2,520.00	2,520.00		-	
Electric Vehicle Fast Charger						
Clean Energy Vehicle Tourism 2022		75,000.00	75,000.00		-	
Clean Fleet Electric Vehicle Incent 2022		82,000.00	82,000.00		-	
American Rescue Plan (ARP)		83,000.00	83,000.00		-	
Firefighter's Grant		36,000.00	36,000.00		-	

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

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Jeane and Richard Kaskey Foundation 2022		3,000.00	3,000.00	-	-	
Costal Resiliency Grant 2022		546,003.68	546,003.68	-	-	
NJ DOT Transportaion Grant	250,000.00	250,000.00	250,000.00	-	-	
Total Public and Private Programs Off-Set by Revenues	271,505.43	2,953,506.02	2,951,698.75	-	-	1,807.27
Total Operations - Excluded from "CAPS"	315,655.43	2,997,656.02	2,956,233.16	-	39,615.59	1,807.27
Detail:						
Salaries and Wages	41,900.00	41,900.00	4,534.41	-	37,365.59	-
Other Expenses	273,755.43	2,955,756.02	2,951,698.75	-	2,250.00	1,807.27
(C) Capital Improvements						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00			
Total Capital Improvements	200,000.00	200,000.00	200,000.00	-	-	-
(D) Debt Service						
Payment of Bond Principal	1,635,000.00	1,635,000.00	1,635,000.00			-
Payment of Bond Anticipation Notes	210,000.00	210,000.00	-			210,000.00
Interest on Bonds	438,375.00	438,375.00	438,375.00			-
Interest on Notes	155,000.00	155,000.00	127,999.98			27,000.02
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	86,574.42	86,574.43	86,574.43			-
NJIB						-
Principal	51,960.55	51,960.55	49,460.70			2,499.85
Interest	10,968.76	10,968.76	10,968.76			-
Total Debt Service	2,587,878.73	2,587,878.74	2,348,378.87	-	-	239,499.87

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(E) Deferred Charges						
Ordinance 2017-41	97,521.47	97,521.47	97,521.47			
Ordinance 2018-28	71.00	71.00	71.00			
Ordinance 2019-03	133,333.00	133,333.00	133,333.00			
Ordinance 2020-24	66,389.00	66,389.00	66,389.00			
Ordinance 2021-14	208.00	208.00	208.00			
Total Deferred Charges	297,522.47	297,522.47	297,522.47	-	-	-
(I) Local District School Purposes						
Payment of Bond Principal	870,000.00	870,000.00	870,000.00		-	
Interest on Bonds	186,200.00	186,200.00	186,200.00		-	
Total Local District School Purposes	1,056,200.00	1,056,200.00	1,056,200.00	-	-	-
(J) Deferred Charges and Statutory Expenditures - Local School						
Capital project for Land, Building or Equipment NUSA 18A:22-20	200,000.00	200,000.00	200,000.00		-	
(K) District School Purpose (Items (I) and (J)) - Excluded From CAPS	200,000.00	200,000.00	200,000.00	-	-	-

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	4,657,256.63	7,339,257.23	7,058,334.50	-	39,615.59
SUBTOTAL GENERAL APPROPRIATIONS	30,979,658.00	33,661,658.59	31,718,669.17	564,037.07	1,137,645.21
(M) Reserve for Uncollected Taxes	2,241,565.41	2,241,565.41	2,241,565.41		-
TOTAL GENERAL APPROPRIATIONS	\$ 33,221,223.41	35,903,224.00	33,960,234.58	564,037.07	241,307.14
Budget		33,221,223.41			241,307.14
Appropriations by 40A:4-87		2,682,000.59			-
Emergency Appropriations		35,903,224.00			241,307.14
Reserve for Uncollected Taxes			2,241,565.41		
Federal and State Grants			2,951,698.75		
Deferred Charges			297,522.47		
Appropriation Refunds			(957,798.93)		
Disbursements			29,427,246.88		
			33,960,234.58		

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

## **EXHIBIT B - TRUST FUNDS**

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

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Dog License Fund:		
Cash	\$ 12,331.60	9,136.60
	<u>12,331.60</u>	<u>9,136.60</u>
Other Funds:		
Cash - Treasurer	2,241,445.87	1,830,537.37
Cash Held in Trust	3,000.00	3,000.00
	<u>2,244,445.87</u>	<u>1,833,537.37</u>
	<u>2,256,777.47</u>	<u>1,842,673.97</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Dog License Fund:		
Due to Current Fund	6,640.80	3,169.60
Due to State of New Jersey	-	6.60
Accounts Payable	320.00	-
Reserve for Dog Fund Expenditures	<u>5,370.80</u>	<u>5,960.40</u>
	<u>12,331.60</u>	<u>9,136.60</u>
Other Funds:		
Payroll Deductions Payable	131,087.38	376,168.70
Due to Current Fund	622.26	622.26
Miscellaneous Reserves	<u>2,112,736.23</u>	<u>1,456,746.41</u>
	<u>2,244,445.87</u>	<u>1,833,537.37</u>
Total	<u>\$ 2,256,777.47</u>	<u>1,842,673.97</u>

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

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## **EXHIBIT C - GENERAL CAPITAL FUND**

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

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash	\$ 3,690,161.35	9,852,100.14
Deferred Charges to Future Taxation -		
Funded	31,386,149.32	25,008,960.09
Unfunded	19,429,350.00	23,147,522.47
Interfunds and Receivables		
Due from Current Fund	297,522.47	-
Due from NJEIT	70,703.00	70,703.00
	<u>54,873,886.14</u>	<u>58,079,285.70</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	4,581,639.86	6,515,215.81
Bond Anticipation Notes Payable	4,500,000.00	13,500,000.00
Serial Bonds Payable	20,940,000.00	13,575,000.00
School Serial Bonds - Type 1 Payable	8,625,000.00	9,495,000.00
Green Trust Loan Payable	986,740.89	1,052,591.11
NJEIT Loan Payable	834,408.43	886,368.98
Improvement Authorizations:		
Funded	557,147.23	526,841.65
Unfunded	11,529,117.76	10,618,689.58
Due from Utility Capital	49,772.00	-
Reserve for Payment of Bonds -		
2021 School Bonds	200,755.21	200,755.21
2021 Bond Anticipation Note	161,070.00	161,070.00
2020 Bond Anticipation Note	15,108.99	15,108.99
Other	464,084.38	9,952.98
Capital Improvement Fund	6,043.00	99,693.00
Fund Balance	1,422,998.39	1,422,998.39
	<u>\$ 54,873,886.14</u>	<u>58,079,285.70</u>

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

2021	9,647,522.47
2022	14,929,350.00

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

	<u>2022</u>	<u>2021</u>
Beginning Balance January 1	\$ 1,422,998.39	134,920.52
Increased by:		
Cancelled funded authorizations	-	1,288,077.87
Ending Balance December 31	\$ <u>1,422,998.39</u>	<u>1,422,998.39</u>

## **EXHIBIT D - WATER AND SEWER UTILITY**

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

	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>		
Operating Fund:		
Cash	\$ 1,609,797.50	1,783,566.91
Change Fund	100.00	100.00
	<u>1,609,897.50</u>	<u>1,783,666.91</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	<u>747,882.82</u>	<u>771,440.32</u>
	<u>747,882.82</u>	<u>771,440.32</u>
Deferred Charge		
Overexpenditure of Appropriations	14,034.41	23,790.53
	<u>14,034.41</u>	<u>23,790.53</u>
Total of Operating Fund	<u>2,371,814.73</u>	<u>2,578,897.76</u>
Capital Fund:		
Cash	4,435,099.97	6,096,376.96
Fixed Capital - Completed	12,021,714.84	12,021,714.84
Fixed Capital - Authorized and Uncompleted	32,664,262.00	31,189,262.00
Due from General Capital Fund	49,772.00	-
NJEIT Bonds Receivable	300,210.00	300,210.00
Total of Capital Fund	<u>49,471,058.81</u>	<u>49,607,563.80</u>
Total Assets	\$ <u><u>51,842,873.54</u></u>	<u><u>52,186,461.56</u></u>

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

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

	<u>2022</u>	<u>2021</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 123,152.34	607,278.12
Encumbrances Payable	181,962.05	55,707.01
Accounts Payable	6,366.75	60.70
Utility Rent Prepayments & Overpayments	31,754.51	28,298.41
Due to Current Fund	314,945.27	317,324.52
Due to Grant Fund	517,847.68	-
Accrued Interest on Bonds and Notes	111,576.62	106,991.53
	<u>1,287,605.22</u>	<u>1,115,660.29</u>
Reserve for Receivables	747,882.82	771,440.32
Fund Balance	336,326.69	691,797.15
Total of Operating Fund	<u>2,371,814.73</u>	<u>2,578,897.76</u>
Capital Fund:		
Contracts Payable	905,975.21	311,805.54
Improvement Authorizations:		
Funded	-	332,620.68
Unfunded	7,014,815.96	7,545,971.36
Water and Sewer Serial Bonds Payable	13,440,000.00	12,050,000.00
NJEIT Bonds Payable	2,809,122.00	3,028,044.00
Bond Anticipation Notes	3,500,000.00	6,000,000.00
Reserve to Pay Bonds - Other	133,101.42	-
Reserves for Amortization	17,224,597.77	15,895,675.77
Deferred Reserve for Amortization	4,289,790.07	4,289,790.07
Fund Balance	153,656.38	153,656.38
Total of Capital Fund	<u>49,471,058.81</u>	<u>49,607,563.80</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 51,842,873.54</u>	<u>52,186,461.56</u>

There were Bonds and Notes Authorized But Not Issued at December 31, 2022 and 2021 of \$3,422,467 and \$1,947,467 respectively

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

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

	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ 559,222.00	259,611.93
Rents	5,958,223.11	6,213,294.45
Miscellaneous Anticipated Revenue	165,759.36	516,879.79
Miscellaneous Unanticipated Revenue	66,155.26	38,775.97
Other Credits to Income:		
Cancelled Accounts Payable	-	25,264.84
Unexpended Balance of Appropriation Reserves	305,864.85	387,544.63
 Total Income	 <u>7,055,224.58</u>	 <u>7,441,371.61</u>
<u>Expenditures</u>		
Operating	4,851,281.58	4,615,040.00
Debt Service	1,877,185.34	1,813,758.59
Capital Expenditures	-	303,213.00
Deferred Charges and Statutory Expenditures	137,040.53	107,224.43
 Total Expenditures	 <u>6,865,507.45</u>	 <u>6,839,236.02</u>
 Excess in Revenues	 189,717.13	 602,135.59
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute deferred charges to budget of succeeding year		
Expenditure without Appropriation	-	-
Overexpenditure of Appropriation	14,034.41	23,790.53
 Statutory Excess to Fund Balance	 203,751.54	 625,926.12
 Fund Balance January 1	 <u>691,797.15</u>	 <u>325,482.96</u>
Total	895,548.69	951,409.08
Decreased by:		
Utilization as Anticipated Revenue	559,222.00	259,611.93
 Fund Balance December 31	 <u>\$ 336,326.69</u>	 <u>691,797.15</u>

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

**WATER AND SEWER OPERATING FUND  
STATEMENT OF CAPITAL FUND BALANCE  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
Balance January 1,	\$ 153,656.38	553,656.38
Increased by:		
Cancellation of Improvement Authorizations	-	-
Decreased by:		
Anticipated Revenue - Operating Budget	-	400,000.00
Balance December 31,	\$ <u>153,656.38</u>	<u>153,656.38</u>

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

**WATER AND SEWER OPERATING FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Anticipated Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 559,222.00	559,222.00	-
Rents - Sewer	6,200,000.00	5,958,223.11	(241,776.89)
Miscellaneous Receipts	100,000.00	165,759.36	65,759.36
Miscellaneous Unanticipated	-	66,155.26	66,155.26
	<u>\$ 6,859,222.00</u>	<u>6,749,359.73</u>	<u>(109,862.27)</u>

**Analysis of Realized Revenue**

Rents

Consumer Accounts Receivable	<u>5,958,223.11</u>
------------------------------	---------------------

Miscellaneous

Interest on Deposits	26,462.53
Connection Fees	21,600.00
Fire Hydrant Service	2,850.00
Penalties	66,155.26
Miscellaneous	<u>114,846.83</u>
	<u>231,914.62</u>

The Accompanying Notes to Financial Statements are an intergal part of this statement

**WATER AND SEWER OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Expended		Unexpended Balance Canceled	Over-Expended
	Budget	Budget after Modification	Paid or Charged	Encumbered	Reserved	
<b>Operating</b>						
Salaries and Wages	\$ 1,425,366.60	1,425,366.60	1,361,922.44	-	63,444.16	-
Other Expenses	1,663,540.00	1,653,540.00	1,473,952.93	181,962.05	-	(2,374.98)
ACMJA- Treatment Costs	1,360,000.00	1,360,000.00	1,306,009.00	-	53,991.00	-
Current Fund Allocation	410,000.00	410,000.00	410,000.00			
	<u>4,858,906.60</u>	<u>4,848,906.60</u>	<u>4,551,884.37</u>	<u>181,962.05</u>	<u>117,435.16</u>	<u>(2,374.98)</u>
<b>Debt Service</b>						
Payment on Bond Principal	1,110,000.00	1,110,000.00	1,110,000.00			
Interest on Bonds	442,275.00	442,275.00	435,053.84			7,221.16
Interest on Notes	67,000.00	67,000.00	78,659.43			-
NJEIT Principal and Interest	253,999.87	253,999.87	253,472.07			527.80
	<u>1,873,274.87</u>	<u>1,873,274.87</u>	<u>1,877,185.34</u>	<u>-</u>	<u>-</u>	<u>(11,659.43)</u>
<b>Deferred Charges and Statutory Expenditures</b>						
Overexpenditures of Appropriations	23,790.53	23,790.53	23,790.53	-	-	
Contribution to:						
Social Security System (O.A.S.I.)	102,000.00	112,000.00	106,734.01		5,265.99	-
Unemployment Compensation	1,000.00	1,000.00	798.81		201.19	
Defined Contribution Retirement Plan	250.00	250.00	-		250.00	
	<u>127,040.53</u>	<u>137,040.53</u>	<u>131,323.35</u>	<u>-</u>	<u>5,717.18</u>	<u>-</u>
Deficit in Operations in Prior Years	-	-			-	
	<u>6,859,222.00</u>	<u>6,859,222.00</u>	<u>6,560,393.06</u>	<u>181,962.05</u>	<u>123,152.34</u>	<u>(14,034.41)</u>
Accrued interest on Bonds			767,185.34			
Deferred Charges			23,790.53			
Disbursed			5,769,417.19			
			<u>6,560,393.06</u>			

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

**EXHIBIT G - GENERAL FIXED ASSETS**

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

	<u>2022</u>	<u>2021</u>
General Fixed Assets:		
Land and Buildings	\$ 30,668,753.00	30,668,753.00
Machinery and Equipment	4,812,948.00	6,987,595.00
Vehicles	<u>7,677,081.00</u>	<u>4,743,100.00</u>
Total General Fixed Assets	<u><u>43,158,782.00</u></u>	<u><u>42,399,448.00</u></u>
 Investment in General Fixed Assets	 \$ <u><u>43,158,782.00</u></u>	 \$ <u><u>42,399,448.00</u></u>

See Accompanying Notes to Financial Statements

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## **NOTES TO FINANCIAL STATEMENTS**

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**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

Component units are legally separate organizations for which the entity is financially accountable. The entity is financially accountable for an organization if the entity appoints a voting majority of the organization's governing board and (1) the entity is able to significantly influence the programs or services performed or provided by the organization; or (2) the entity is legally entitled to or can otherwise access the organization's resources; the entity is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the entity is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The financial statements of the component unit of the City of Ventnor are not presented in accordance with Governmental Accounting Standards Board Statement (GASB) No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units. If the provisions of GASB 14 and GASB 39 had been complied with, the other entity's financial statements would have to be either blended or discretely presented with the financial statements of the City of Ventnor, the primary government. The City maintains a Type 1 School District.

Ventnor City School District  
400 N. Lafayette Avenue  
Ventnor, NJ 08406

The annual financial report may be inspected directly at the office of the component unit during regular business hours.

**B. Description of Funds**

The accounting policies of the City of Ventnor 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, the City of Ventnor 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.

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

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.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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 entity budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the entity's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the entity 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 unencumbered 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.

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 is not included on the various balance sheets.

General Fixed Assets -- The entity has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which 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.

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. No depreciation has been provided for in the financial statements.

**CITY OF VENTNOR CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

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 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.

Interest on Delinquent Taxes – It is the policy of the City of Ventnor City to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Levy of Utility Charges – The entity operates a water and sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in quarterly installments.

Interest on Delinquent Utility Charges -- It is the policy of the entity to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Capitalization of Interest -- It is the policy of the City of Ventnor City to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

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

**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

**CITY OF VENTNOR CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 entity'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 May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement, which is effective for periods ending December 31, 2022, will not have any effect on the City's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the City's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements". This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the City's financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement will not have any effect on the City's financial reporting.

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.



**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 2022 and 2021 statutory budgets included a reserve for uncollected taxes in the amount of \$2,241,565.41 and \$2,275,182.51. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2022 and 2021 statutory budgets was \$3,400,000.00 and \$2,840,000.00. In addition, the entity operates a self-liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the entity. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2022 and 2021 statutory budgets was \$559,222.00 and \$259,611.93.



**CITY OF VENTNOR CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 entity City Council. The following significant budget transfers were approved in the 2022 and 2021 calendar years:

<u>Budget Category</u>	 <u>2022</u>	 <u>2021</u>
Police		
Salaries and Wages	110,000.00	-
Beach Patrol		
Salaries and Wages	-	(36,000.00)
Fire		
Salaries and Wages	50,000.00	-
Street Repairs and Maintenance		
Salaries and Wages	(80,000.00)	-
Recreation		
Salaries and Wages	40,000.00	35,000.00
Buildings and Grounds		
Other Expenses	(65,000.00)	-
Solid Waste/Recycling		
Other Expenses	(80,000.00)	(49,000.00)
City Engineer		
Other Expenses	-	50,000.00
City Clerk		
Salaries and Wages	-	(39,000.00)
Financial Administration		
Salaries and Wages	-	(45,000.00)
Insurance		
General Liability	80,000.00	50,000.00
Employee Health Insurance	125,000.00	-
Information Technology		
Other Expenses	(80,000.00)	-
Telephone		40,000.00
Electric	(92,000.00)	-
Gasoline	80,000.00	-

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**CITY OF VENTNOR CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 2022 and 2021, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2022</u>	<u>2021</u>
Local Efficiency Achievement Program (LEAP)		
City Hall	112,000.00	-
Atlantic County DWI Checkpoint		3,300.00
FEMA Flood Mitigation - Winchester Avenue	1,638,011.05	-
Coastal Resiliency	546,003.68	-
Municipal Alliance	-	9,521.64
NJ DOT Transportation Grant	-	310,000.00
NJ DOT Bikeway Program	-	100,000.00
NJ Department of Environmental Protection		
Electric Vehicle Fast Charger	75,000.00	-
Clean Energy - Electric Vehicle	82,000.00	-
Clean Fleet - Electric Vehicle	83,000.00	-
American Rescue Plan (ARP)		
Firefighter Grant	36,000.00	-

The entity 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 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. As of December 31, 2022, the City has no emergency or special emergency authorizations.

**Note 3: INVESTMENTS**

As of December 31, 2022 and 2021, the municipality had no investments.

**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 entity can invest in any one issuer.

**CITY OF VENTNOR CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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 fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2022, and 2021, \$3,469,628.43 and \$2,892,102.99 of the municipality's bank balance of \$24,062,115.42 and \$30,694,394.86 was exposed to custodial credit risk.

**Note 5: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2022 and 2021:

	Balance 12/31/2020	Additions	Retirements/ Adjustments	Balance 12/31/2021
Land and Buildings	\$ 30,668,753.00	-		30,668,753.00
Equipment and Machinery	4,670,871.00	252,342.00	(180,113.00)	4,743,100.00
Vehicles	6,741,932.00	513,220.00	(267,557.00)	6,987,595.00
	<u>\$ 42,081,556.00</u>	<u>765,562.00</u>	<u>(447,670.00)</u>	<u>42,399,448.00</u>

	Balance 12/31/2021	Additions	Retirements/ Adjustments	Balance 12/31/2022
Land and Buildings	\$ 30,668,753.00			30,668,753.00
Equipment and Machinery	4,743,100.00	143,589.00	(73,741.00)	4,812,948.00
Vehicles	6,987,595.00	964,726.00	(275,240.00)	7,677,081.00
	<u>\$ 42,399,448.00</u>	<u>1,108,315.00</u>	<u>(348,981.00)</u>	<u>43,158,782.00</u>

**Note 6: SHORT-TERM OBLIGATIONS**

	Balance 12/31/20	Issued	Retired	Balance 12/31/21
Bond Anticipation				
Notes payable:				
General	\$ 14,479,000.00	8,340,000.00	9,319,000.00	13,500,000.00
Utility	450,000.00	5,550,000.00	-	6,000,000.00
	<u>\$ 14,929,000.00</u>	<u>13,890,000.00</u>	<u>9,319,000.00</u>	<u>19,500,000.00</u>

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**CITY OF VENTNOR CITY**  
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	Balance 12/31/21	Issued	Retired	Balance 12/31/22
Bond Anticipation Notes payable:				
General	\$ 13,500,000.00	4,500,000.00	13,500,000.00	4,500,000.00
Utility	6,000,000.00	3,500,000.00	6,000,000.00	3,500,000.00
	<u>\$ 19,500,000.00</u>	<u>8,000,000.00</u>	<u>19,500,000.00</u>	<u>8,000,000.00</u>

As of December 31, 2022, the City had the following bond anticipation note outstanding:

Bank	2022 Amount	Interest Rate	Date of Maturity
Huntington Securities, Inc.	\$ 8,000,000.00	2.50%	7/12/2023

At December 31, 2022 the entity has authorized but not issued bonds in the amount of \$14,929,350.00 and \$3,422,467.00 in the General Capital Fund and Utility Capital Fund respectively.

**Note 7: LONG TERM DEBT**

Long-term debt as of December 31, 2022 and 2021 consisted of the following:

	Balance 12/31/20	Issued	Retired	Balance 12/31/21	Due Within One Year
Bonds payable:					
General	\$ 17,065,473.35	-	1,551,513.26	15,513,960.09	1,752,810.77
Utility	13,105,000.00	-	1,055,000.00	12,050,000.00	1,110,000.00
Utility- NJEIT	3,241,966.00	-	213,922.00	3,028,044.00	218,922.00
Total	<u>33,412,439.35</u>	<u>-</u>	<u>2,820,435.26</u>	<u>30,592,004.09</u>	<u>3,081,732.77</u>
Other liabilities:					
School	1,530,000.00	8,595,000.00	630,000.00	9,495,000.00	870,000.00
PERS Liability	9,707,426.00		-	9,707,426.00	
PFRS Liability	27,793,358.00		-	27,793,358.00	
Compensated Absences Payable	2,534,247.52	114,440.31	179,979.86	2,468,707.97	-
Total long-term liabilities	<u>\$ 74,977,470.87</u>	<u>8,709,440.31</u>	<u>3,630,415.12</u>	<u>80,056,496.06</u>	<u>3,951,732.77</u>

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**CITY OF VENTNOR CITY**  
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	Balance 12/31/21	Issued	Retired	Balance 12/31/22	Amounts Due Within One Year
Bonds payable:					
General	\$ 15,513,960.09	9,000,000.00	1,752,810.77	22,761,149.32	2,479,134.36
Utility	12,050,000.00	2,500,000.00	1,110,000.00	13,440,000.00	1,300,000.00
Utility - NJEIT	3,028,044.00	-	218,922.00	2,809,122.00	223,922.00
Total	30,592,004.09	11,500,000.00	3,081,732.77	39,010,271.32	4,003,056.36
Other liabilities:					
School	9,495,000.00		870,000.00	8,625,000.00	905,000.00
PERS Liability	9,707,426.00		2,540,975.00	7,166,451.00	
PFRS Liability	27,793,358.00		11,420,093.00	16,373,265.00	
Compensated Absences Payable	2,468,707.97	406,731.20	429,937.59	2,445,501.58	-
Total long-term liabilities	80,056,496.06	11,906,731.20	18,342,738.36	73,620,488.90	4,908,056.36

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

\$6,365,000.00 General Improvement Bond dated 12/4/13 payable in annual installments through 12/1/25. Interest is paid semiannually at rates varying from 2.00% to 3.25% per annum. The balance remaining as of December 31, 2022 was \$1,840,000.00.

\$3,235,000 Refunding Bonds dated 9/22/17 payable in annual installments through 12/1/2025. Interest is paid semiannually at 4% per annum. The balance remaining as of December 31, 2022 was \$1,970,000.00.

\$8,855,000.00 General Improvement Bond dated 10/22/19 payable in annual installments through 9/1/32. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2022 was \$8,130,000.00.

\$9,000,000.00 General Improvement Bond dated 7/1/2022 payable in annual installments through 7/1/2034. Interest is paid semiannually at a rate of 3.8764% per annum during 2023 and 4% per annum thereafter. Bonds maturing on or after July 1 2030 are redeemable at the option of the City, in whole or in part, on any date on or after July 1, 2029, The balance remaining as of December 31, 2022 was \$9,000,000.00

\$1,110,000.00 School Refunding Bonds dated 9/22/17 payable in annual installments through 12/1/2025. Interest is paid semiannually at a rate of 4.00% per annum. The net present value of this savings is \$258,812.48. The balance at December 31, 2022 was \$690,000.

\$8,595,000.00 School Bond, Series 2021, dated 7/14/2021 payable in annual installments through 7/15/2033. Interest is paid semiannually at a rate of 1.00% to 3.00% per annum. The balance remaining as of December 31, 2022 was \$7,935,000.00.

\$1,335,000.00 Green Trust Loan Payable dated 2/16/17 payable in semiannual installments through 2035. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$30,254.51 are applied first to interest and then to principal. The balance remaining as of December 31, 2022 was \$986,740.89.

\$325,000.00 NJEIT Loan dated 2/8/2018 payable in annual installments through 8/1/2037. Interest is paid semiannually at rates varying from 5.00% to 3.00% per annum. The balance remaining as of December 31, 2022 was \$280,000.00.

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\$726,891.00 NJEIT Loan dated 2/8/2018 payable in annual installments through 8/1/2037. This is an Interest Free Loan. The balance remaining as of December 31, 2022 was \$554,408.43.

**Outstanding bonds whose principal and interest are paid from the Utility Operating Fund of the entity:**

\$3,635,000.00 Water and Sewer Bonds dated 12/4/13 payable in annual installments through 12/1/31. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2022 was \$2,145,000.

\$7,195,000 Refunding Water and Sewer Bond dated 9/22/17 payable in annual installments through 12/1/30. Interest is paid semiannually at a rate of 4.00% per annum. The balance remaining as of December 31, 2022 was \$5,680,000.

\$3,845,000.00 Water and Sewer Bonds dated 10/22/19 payable in annual installments through 12/1/31. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2022 was \$2,500,000.

\$2,500,000.00 Water and Sewer Bonds dated 7/1/2022 payable in annual installments through 7/1/2034. Interest is paid semiannually at a rate of 3.8764% per annum during 2023 and 4% per annum thereafter. Bonds maturing on or after July 1 2030 are redeemable at the option of the City, in whole or in part, on any date on or after July 1, 2029, The balance remaining as of December 31, 2022 was \$9,000,000.00

During 2014 the City entered into an agreement with NJEIT to finance utility improvements in the amount of \$5,387,000, of which a portion of the principal was forgiven. The principal is payable in annual installments through 8/1/35. Interest is paid semiannually at rates varying from 2.00% to 5.00% per annum. The balance remaining as of December 31, 2022 was \$2,809,122.00.

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

<u>Year</u>	<u>General Fund</u>		<u>Utility Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,479,134.36	760,146.25	1,523,922.00	530,628.76
2024	2,660,484.55	688,544.18	1,598,922.00	483,781.26
2025	2,836,861.88	597,866.85	1,648,922.00	431,381.26
2026	1,578,266.91	499,536.82	1,683,922.00	376,681.26
2027	1,624,700.16	439,153.57	1,723,922.00	317,118.76
2028-2032	9,196,028.49	1,263,790.16	7,114,610.00	687,787.54
2033-2037	2,385,672.97	133,047.03	954,902.00	45,650.00
	<u>\$ 22,761,149.32</u>	<u>4,382,084.86</u>	<u>16,249,122.00</u>	<u>2,873,028.84</u>

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**CITY OF VENTNOR CITY**  
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	<u>School Debt</u>	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 905,000.00	165,687.50
2024	915,000.00	149,887.50
2025	985,000.00	133,987.50
2026	705,000.00	116,937.50
2027	705,000.00	109,887.50
2028-2032	3,820,000.00	380,387.50
2033	590,000.00	17,700.00
	<u>\$ 8,625,000.00</u>	<u>1,074,475.00</u>

As of December 31, 2022 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$656,121.12 and to the utility budget was \$476,831.26.

<u>Summary of Municipal Debt</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Issued:</u>			
General - Bonds	\$ 20,940,000.00	13,575,000.00	15,015,000.00
School - Bonds	8,625,000.00	9,495,000.00	1,530,000.00
Loan	986,740.89	1,052,591.11	1,117,143.82
NJEIT	834,408.43	886,368.98	933,329.53
Bond Anticipation Note	4,500,000.00	13,500,000.00	14,479,000.00
Sewer Utility - Bonds	13,440,000.00	12,050,000.00	13,105,000.00
Sewer Utility - Bond Anticipation Notes	3,500,000.00	6,000,000.00	450,000.00
Sewer Utility - NJEIT	2,809,122.00	3,028,044.00	3,241,966.00
Total Issued	<u>55,635,271.32</u>	<u>59,587,004.09</u>	<u>49,871,439.35</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	14,929,350.00	9,647,522.47	11,837,314.47
Sewer Utility - Bonds and Notes	3,422,467.00	1,947,467.00	1,736,430.00
Total Authorized But Not Issued	<u>18,351,817.00</u>	<u>11,594,989.47</u>	<u>13,573,744.47</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 73,987,088.32</u>	<u>71,181,993.56</u>	<u>63,445,183.82</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 1.821%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 8,625,000.00	8,625,000.00	-
Sewer Utility Debt	23,171,589.00	23,171,589.00	-
General Debt	42,190,499.32	376,934.20	41,813,565.12
	<u>\$ 73,987,088.32</u>	<u>32,173,523.20</u>	<u>41,813,565.12</u>

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Net Debt \$41,813,565.12÷Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,296,006,309.33 = 1.821%.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$	80,360,220.83
Net Debt		41,813,565.12
Remaining Borrowing Power	\$	<u>38,546,655.71</u>

The City of Ventnor City School District, as a K-12 school district, is permitted to borrow up to 3% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

**Note 8: LEASE OBLIGATIONS**

The City has entered into several agreements to lease various copier machines for various City owned facilities under operating leases. The terms of the leases range from thirty-six (36) to sixty (60) months through December 31, 2026. The monthly payment of the leases range from \$60.12 to \$535.27 per month.

The total operating lease payments in 2022 was \$23,512.43.

The following is a schedule of the future minimum lease payments under these leases at December 31, 2022.

Year	Amount
2023	\$ 15,880.04
2024	18,880.56
2025	11,846.63
2026	7,738.48
2027	330.00
Total	\$ <u>54,675.71</u>

**Note 9: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2022 and 2021, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Current Fund	\$ 3,810,000.00	3,400,000.00
Water & Sewer Utility	300,000.00	559,222.00

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 2023 budget is \$7,882,319.62 for the current fund and \$336,326.69 for the utility fund.



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**Note 10: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2022	2023 Budget Appropriation	Balance to Succeeding
Water and Sewer Utility Fund:			
Overexpenditure of Appropriations	\$ 14,034.41	14,034.41	-
	<u>\$ 14,034.41</u>	<u>14,034.41</u>	<u>-</u>

The appropriations in the 2023 Budget are not less than that required by statute.

**Note 11: SCHOOL TAXES**

Local District School Tax in the amounts of \$17,958,799.00 and \$17,082,698.00 have been raised for the 2022 and 2021 calendar years and remitted to the school district. During the 2022 calendar year, the City overpaid the School District by an amount of \$80,098.92.

**Note 12: 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 12/31/22	Balance 12/31/21
Prepaid Taxes	\$ 1,156,906.75	1,011,318.04
Cash Liability for Taxes Collected in Advance	<u>\$ 1,156,906.75</u>	<u>1,011,318.04</u>

**Note 13: PENSION FUNDS**

Description of Plans

Substantially all of the entity'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 PERS 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.

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*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 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.

*Pension Plan For Lifeguards*

The City of Ventnor City has established a pension plan to provide retirement, disability and survivor pension benefits for the individuals who serve on the City's lifeguard force. An eligible employee becomes a plan member upon employment. Employee contributions shall be withheld from the member's salary and contributed to the plan for his benefit. Retiree benefits are paid out of the current fund and charged to the current operating budget of the City. A plan member may retire with a pension only after his 45<sup>th</sup> birthday and after he has completed 20 years of services, the last 10 must have been completed immediately preceding his application.

*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 provides 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 entity's contributions to PERS for the years ended December 31, 2022, 2021, and 2020 were \$708,458.00, \$651,205.00 and \$588,105.00.

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 entity's contributions to PFRS for the years ended December 31, 2022, 2021, and 2020 were \$2,610,762.00, \$2,403,000.00, and \$2,285,119.00.

The total payroll for the year ended December 31, 2022, 2021, and 2020 was \$15,608,035.06, \$15,227,377.15 and \$15,177,039.46 Payroll covered by PFRS was \$7,770,532.00, \$7,888,223.00 and \$7,798,087.00. Payroll covered by PERS was \$4,515,709.00, \$4,500,273.00, and \$4,440,277.00.

The Lifeguard Pension provides for employee contributions of 4.00% of employees' annual compensation. The City's contributions to the Lifeguard Pension for the year ended December 31, 2022, 2021, and 2020 was \$0, \$0 and \$0. The City's trust for the Lifeguard Pension at December 31, 2022 and 2021 was \$149,073.70 and \$184,669.54 respectively. Currently there are only three individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2022, 2021, and 2020 were \$58,363.56, \$62,218.25 and \$53,835.45.

*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.

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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 2013, 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.
- 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  $\frac{1}{60}^{\text{th}}$  from  $\frac{1}{55}^{\text{th}}$ , 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 as  $\frac{1}{7}^{\text{th}}$  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

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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 14: 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 municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality's pension liabilities as June 30, 2021:

**Public Employees' Retirement System**

The Municipality has a liability of \$7,166,451 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 that was rolled forward to June 30, 2021. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Municipality's proportion would be 0.06049452000%, which would be a decrease of 1.62% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Municipality would have recognized pension expense of \$(803,717). At December 31, 2021, the Municipality 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	\$ 113,024	\$ (51,303)
Changes of assumptions	37,323	(2,551,303)
Changes in proportion	428,476	(118,800)
Net difference between projected and actual earnings on pension plan investments		(1,887,832)
Total	<u>\$ 578,823</u>	<u>\$ (4,609,238)</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:

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	Year ended June 30,	
	<u>          </u>	
2022	\$	(1,570,316)
2023		(1,121,202)
2024		(764,468)
2025		(574,653)
2026		224
Total	<u>\$</u>	<u>(4,030,415)</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00% – 6.00% (based on years of service)
Thereafter	3.00% - 7.00% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value 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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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 Municipality's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality'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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 8,771,724	\$ 7,166,451	\$ 5,805,881

*Pension plan fiduciary net position.*

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

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**Police and Firemen's Retirement System**

The Municipality has a liability of \$16,373,265 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2020 that was rolled forward to June 30, 2021. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Municipality's proportion would be 0.22401046250%, which would be an increase of 4.14% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Municipality would have recognized pension expense of \$(2,784,083). At December 31, 2021, the Municipality 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	\$ 186,799	\$ (1,961,348)
Changes of assumptions	87,124	(4,906,993)
Changes in proportion	1,463,780	(3,049,974)
Net difference between projected and actual earnings on pension plan investments		(6,977,181)
Total	<u>\$ 1,737,703</u>	<u>\$ (16,895,496)</u>

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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,		
2022	\$	(4,852,588)
2023		(3,642,564)
2024		(3,125,575)
2025		(3,082,196)
2026		(388,778)
Thereafter		(66,092)
Total	\$	<u>(15,157,793)</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	2.75%
Salary increases:	3.25% - 15.25% (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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 are summarized in the following table:



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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and 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 Municipality'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%)
Municipality's proportionate share of the net pension liability	\$ 23,137,530	\$ 16,373,265	\$ 10,742,642

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, 2021 State special funding situation net pension liability amount of \$2,036,258.082.00 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, 2021 State special funding situation pension expense of \$228,944,734.00 is

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the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2021. 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 2021, the State contributed an amount less 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 Municipality was 0.22401046250% for 2021. The net pension liability amount allocated to the Municipality was \$4,604,978. For the fiscal year ending June 30, 2021 State special funding situation pension expense of \$512,860.00 is allocated to the Municipality.

*Pension plan fiduciary net position.*

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

**Note 15: 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>.

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 Municipality 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 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 as applicable, the Collective Total OPEB

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liabilities for the year ended June 30, 2021 were \$3,872,142,278 and \$14,177,910,609, 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, 2020 through June 30, 2021. 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, 2021 is as follows:

	<b>June 30, 2021</b>
	<b>Collective</b>
	<b>Total</b>
Total OPEB Liability	\$ 18,050,052,887.00
Plan Fiduciary Net Position	50,271,652.00
Net OPEB Liability	<u>\$ 17,999,781,235.00</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%

At June 30, 2021, the State's proportionate share for the Special Funding Situation that is associated with the City is \$32,556,228. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was 0.843129% which was an increase from the prior year of 56.36%.

For the Year ended June 30, 2021, the State of New Jersey realized Total OPEB Expense in the amount of \$(4,442,420) for its proportionate share of Total OPEB Expense that is associated with the City.

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan

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

Inflation rate 2.50%

Salary increases\*:

PERS: Initial fiscal year applied  
Rate through 2026 2.00% to 6.00%  
Rate thereafter 3.00% to 7.00%

PFRS:

Rate for all fiscal years 3.25% to 15.25%

Mortality:

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

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

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

Actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

*Discount Rate*

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Sensitivity of Net OPEB Liability to Changes in the Discount Rate*

The following presents the Net OPEB liability as of June 30, 2021, 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:

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	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Collective			
Net OPEB Liability \$	21,182,289,882 \$	17,999,781,235 \$	15,447,574,697

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

The following presents the net OPEB liability as of June 30, 2021, 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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Collective			
Net OPEB Liability \$	15,017,879,689.00 \$	17,999,781,235.00 \$	21,890,893,528.00

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

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

	Collective Totals	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 403,893,589	\$ (3,765,820,027)
Changes of assumptions	2,589,322,345	(3,181,672,721)
Net difference between projected and actual earnings on OPEB plan investments	8,606,416	
Changes in proportion and differences between contributions and proportionate share of contributions	5,534,468,995	(5,534,468,995)
Total	\$ 8,536,291,345	\$ (12,481,961,743)

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:

Year ended June 30,	Collective Totals
2022	\$ (1,074,753,405)
2023	(1,076,167,210)
2024	(1,077,459,075)
2025	(769,416,743)
2026	(129,344,414)
Thereafter	181,470,449
Total	\$ (3,945,670,398)

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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, 2021 are as follows:

Service cost	\$	846,075,674.00
Interest on Total OPEB Liability		413,837,061.00
Expected Investment Return		(2,381,937.00)
Administrative Expenses		11,334,383.00
Changes of Benefit Terms		2,029,119.00
Current Period Recognition (Amortization) of Deferred Inflows/		
Outflows of Resources:		
Differences between Expected and Actual Experience		(703,565,089.00)
Changes in Assumptions		(375,284,907.00)
Differences between Projected and Actual Investment		
Earnings on OPEB Plan Investments		4,971,262.00
Total Collective OPEB Expense	\$	<u>197,015,566.00</u>

**Note 16: ACCRUED SICK AND VACATION BENEFITS**

The entity 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 \$2,445,501.58 in 2022 and \$2,468,707.97 in 2021. 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. It is the entity's policy to negotiate the final amount of each payment of accrued sick and vacation pay on an individual basis. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The entity does not accrue the liability.

**Note 17: ECONOMIC DEPENDENCY**

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

**Note 18: RISK MANAGEMENT**

The entity 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 entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2022 and 2021 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The entity is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The entity is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The entity has a general liability limit of \$100,000 under JIF, which increases to \$5,000,000 under MEL.

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**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
2022	\$ 75,407.43	296.54	22,795.57	14,108.15	128,560.54
2021	20,345.50	122.91	20,088.15	22,040.25	44,169.15
2020	18,067.64	189.85	21,128.06	67,227.60	25,652.84

**Note 19: DEFERRED COMPENSATION**

Employees of the City of Ventnor 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 entity. 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.

An unrelated financial institution administers the deferred compensation plan. 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 entity has an obligation of due care in selecting the third party administrator. In the opinion of the entity’s legal counsel, the entity has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

**Note 20: CONTINGENT LIABILITIES**

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity’s management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

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**Note 21: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2022, the following interfunds were included on the balance sheets of the various funds of City of Ventnor City:

	Due From	Due To
Current Fund:		
Animal Control Fund	\$ 6,640.80	
Other Trusts	622.26	
Grant Fund		385,392.41
General Capital Fund		297,522.47
Utility Operating Fund	314,945.27	
Grant Fund:		
Current Fund	385,392.41	
Utility Operating Fund	517,847.68	
Trust Fund:		
Current Fund		7,263.06
General Capital Fund:		
Current Fund	297,522.47	
Utility Capital Fund		49,772.00
Utility Operating Fund:		
Current Fund		314,945.27
Grant Fund		517,847.68
Utility Capital Fund:		
General Capital Fund	49,772.00	
	\$ <u>1,572,742.89</u>	<u>1,572,742.89</u>

The amounts due to the Grant fund from the Current fund is due to the fact that there is only one bank account. The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

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**Note 22: SUBSEQUENT EVENTS**

**Capital Ordinance**

On August 10, 2023, the City Commission adopted capital ordinance #2023-016 which authorized the following Water Infrastructure Improvement Project to improve, maintain, and support compliance by the City with the Clean Water regulations of the State of New Jersey: Phase I of the Lead Service Lines Replacement project to be completed. The bond ordinance increases the City's authorized debt by \$22,000,000.00.

	Appropriation And Estimated Cost	Estimated Maximum Amount of Bonds & Notes
Phase I of the Lead Service Lines Replacement Project	\$ 22,000,000.00	22,000,000.00

**Bond Anticipation Note**

On July 11, 2023, the City renewed the existing bond anticipation note in a total dollar amount of \$15,875,000, which consists of \$12,375,000 in General Improvement Notes and \$3,500,000 in Utility Improvement Notes. The note is held by TD Securities, LLC and will mature on July 10, 2024 and bears interest at a rate of 4.50% per annum.

**Other**

The entity has evaluated subsequent events through September 5, 2023, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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## **SUPPLEMENTARY INFORMATION**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

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

To the Honorable Mayor and  
Members of the City Commission  
City of Ventnor  
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 the City of Ventnor, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 5, 2023, 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, the City of Ventnor 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in

internal control, described in the accompanying schedule of findings and questioned costs as item #2022-2 that we consider to be a significant deficiency.

### **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

September 5, 2023

## ***Schedule of Financial Statement Findings***

### **Finding 2022-1**

#### **Criteria**

Sufficient appropriation balances should exist prior to the issuance of any purchase order for goods or services.

#### **Condition**

Overexpenditures totaling \$14,034.41 were noted in the Water and Sewer Utility Fund, Other Expenses and Interest on Bond Anticipation Notes, as of December 31, 2022.

#### **Cause**

##### *Debt Service*

When budgeting for the 2022 interest on Bond Anticipation Notes, the City did not account for the difference in accrued interest.

##### *Other Expenses*

Invoices were received and/or purchase orders issued just prior to year end and recorded in the accounting records prior to December 31, 2022.

#### **Effect**

Overexpenditures of appropriations are not permitted by law and are deferred charges to be raised in the budget of the succeeding year.

#### **Recommendation**

That the budget be monitored on a routine basis to ensure appropriation balances are sufficient for all remaining expenditures and that the balances are reasonable. Appropriation transfers, if needed, should be approved between November 1 and December 31.

#### **Management Response**

The CFO will ensure that all appropriations are accurately charged throughout the year and that balances are reasonable. Any transfers needed during the last two months of the year will be presented to the Commission for their approval.

### **Finding 2022-2**

#### **Criteria**

Management is responsible for the design, implementation, and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial statements.

#### **Condition**

Subsequent to December 31, 2022, a theft of City funds was discovered in one of the offices. It was determined that the theft was occurring since at least 2021. The total amount of the theft is estimated at \$75,000.00.

#### **Cause**

The City employee involved was maintaining a separate accounting of receipts into the office which agreed to amounts deposited to the bank but did not reflect the actual activity.

#### **Effect**

Revenue realized by the City from this department was understated over the past three years.

#### **Recommendation**

That internal controls over all departments within the City be analyzed and revised, as necessary, to ensure sufficient checks and balances are in place to minimize the risk of this type of theft in the future.

**Management Response**

City officials are working together to develop, or revise, internal control procedures within each department to help minimize the risk of theft and to ensure sufficient checks and balances are in place.

***STATUS OF PRIOR RECOMMENDATIONS*****Finding 2021-1****Condition**

Overexpenditures totaling \$23,790.53 were noted in the Water and Sewer Utility Fund, Interest on Bond Anticipation Notes, as of December 31, 2021.

**Current Status**

This recommendation was not cleared during 2022 as over expenditures of the current Water and Sewer Utility Fund budget were identified.

**Corrective Action to be Taken**

The Chief Financial Officer and Comptroller will ensure that no expenditures are made unless sufficient appropriation balances are available.



# **CURRENT FUND SCHEDULE OF CASH - TREASURER**

		<u>Current Fund</u>
Balance December 31, 2021	\$	11,054,523.21
Increased by Receipts:		
Taxes Receivable	53,092,263.76	
Tax Title Liens	-	
Prepaid Taxes	1,156,906.75	
Tax Overpayments		
Appropriation Refunds	957,798.93	
Revenue Accounts Receivable	3,770,695.18	
Miscellaneous Revenue	311,110.40	
Due from State of New Jersey -		
Senior Citizens and Veterans	54,865.36	
State Marriage License Fees	525.00	
DCA Fees	22,295.00	
Reserve for Municipal Property Tax Relief	31,721.47	
Due from Utility Operating	2,379.25	
Federal & State Grants Receivable	166,112.46	
Unappropriated Federal & State Grants	2,887.27	
		<u>59,569,560.83</u>
		70,624,084.04
Decreased by Disbursements:		
Current Year Appropriation	29,427,246.88	
Prior Year Appropriations	432,336.90	
Accounts Payable	-	
County Taxes	12,038,147.79	
Local District School Taxes	16,782,697.92	
Tax Overpayments Refunded	16,843.96	
Due to State - Marriage Licenses	725.00	
Due to State - DCA Fees	35,932.00	
Federal and State Disbursements	101,286.94	
		<u>58,835,217.39</u>
Balance December 31, 2022	\$	<u><u>11,788,866.65</u></u>

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

Year	Balance Dec. 31, 2021	Current Year Levy	Added Taxes	Collections by Cash		Overpayments	Adjustments	Balance Dec. 31, 2022
				2021	2022			
Arrears \$	-							-
2019	3,157.26				3,157.26			-
2020	4,410.59				4,410.59			-
2021	1,097,716.07				1,019,572.17		5,534.09	72,609.81
	1,105,283.92	-	-	-	1,027,140.02	-	5,534.09	72,609.81
2021	-	53,861,232.05	402,993.75	1,011,318.04	52,118,425.11	6,058.90	(25,032.88)	1,153,456.63
\$	1,105,283.92	53,861,232.05	402,993.75	1,011,318.04	53,145,565.13	6,058.90	(19,498.79)	1,226,066.44
<b>Analysis of Current Year Tax Levy</b>								
Tax Yield:								
General Property Tax								
Added Taxes (54:4-63.1 et. Seq.)				53,861,232.05				
				402,993.75				
						54,264,225.80		
Tax Levy:								
General County Taxes								
County Library Taxes				10,526,480.78				
County Open Space Taxes				757,741.18				
County Health Taxes				114,471.68				
County Added and Omitted Taxes				517,998.89				
Total County Taxes				81,078.37				
						11,997,770.90		
Local School District Tax								
Local Tax for Municipal Purposes						16,702,599.00		
Add: Additional Tax Levied				25,272,327.10				
				291,528.80				
						25,563,855.90		
						54,264,225.80		

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2021	Accrued in 2022	Treasurer	Balance Dec. 31, 2022
Licenses:				
Alcoholic Beverages	-	10,043.00	10,043.00	
Other	-	17,873.00	17,873.00	
Fees and Permits	-	340,619.11	340,619.11	
Fines and Costs:	-			
Municipal Court	7,029.90	158,032.33	149,746.01	15,316.22
Interest and Costs on Taxes	-	233,200.67	233,200.67	
Parking Meters	-	144,999.66	144,999.66	
Interest Earned on Investments	-	109,089.78	109,089.78	
Beach Control Fees	-	440,491.85	440,491.85	
Land Rental	-	87,501.00	87,501.00	
Payment in Lieu of Taxes	-	130,008.00	130,008.00	
Cable Television Franchise Fees	-	61,105.66	61,105.66	
City Lease Fees	-	58,773.16	58,773.16	
Ambulance Service Fees	-	283,222.10	283,222.10	
Recreation Fees	-	76,010.00	76,010.00	
Energy Receipts Tax	-	608,112.00	608,112.00	
Uniform Construction Code Fees	-	358,863.00	358,863.00	
Borough of Longport-Uniform Construction Code	-	44,150.00	44,150.00	
Utility Fund Allocation	-	410,000.00	410,000.00	
Reserve for Payment of Debt	-	206,887.18	206,887.18	
Miscellaneous Revenue Not Anticipated	-	311,110.40	311,110.40	
	<u>\$ 7,029.90</u>	<u>4,090,091.90</u>	<u>4,081,805.58</u>	<u>15,316.22</u>

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

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charges	Balance Lapsed
<b>OPERATIONS WITHIN "CAPS"</b>				
<b>GENERAL GOVERNMENT:</b>				
Mayor's Office				
Salaries and Wages	\$ 569.14	569.14	-	569.14
Other Expenses	8,460.89	8,460.89	931.33	7,529.56
Police				
Salaries and Wages	235,623.42	60,623.42	710.99	59,912.43
Other Expenses	110,328.18	110,328.18	23,722.49	86,605.69
Fire				
Salaries and Wages	54,166.02	229,166.02	101,071.13	128,094.89
Other Expenses	34,228.52	34,228.52	9,945.40	24,283.12
Uniform Fire Safety Act				
Other Expenses	295.32	295.32	-	295.32
Radio and Communications				
Salaries and Wages	16,302.32	16,302.32	-	16,302.32
Other Expenses	2,477.59	2,477.59	-	2,477.59
City Administrator				
Salaries and Wages	192.00	192.00	-	192.00
Other Expenses	73,887.00	73,887.00	11,978.00	61,909.00
Office of Emergency Management				
Other Expenses	1,233.20	1,233.20	1,233.20	-
Traffic and Electrical Division				
Salaries and Wages	3,089.36	3,089.36	-	3,089.36
Other Expenses	18,789.26	18,789.26	(311.26)	19,100.52
Animal Control				
Other Expenses	700.00	700.00	700.00	-
Celebration of Public Events				
Other Expenses	28,998.04	28,998.04	20,075.00	8,923.04
Beach Patrol				
Salaries and Wages	2,411.86	2,411.86	-	2,411.86
Other Expenses	1,515.77	1,515.77	593.95	921.82
Beach Control				
Salaries and Wages	3,546.09	3,546.09	-	3,546.09
Other Expenses	3,635.27	3,635.27	3,571.00	64.27
<b>DEPARTMENT OF PUBLIC WORKS, PARKS &amp; PUBLIC PROPERTY</b>				
Streets and Roads				
Salaries and Wages	15,093.61	15,093.61	-	15,093.61
Other Expenses	26,657.07	26,657.07	8,733.25	17,923.82
Motor Vehicle Maintenance				
Salaries and Wages	4,636.47	4,636.47	-	4,636.47
Other Expenses	21,223.96	21,223.96	4,698.75	16,525.21
Buildings and Grounds				
Salaries and Wages	54,573.35	54,573.35	2,354.25	52,219.10
Other Expenses	73,588.43	73,588.43	37,992.66	35,595.77
Recreation				
Salaries and Wages	6,418.71	6,418.71	-	6,418.71
Other Expenses	27,342.38	27,342.38	8,229.49	19,112.89
City Engineer				
Other Expenses	92,128.75	92,128.75	79,607.50	12,521.25
Solid Waste/Recycling				
Salaries and Wages	3,199.35	3,199.35	-	3,199.35
Other Expenses	218,802.66	218,802.66	82,442.53	136,360.13
<b>DEPARTMENT OF REVENUE AND FINANCE</b>				
Legal Services and Costs				
Other Expenses	120,172.83	120,172.83	4,671.00	115,501.83
City Clerk				
Salaries and Wages	737.95	737.95	-	737.95
Other Expenses	7,582.06	7,582.06	772.60	6,809.46
Codification of Ordinances	315.00	315.00	-	315.00

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

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charges	Balance Lapsed
Elections				
Other Expenses	7,409.24	7,409.24	-	7,409.24
Planning Board				
Salaries and Wages	4,879.66	4,879.66	-	4,879.66
Other Expenses	1,427.25	1,427.25	-	1,427.25
Financial Administration				
Salaries and Wages	9,155.51	9,155.51	861.60	8,293.91
Other Expenses	17,769.76	17,769.76	6,195.26	11,574.50
Assessment of Taxes				
Salaries and Wages	167.47	167.47	-	167.47
Other Expenses	3,656.63	3,656.63	-	3,656.63
Collection of Taxes				
Salaries and Wages	13,656.68	13,656.68	-	13,656.68
Other Expenses	118.97	118.97	-	118.97
Information Technology				
Salaries and Wages	960.69	960.69	-	960.69
Other Expenses	75,808.74	75,808.74	52,479.11	23,329.63
Municipal Court				
Salaries and Wages	4,026.51	4,026.51	3,716.51	310.00
Other Expenses	1,769.81	1,769.81	293.00	1,476.81
Municipal Prosecutor				
Salaries and Wages	-	-	-	-
Public Defender (P.L. 1997, C.256)				
Other Expenses	1,000.00	1,000.00	-	1,000.00
Insurance				
General Liability	18,023.28	18,023.28	-	18,023.28
Workers Compensation	215.46	215.46	-	215.46
Employee Group Health	226,441.14	226,441.14	-	226,441.14
Health Waiver	1,398.64	1,398.64	-	1,398.64
Construction Official				
Salaries and Wages	7,643.44	7,643.44	-	7,643.44
Other Expenses	35,989.84	35,989.84	1,732.46	34,257.38
Inspection of Housing				
Salaries and Wages	1,556.28	1,556.28	-	1,556.28
Other Expenses	3,951.97	3,951.97	43.79	3,908.18
Electrical and Plumbing				
Salaries and Wages	1,798.61	1,798.61	-	1,798.61
Utilities				
Gasoline	22,612.65	22,612.65	-	22,612.65
Electricity	8,544.05	8,544.05	-	8,544.05
Telephone	2,931.73	2,931.73	1,993.99	937.74
Natural Gas	8,458.44	8,458.44	-	8,458.44
STATUTORY EXPENDITURES				
Contribution to				
Public Employees' Retirement System	187.46	187.46	-	187.46
Consolidated Police and Firemen's Pension Fund	3,785.63	3,785.63	-	3,785.63
Police and Firemen's Retirement System	6.62	6.62	-	6.62
Social Security System	15,823.40	15,823.40	-	15,823.40
Unemployment	13,629.15	13,629.15	-	13,629.15
Medical Insurance	4,023.51	4,023.51	-	4,023.51
Define Contribution Retirement Program	1,660.38	1,660.38	-	1,660.38
OPERATIONS EXCLUDED FROM "CAPS"				
Borough of Longport-Uniform Construction Code Office				
Salaries and Wages	13,453.60	13,453.60	-	13,453.60
Other Expenses	250.00	250.00	-	250.00
	<u>\$ 1,807,114.03</u>	<u>1,807,114.03</u>	<u>471,038.98</u>	<u>1,336,075.05</u>
Appropriation Reserves	1,342,912.11		432,336.90	Paid
Accounts Payable and Encumbrances	464,201.92		38,702.08	Accounts Payable
	<u>1,807,114.03</u>		<u>471,038.98</u>	

**CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2021	
School Tax Payable	\$ -
Increased by:	
Levy - Calender Year January 1, 2022 to	
December 31, 2022	<u>16,702,599.00</u>
	16,702,599.00
Decreased by:	
Payments	<u>16,782,697.92</u>
Balance December 31, 2022	
School Tax Payable	<u><u>(80,098.92)</u></u>
Current Year Liability for Local School District School Tax:	
Tax Paid	16,782,697.92
Tax Payable Ending	<u>(80,098.92)</u>
	16,702,599.00
Less: Tax Payable Beginning	<u>-</u>
Amount charged to Current Year Operations	<u><u>\$ 16,702,599.00</u></u>

## CURRENT FUND SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Purpose	Balance Dec. 31, 2021	Transferred From 2022 Revenues	Received	Adjustments	Balance Dec. 31, 2022
<b>FEDERAL GRANTS:</b>					
Federal Emergency Management Agency (FEMA)					
Assistance to Firefighters	\$ 77,743.00				77,743.00
Emergency Management	17,000.00				17,000.00
Fire Assistance Grant	21,000.00				21,000.00
Emergency Management	24,761.34				24,761.34
Emergency Management 2022		10,000.00	10,000.00		-
Flood Mitigation - Winchester Avenue		1,638,011.05			1,638,011.05
Body Armor	3,269.84		2,433.82		836.02
US Department of Highway Safety					-
Drive Sober or Get Pulled Over					-
Labor Day					-
Year End Holiday		5,760.00	5,580.00		180.00
Distracted Driver Crackdown (U Text, U Drive, U Pay)		2,520.00			2,520.00
Click It or Ticket		5,600.00	5,600.00		-
State of New Jersey		2,800.00	2,800.00		-
American Rescue Plan					-
Firefighters Grant Program		36,000.00			36,000.00
Total Federal	143,774.18	1,700,691.05	26,413.82	-	1,818,051.41
<b>STATE GRANTS:</b>					
New Jersey Transportation Trust Fund - Bikeway	2,169.17				2,169.17
New Jersey Transportation Trust Fund - Safe Streets	300,000.00				300,000.00
New Jersey Transportation Trust Fund - 2022 Municipal Aid					
Suffolk to Edgewater	310,000.00				310,000.00
New Jersey Transportation Trust Fund - 2021					
Bicycle and Pedestrian	100,000.00				100,000.00
NJ Transportation Trust Fund Authority Act - 2022					
Atlantic Avenue Road Diet Project		250,000.00			250,000.00
NJ Transportation Trust Fund Authority Act - 2019					
Dorset Avenue	77,500.00		77,500.00		-
NJ Transportation Trust Fund Authority Act - 2021	265,000.00				265,000.00
New Jersey Transportation - Safe Routes to School	207,000.00				207,000.00
Municipal Alliance	19,518.06		4,736.05		14,782.01
NJ Department of Environmental Protection					
Electric Vehicle Charging Grant (It Pays to Plug In)		75,000.00			-
Recycling Tonnage		12,951.93	12,951.93		-

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

Purpose	Balance Dec. 31, 2021	Transferred From 2022 Revenues	Received	Adjustments	Balance Dec. 31, 2022
Clean Communities		33,593.05	33,593.05		-
Alcohol, Education and Rehabilitation Program		4,828.01	4,032.81	795.20	-
NJ Board of Public Utilities					
Clean Energy Electric Vehicle Tourism Grant		82,000.00			82,000.00
Clean Fleet Electric Vehicle Incentive Program		83,000.00			83,000.00
NJ Department of Community Affairs					
Local Efficiency Achievement Program (LEAP)					
Implementation Grant -					-
Office of Emergency Management		37,500.00			37,500.00
City Hall		112,500.00			112,500.00
Coastal Resiliency Grant 2022		546,003.68			546,003.68
Resilient NJ	88,242.96				88,242.96
Total State	1,369,430.19	1,237,376.67	132,813.84	795.20	2,473,197.82



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

Purpose	Balance Dec. 31, 2021	Transferred From 2022 Revenues	Received	Adjustments	Balance Dec. 31, 2022
OTHER: Atlantic County DWI Checkpoint Jeanne and Richard Klaskey Foundation		4,680.00	4,680.00		-
		3,000.00	3,000.00		-
		<u>7,680.00</u>	<u>7,680.00</u>	<u>-</u>	<u>-</u>
Total Other	\$ <u>1,513,204.37</u>	<u>2,945,747.72</u>	<u>166,907.66</u>	<u>795.20</u>	<u>4,291,249.23</u>

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

	Balance December 31, 2021		2022	Reverse Prior Year Encumbrances	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2022
	Appropriated	Reserve for Encumbrances						
<b>FEDERAL GRANTS:</b>	\$							
Community Development Block Grant		154,028.00						154,028.00
Post Sandy Planning Assistance		9,590.01						9,590.01
Federal Bulletproof Vest Partnership		3,999.01			2,240.96			1,758.05
US Department of Highway Safety								
Drive Sober or Get Pulled Over								
Labor Day			5,760.00		5,580.00			180.00
Year End Holiday			2,520.00		2,520.00			-
Distracted Driver Crackdown (U Text, U Drive, U Pay)			5,600.00		5,600.00			-
Click It or Ticket			2,800.00		2,800.00			-
Federal Emergency Management Agency -								
Emergency Management		10,000.00			10,000.00			-
Emergency Management		728.74	8,294.50		3,242.77	2,216.10		3,564.37
Emergency Management-2022			10,000.00					10,000.00
Flood Mitigation - Winchester Avenue			1,638,011.05					1,638,011.05
State of New Jersey								
American Rescue Plan								
Firefighters Grant Program			36,000.00			2,740.00		33,260.00
Total Federal		178,345.76	1,700,691.05	-	31,983.73	4,956.10	-	1,850,391.48

**STATE GRANTS:**

NJ Transportation Trust Fund Authority Act - 2019									
Dorset Avenue	423.22								423.22
New Jersey Transportation - Safe Routes to School	207,000.00								207,000.00
New Jersey Transportation Trust Fund - Bikeway	2,169.17								2,169.17
New Jersey Transportation Trust Fund - 2018 Municipal Aid									
Hampshire Avenue	172,000.00								172,000.00
New Jersey Transportation Trust Fund - Burk Avenue	42,910.47								42,910.47
New Jersey Transportation Trust Fund	265,000.00								265,000.00
Ventnor Heights									
New Jersey Transportation Trust Fund - Safe Streets	300,000.00								300,000.00
Little Rock Avenue									
New Jersey Transportation Trust Fund - Muni Aid 2021	310,000.00								310,000.00
Suffolk to Edgewater	100,000.00								100,000.00
New Jersey Transportation Trust Fund - Bikeway									
New Jersey Transportation Trust Fund -									
Atlantic Avenue Road Diet Project			250,000.00						250,000.00
Recycling Tonnage Grant-2017	204.34								204.34
Recycling Tonnage Grant-2020	10,205.13								8,998.13
Recycling Tonnage Grant-2022	-		12,951.93						12,951.93
Alliance for the Prevention of Alcohol and Drug Abuse	2,250.00					1,468.92			3,031.08
Alliance for the Prevention of Alcohol and Drug Abuse-2019	11,690.00					2,389.71			9,300.29
Alliance for the Prevention of Alcohol and Drug Abuse-2020	12,966.19								12,966.19

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

	Balance December 31, 2021	2022	Reverse Prior Year	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2022
	Appropriated	Appropriations	Encumbrances				
Alliance for the Prevention of Alcohol and Drug Abuse-2021	10,540.64			1,390.22			9,150.42
Alliance for the Prevention of Alcohol and Drug Abuse-2021 Match	1,190.21	1,190.21		961.44			228.77
Alliance for the Prevention of Alcohol and Drug Abuse-2022							1,190.21
Alliance for the Prevention of Alcohol and Drug Abuse-2022 Match		4,760.82					4,760.82
Alcohol Education, Rehabilitation and Enforcement-2018	421.77			421.77			0.00
Alcohol Education, Rehabilitation and Enforcement-2019	1,165.43			1,165.43			-
Alcohol Education, Rehabilitation and Enforcement-2020	541.80			541.80			-
Alcohol Education, Rehabilitation and Enforcement-2022		4,828.01		4,032.81		795.20	
Resilient NJ Grant	88,242.96				1,834.27		-
Clean Communities-2020	6,363.64	14,638.72		17,512.16			88,242.96
Clean Communities-2019	998.04			914.88			1,655.93
Clean Communities-2018	372.04			242.03			83.16
Clean Communities-2021	33,603.60			4,951.60	48.40		130.01
Clean Communities-2022		33,593.05					28,603.60
Drunk Driving Enforcement Fund-2020	2,760.00			538.00	120.00		33,593.05
Drunk Driving Enforcement Fund-2019	14,499.46			3,888.16			2,102.00
Drunk Driving Enforcement Fund-2015	179.00						10,611.30
State Housing Inspection	3,403.00						179.00
NJ Department of Community Affairs							3,403.00
Local Efficiency Achievement Program (LEAP)							
Implementation Grant -							
Office of Emergency Management		37,500.00		17,905.95			19,594.05
City Hall		112,500.00		6,658.33			105,841.67
Coastal Resiliency Grant 2022		546,003.68					546,003.68
NJ Board of Public Utilities							
Clean Energy Electric Vehicle Tourism Grant		82,000.00					82,000.00
Clean Fleet Electric Vehicle Incentive Program		83,000.00					83,000.00
NJ Department of Environmental Protection							-
Electric Vehicle Charging Grant (It Pays to Plug In)		75,000.00					75,000.00
Total State	1,601,100.11	1,243,327.70	-	64,983.21	959.67	795.20	2,792,328.45
<b>OTHER:</b>							
Atlantic County DWI Checkpoint	3,300.00	4,680.00		4,320.00		-	3,660.00
Jeanne and Richard Kaskey Foundation		3,000.00					3,000.00
Total State	3,300.00	7,680.00	-	4,320.00	-	-	6,660.00
	1,782,745.87	2,951,698.75	-	101,286.94	5,915.77	795.20	4,649,379.93

**CURRENT FUND**  
**SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

<u>Purpose</u>	<u>Balance Dec. 31, 2021</u>	<u>Transferred To 2022 Appropriations</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2022</u>
<b>FEDERAL GRANTS:</b>					
Bulletproof Vest	\$ 94.49		-		94.49
Body Armor			1,807.27		1,807.27
American Rescue Plan			517,847.68		517,847.68
Total Federal	94.49	-	519,654.95	-	519,749.44
<b>STATE GRANTS:</b>					
State Housing Inspection	23,125.00		-		23,125.00
Alcohol Education and Rehab	795.20	795.20			-
Total State	23,920.20	795.20	-	-	23,125.00
<b>OTHER:</b>					
Atlantic County DWI Checkpoint			1,080.00		1,080.00
	-	-	1,080.00	-	1,080.00
	\$ 24,014.69	795.20	520,734.95	-	543,954.44

**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2021	\$ 9,136.60	1,833,537.37
Increased by Receipts:		
Dog License Fees 2022	3,401.60	
Due to State of New Jersey	557.40	
Late Fees	-	
Payroll Deductions Payable		19,691,146.61
Miscellaneous Trust Reserves		2,034,454.89
Due from Current		-
	<u>3,959.00</u>	<u>21,725,601.50</u>
	13,095.60	23,559,138.87
Decreased by Disbursements		
Statutory Expenditures	200.00	
Due to State of New Jersey	564.00	
Payroll Deductions Payable	-	19,936,227.93
Miscellaneous Trust Reserves		1,378,465.07
Due to Current Fund	-	-
	<u>764.00</u>	<u>21,314,693.00</u>
Balance December 31, 2022	\$ <u><u>12,331.60</u></u>	<u><u>2,244,445.87</u></u>

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

Balance December 31, 2021		\$ 5,960.40
Increased by:		
Dog License Fees Collected	3,401.60	
		<u>3,401.60</u>
		9,362.00
Decreased by:		
Statutory Excess	3,471.20	
Accounts Payable	320.00	
Expenditures under N.J.S. 4:19-15:11	<u>200.00</u>	
		<u>3,991.20</u>
Balance December 31, 2022		<u><u>\$ 5,370.80</u></u>

License Fees Collected:

Year	Amount
2021	\$ 2,526.80
2020	<u>2,844.00</u>
	<u>\$ 5,370.80</u>

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO CURRENT FUND - DOG LICENSE FUND**

Balance December 31, 2021		\$ 3,169.60
Increased by:		
Statutory Excess	<u>3,471.20</u>	<u>3,471.20</u>
		6,640.80
Decreased by:		
Paid to Current Fund		<u>-</u>
Balance December 31, 2022		<u>\$ 6,640.80</u>

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO(FROM) STATE OF NEW JERSEY - DEPARTMENT OF HEALTH**

Balance December 31, 2021		\$ 6.60
Increased by:		
2022 State License Fees	<u>557.40</u>	<u>557.40</u>
		564.00
Decreased by:		
Disbursements to the State		<u>564.00</u>
Balance December 31, 2022		<u>\$ -</u>

**TRUST FUND**  
**SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**

Balance December 31, 2021		\$	376,168.70
Increased by:			
Receipts	<u>19,691,146.61</u>		<u>19,691,146.61</u>
			20,067,315.31
Decreased by:			
Disbursements	<u>19,936,227.93</u>		<u>19,936,227.93</u>
Balance December 31, 2022		\$	<u><u>131,087.38</u></u>



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**TRUST - OTHER FUNDS**  
**SCHEDULE OF MISCELLANEOUS RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Reserve</u>	<u>Balance Dec 31, 2021</u>	<u>Increased by</u>		<u>Decreased by</u>		<u>Balance Dec 31, 2022</u>
		<u>Receipts</u>	<u>Collections made by Current Fund</u>	<u>Disbursements</u>	<u>Payments made by Current Fund</u>	
Small Cities Revolving Loan Fund	\$ 51,934.00	-	-	-	-	51,934.00
Developers Escrow	196,116.00	77,407.08	-	35,050.27	-	238,472.81
Law Enforcement Trust	328.45	415.54	-	-	-	743.99
Federal Forfeitures	134.53	0.60	-	-	-	135.13
Parking Offense Adjudication Act	3,845.48	236.00	-	4,081.48	-	0.00
Life Guard Pension Fund	184,669.54	22,767.72	-	58,363.56	-	149,073.70
Unemployment Trust	44,169.15	98,499.54	-	14,108.15	-	128,560.54
Evidence Trust	4,754.70	20.52	-	-	-	4,775.22
Tax Sale Premiums	625,600.00	1,015,300.00	-	481,800.00	-	1,159,100.00
Tax Title Lien Redemptions	220.54	261,834.64	-	238,899.13	-	23,156.05
Boardwalk Benches	16,264.16	625.00	-	-	-	16,889.16
Storm Emergency	54,152.65	-	-	12,412.58	-	41,740.07
Penalties Collected Under the Uniform Fire Code	13,493.55	538.69	-	-	-	14,032.24
Police Detail	65,099.36	256,809.32	-	203,410.04	-	118,498.64
Accumulated Absences	195,562.27	300,000.00	-	329,937.59	-	165,624.68
Merchant Fees	402.03	0.24	-	402.27	-	-
<b>\$</b>	<b>1,456,746.41</b>	<b>2,034,454.89</b>	<b>-</b>	<b>1,378,465.07</b>	<b>-</b>	<b>2,112,736.23</b>

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

Balance December 31, 2021		\$	9,852,100.14
Increased by:			
Receipts	9,910,790.58		
	<hr/>		<hr/>
			9,910,790.58
			19,762,890.72
Decreased by:			
Disbursements	16,072,729.37		
	<hr/>		<hr/>
			16,072,729.37
Balance December 31, 2022		\$	<u><u>3,690,161.35</u></u>

# GENERAL CAPITAL FUND ANALYSIS OF CASH

	Balance Dec. 31, 2021	Disbursements				Balance Dec. 31, 2022				
		Receipts		Improvement Authorizations	Anticipation Notes		Miscellaneous			
		Miscellaneous	Debt Issued							
Fund Balance	\$ 1,422,998.39									1,422,998.39
Due from NJEIT	(70,703.00)									(70,703.00)
Due to Utility Capital	-	49,772.00	-						-	49,772.00
Capital Improvement Fund	99,693.00	200,000.00						293,650.00	-	6,043.00
Contracts Payable	6,515,215.81							6,515,215.81	4,581,639.86	4,581,639.86
Reserve for Payment of Bonds	386,887.18	661,018.58	-					-	206,887.18	841,018.58
<u>Improvement Authorizations:</u>										
2009-14 Various Improvements	-			14,006.34					14,006.34	-
2011-11 Various Improvements	467,343.63			211,493.12						255,850.51
2017-38 Various Projects	59,498.02			4,000.00				57,551.30	9,700.00	7,646.72
General Capital Improvements	2,614,870.74		4,160,000.00	1,522,384.05	4,160,000.00			401,950.82	833,334.06	1,523,869.93
Park and Beach Improvements	488,213.60		1,000,000.00	339,087.51	1,000,000.00			14,674.00	10,598.55	145,050.64
Various School Improvements	(71.00)			205,489.79				20,042.02	225,531.81	(71.00)
Construction of Firehouse #2	(238,260.70)		3,000,000.00	24,937.50	3,000,000.00					(263,198.20)
Various Improvements	4,081,622.40		840,000.00	2,623,216.19	840,000.00			873,360.82	809,433.94	1,394,479.33
2021-14 Various Improvements	(5,975,207.93)			1,865,989.59				2,699,192.34	4,612,611.11	(5,927,778.75)
Various Improvements				55,238.10				514,868.56	293,650.00	(276,456.66)
	\$ 9,852,100.14	910,790.58	9,000,000.00	6,865,842.19	9,000,000.00	206,887.18		11,390,505.67	11,390,505.67	3,690,161.35

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

Balance December 31, 2021		\$	99,693.00
Increased by:			
2022 Budget Appropriation	200,000.00		
	<hr/>		<hr/>
			200,000.00
			299,693.00
Decreased by:			
Finance Improvement Authorizations	293,650.00		
	<hr/>		<hr/>
			293,650.00
Balance December 31, 2022		\$	<u><u>6,043.00</u></u>

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance December 31, 2021		\$ 25,008,960.09
Increased by:		
Serial Bonds	9,000,000.00	
	<hr/>	<hr/>
		9,000,000.00
		34,008,960.09
Decreased by:		
2022 Budget Appropriation:		
General Serial Bonds	1,635,000.00	
School Serial Bonds	870,000.00	
Green Trust Loans Payable	65,850.22	
NJEIT Loans Payable	51,960.55	
	<hr/>	<hr/>
		2,622,810.77
Balance December 31, 2022		\$ <u><u>31,386,149.32</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Raised in 2022 Budget	Transferred to Deferred Taxation- Funded	Balance Dec. 31, 2022	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2017-41	Various Improvements	\$ 5,057,521.47		97,521.47	4,160,000.00	800,000.00			800,000.00
2017-42	Various Park and Beach Improvements	1,000,000.00			1,000,000.00	-			-
2018-28	Various School Improvements	71.00		71.00		-		-	-
2019-03	Construction of Firehouse #2	3,333,333.00		133,333.00	3,000,000.00	200,000.00		129,865.20	70,134.80
2020-24	Various Improvements	7,606,389.00		66,389.00	840,000.00	6,700,000.00	4,500,000.00	-	2,200,000.00
2021-14	Various Improvements	6,150,208.00		208.00		6,150,000.00		5,927,570.75	222,429.25
2022-18	Various Improvements	-	5,579,350.00			5,579,350.00		570,106.66	5,009,243.34
		<u>\$ 23,147,522.47</u>	<u>5,579,350.00</u>	<u>297,522.47</u>	<u>9,000,000.00</u>	<u>19,429,350.00</u>	<u>4,500,000.00</u>	<u>6,627,542.61</u>	<u>8,301,807.39</u>
Improvement Authorizations Unfunded									
Less:									
Unexpended Proceeds of Bond									
Anticipation Notes Issued:									
			<u>Ord. Number</u>						
			2017-41				\$	1,621,391.40	
			2017-42					145,050.64	
			2020-24					1,460,868.33	
									3,227,310.37
									8,301,807.39

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Authorizations				Prior Year Encumbrances	Paid or Charged	Current Year Encumbrances	Cancelled	Balance December 31, 2022	
				Balance December 31, 2021	Other Funding	Deferred Charges to Future Taxation	Unfunded					Funded	Unfunded
2009-14	Various Improvements	6/18/2009	6,418,000	\$ -				14,006.34	14,006.34			-	
2011-11	Various Improvements	2011	1,700,000	467,343.63				9,700.00	211,493.12	57,551.30		255,850.51	
2017-38	Various Projects	2017	846,000	59,498.02				833,334.06	4,000.00	401,950.82		7,646.72	
2017-41	General Capital Improvements	2017	13,209,039				3,512,392.21	10,598.55	1,522,384.05	14,674.00			2,421,391.40
2017-42	Park and Beach Improvements	2017	1,785,000				488,213.60	225,531.81	339,087.51	20,042.02			145,050.64
2018-28	Various School Improvements	7/2/2018	9,315,071	-			-	205,489.79	205,489.79			-	-
2019-03	Construction of Firehouse #2	1/24/2019	3,500,000	-			95,072.30	809,433.94	24,937.50	873,360.82		-	70,134.80
2020-24	Various Improvements	12/12/2020	8,006,820				6,348,011.40	4,612,611.11	2,623,216.19	2,699,192.34			3,660,888.33
2021-14	Various Improvements	7/8/2021	6,457,721				175,000.07		1,865,989.59				222,429.25
2022-18	Various Improvements	7/13/2022	9,000,000	-	293,650.00	5,579,350.00	-		55,238.10	514,868.56		293,650.00	5,009,243.34
				\$ 526,841.65	293,650.00	5,579,350.00	10,618,689.58	6,515,215.81	6,865,842.19	4,581,639.86	-	557,147.23	11,529,117.76



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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2022				Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
			December 31, 2022								
			Date	Amount							
General Improvement Bonds of 2013	12/4/2013	6,365,000	12/1/2023	600,000.00	3.000%	\$	2,420,000.00		580,000.00	1,840,000.00	
			12/1/2024	610,000.00	3.000%						
			12/1/2025	630,000.00	3.250%						
Refunding Improvement Bonds of 2017	9/22/2017	3,235,000	12/1/2023	635,000.00	4.000%		2,590,000.00		620,000.00	1,970,000.00	
			12/1/2024	650,000.00	4.000%						
			12/1/2025	685,000.00	4.000%						
General Improvement Bonds of 2019	10/22/2019	8,855,000	9/1/2023	630,000.00	3.000%		8,565,000.00		435,000.00	8,130,000.00	
			9/1/2024	695,000.00	3.000%						
			9/1/2025	770,000.00	3.000%						
			9/1/2026	780,000.00	4.000%						
			9/1/2027	780,000.00	4.000%						
			9/1/2028	810,000.00	4.000%						
			9/1/2029	830,000.00	4.000%						
			9/1/2030	865,000.00	2.000%						
			9/1/2031	955,000.00	2.000%						
			9/1/2032	1,015,000.00	2.000%						
General Improvement Bonds of 2022	7/13/2022	9,000,000	7/1/2023	495,000.00	3.875%			9,000,000.00		9,000,000.00	
			7/1/2024	585,000.00	4.000%						
			7/1/2025	630,000.00	4.000%						
			7/1/2026	675,000.00	4.000%						
			7/1/2027	720,000.00	4.000%						
			7/1/2028	765,000.00	4.000%						
			7/1/2029	810,000.00	4.000%						
			7/1/2030	810,000.00	4.000%						
			7/1/2031	810,000.00	4.000%						
			7/1/2032	855,000.00	4.000%						
			7/1/2033	855,000.00	4.000%						
			7/1/2034	990,000.00	4.000%						
							\$ 13,575,000.00	9,000,000.00	1,635,000.00	20,940,000.00	

**GENERAL CAPITAL FUND**  
**SCHEDULE OF SCHOOL SERIAL BONDS PAYABLE - TYPE 1**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
			Date	Amount					
Refunding Series 2017	9/22/2017	1,110,000	12/1/2023	225,000.00	4.000%	900,000.00		210,000.00	690,000.00
			12/1/2024	225,000.00	4.000%				
			12/1/2025	240,000.00	4.000%				
School Bonds, Series 2021	7/7/2021	8,595,000	7/15/2023	680,000.00	1.000%	8,595,000.00		660,000.00	7,935,000.00
			7/15/2024	690,000.00	1.000%				
			7/15/2025	745,000.00	1.000%				
			7/15/2026	705,000.00	1.000%				
			7/15/2027	705,000.00	1.000%				
			7/15/2028	750,000.00	1.125%				
			7/15/2029	775,000.00	2.000%				
			7/15/2030	765,000.00	2.000%				
			7/15/2031	765,000.00	3.000%				
			7/15/2032	765,000.00	3.000%				
			7/15/2033	590,000.00	3.000%				
						\$ 9,495,000.00	-	870,000.00	8,625,000.00

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
			Date	December 31, 2022	Amount					
Fishing Pier	2/16/2017	1,335,000	2023	67,173.81		2.000%	\$ 1,052,591.11		65,850.22	986,740.89
			2024	68,524.00						
			2025	69,901.33						
			2026	71,306.36						
			2027	72,739.61						
			2028	74,201.68						
			2029	75,693.13						
			2030	77,214.57						
			2031	78,766.57						
			2032	80,349.79						
			2033	81,964.81						
			2034	83,612.30						
			2035	85,292.93						
						\$	1,052,591.11	-	65,850.22	986,740.89

**GENERAL CAPITAL FUND**  
**SCHEDULE OF NJEIT LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
			Date	Outstanding December 31, 2022 Amount					
Repair and Replace Bulkheads 2014-25	2/8/2018	325,000.00	8/1/2023	15,000.00	5.000%	\$			
			8/1/2024	15,000.00	5.000%				
			8/1/2025	15,000.00	5.000%				
			8/1/2026	15,000.00	5.000%				
			8/1/2027	15,000.00	5.000%				
			8/1/2028	20,000.00	3.000%				
			8/1/2029	20,000.00	3.000%				
			8/1/2030	20,000.00	3.000%				
			8/1/2031	20,000.00	3.000%				
			8/1/2032	20,000.00	3.125%				
			8/1/2033	20,000.00	3.125%				
			8/1/2034	20,000.00	3.250%				
			8/1/2035	20,000.00	3.250%				
			8/1/2036	20,000.00	3.375%				
			8/1/2037	25,000.00	3.375%				
								15,000.00	280,000.00
Repair and Replace Bulkheads 2014-25 (Original \$973,515 - \$246,624 Principal Forgiveness)	2/8/2018	726,891.00	2/1/2023	12,320.18	0.000%				
			8/1/2023	24,640.37	0.000%	591,368.98		36,960.55	554,408.43
			2/1/2024	12,320.18	0.000%				
			8/1/2024	24,640.37	0.000%				
			2/1/2025	12,320.18	0.000%				
			8/1/2025	24,640.37	0.000%				
			2/1/2026	12,320.18	0.000%				
			8/1/2026	24,640.37	0.000%				
			2/1/2027	12,320.18	0.000%				
			8/1/2027	24,640.37	0.000%				
			2/1/2028	12,320.18	0.000%				
			8/1/2028	24,640.37	0.000%				
			2/1/2029	12,320.18	0.000%				
			8/1/2029	24,640.37	0.000%				
			2/1/2030	12,320.18	0.000%				
			8/1/2030	24,640.37	0.000%				
			2/1/2031	12,320.18	0.000%				
			8/1/2031	24,640.37	0.000%				

**GENERAL CAPITAL FUND**  
**SCHEDULE OF NJEIT LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
			Date	Outstanding December 31, 2022 Amount					
Repair and Replace Bulkheads 2014-25 (Original \$973,515 - \$246,624 Principal Forgiveness)	2/8/2018	726,891.00	2/1/2032	12,320.18	0.000%				
			8/1/2032	24,640.37	0.000%				
			2/1/2033	12,320.18	0.000%				
			8/1/2033	24,640.37	0.000%				
			2/1/2034	12,320.18	0.000%				
			8/1/2034	24,640.37	0.000%				
			2/1/2035	12,320.18	0.000%				
			8/1/2035	24,640.37	0.000%				
			2/1/2036	12,320.18	0.000%				
			8/1/2036	24,640.37	0.000%				
			2/1/2037	12,320.18	0.000%				
			8/1/2037	24,640.55	0.000%				
						\$ 886,368.98	-	51,960.55	834,408.43

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
Various Improvements	2017-41	7/15/2020	7/15/2021	7/14/2022	1.00%	\$ 4,160,000.00		4,160,000.00	-
Various Improvements	2017-42	7/15/2020	7/15/2021	7/14/2022	1.00%	1,000,000.00		1,000,000.00	-
Construction of Firehouse #2	2019-03	7/15/2021	7/15/2021	7/14/2022	1.00%	3,000,000.00	-	3,000,000.00	-
Various Improvements	2020-24	7/15/2021	7/15/2021	7/14/2022	1.00%	5,340,000.00	-	5,340,000.00	-
Various Improvements	2020-24	7/13/2022	7/13/2022	7/12/2023	2.50%		4,500,000.00		4,500,000.00
						<u>\$ 13,500,000.00</u>	<u>4,500,000.00</u>	<u>13,500,000.00</u>	<u>4,500,000.00</u>
						Paid by Budget Appropriation			
						Bonds and Notes Issued			
						-			
						<u>13,500,000.00</u>			
						<u>13,500,000.00</u>			

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Paid by Budget Appropriation	Balance Dec. 31, 2022
2017-41	Various Improvements	\$ 897,521.47	-	97,521.47	800,000.00
2018-28	Various School Improvements	71.00		71.00	-
2019-03	Construction of Firehouse #2	333,333.00		133,333.00	200,000.00
2020-24	Various Improvements	2,266,389.00		66,389.00	2,200,000.00
2021-14	Various Improvements	6,150,208.00	-	208.00	6,150,000.00
2022-18	Various Improvements	-	5,579,350.00		5,579,350.00
		<u>\$ 9,647,522.47</u>	<u>5,579,350.00</u>	<u>297,522.47</u>	<u>14,929,350.00</u>

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

	<u>Operating</u>
Balance December 31, 2021	\$ 1,783,566.91
Increased by Receipts:	
Sewer Rents Receivable	5,933,191.79
Miscellaneous	231,914.62
Overpayments	31,754.51
Due to Grant Fund	517,847.68
	<u>6,714,708.60</u>
	8,498,275.51
Decreased by Disbursements:	
2022 Appropriations	5,769,417.19
2021 Appropriation Reserves	350,814.23
Accrued Interest on Bonds & Notes	762,600.25
Refund of Overpayments	3,267.09
Due from Current Fund	2,379.25
	<u>6,888,478.01</u>
Balance December 31, 2022	\$ <u><u>1,609,797.50</u></u>



**WATER AND SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2021	Receipts		Disbursements		Transfers		Balance Dec. 31, 2022
		Debt Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 153,656.38							153,656.38
Contracts Payable	311,805.54	-		-	311,805.54	-	905,975.21	905,975.21
Reserve for Payment of Bonds & Notes	-		133,101.42		-	-	-	133,101.42
NJEIT Bonds & Loans Receivable	(300,210.00)				49,772.00			(300,210.00)
Due from General Capital								(49,772.00)
<b>Improvement Authorizations:</b>								
<u>Ordinance</u>								
<u>Number</u>								
2013-9b Renovations to Main Water Plant	4,217.50			4,217.50		-		-
2017-39 Water & Sewer Improvements	49,527.03	-		2,392.00	-	44,135.03	-	3,000.00
2017-40 Utility Improvements	2,028,403.18	-		1,215,236.66		255,824.73	-	557,341.79
2021-06 Various Utility Improvements	3,848,977.33	-		210,954.71		503,872.98	-	3,134,149.64
2022-17 Various Utility Improvements	-		-	-		102,142.47		(102,142.47)
	<u>\$ 6,096,376.96</u>	<u>-</u>	<u>133,101.42</u>	<u>1,432,800.87</u>	<u>361,577.54</u>	<u>905,975.21</u>	<u>905,975.21</u>	<u>4,435,099.97</u>

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

Balance December 31, 2021		\$ 771,440.32
Increased by:		
Utility Rents Levied	<u>5,934,665.61</u>	<u>5,934,665.61</u>
		6,706,105.93
Decreased by:		
Collections	5,933,191.79	
Prepaid & Overpaid Applied	25,031.32	
Cancelled	<u>                    </u>	<u>5,958,223.11</u>
Balance December 31, 2022		\$ <u><u>747,882.82</u></u>

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

Balance December 31, 2021	\$ 28,298.41
Increase by:	
Overpayments created	31,754.51
Decreased by:	
Refunded	(3,267.09)
Overpayments Applied	<u>(25,031.32)</u>
Balance December 31, 2022	\$ <u><u>31,754.51</u></u>

**WATER AND SEWER OPERATING FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES**

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 50,120.07	50,120.07	-	50,120.07
Other Expenses	281,631.61	281,631.61	53,266.28	228,365.33
ACMUA-Treatment Costs	330,344.00	330,344.00	303,854.00	26,490.00
Statutory Expenditures:				
Contribution to:				
Social Security System	342.23	342.23	-	342.23
Unemployment Compensation	297.22	297.22	-	297.22
Defined Contribution Retirement Plan	250.00	250.00	-	250.00
	<u>\$ 662,985.13</u>	<u>662,985.13</u>	<u>357,120.28</u>	<u>305,864.85</u>
		Cash Disbursed	350,814.23	
		Accounts Payable	6,306.05	
		<u>357,120.28</u>		

**WATER AND SEWER OPERATING UTILITY FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS  
AND NOTES - ANALYSIS OF BALANCE**

Balance December 31, 2021	\$ 106,991.53
Increased by:	
Accrued interest charged to 2022 budget appropriation - Interest on bonds	<u>767,185.34</u>
	874,176.87
Decreased by:	
Disbursements	<u>762,600.25</u>
Balance December 31, 2022	<u><u>\$ 111,576.62</u></u>

**ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2022**

Description	Principal Outstanding Dec. 31, 2022	Interest Rate	From	To	# of Days	Amount
Water and Sewer Bonds of 2013	2,145,000	var	12/01/22	12/31/22	30	6,318.75
Refunding Water and Sewer Bond- 2017	5,680,000	var	12/01/22	12/31/22	30	18,933.33
Water & Sewer Bonds of 2019	3,115,000	var	09/01/22	12/31/22	121	33,459.86
Water & Sewer Bonds of 2022	2,500,000	var	07/13/22	12/31/22	171	-
Bonds Payable	1,789,122	0.00%	08/01/22	12/31/22	152	-
NJEIT Bonds Payable	1,020,000	var	08/01/22	12/31/22	152	13,323.75
Bond Anticipation Note	3,500,000	2.50%	07/13/22	12/31/22	171	39,540.93
						<u><u>111,576.62</u></u>

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

Account	Balance Dec. 31, 2021	Balance Dec. 31, 2022
Office Equipment	\$ 72,997.00	72,997.00
Other Equipment	2,067,838.42	2,067,838.42
Building and Improvements	792,974.00	792,974.00
Water System Improvements	3,210,673.42	3,210,673.42
Sewer System Improvements	2,379,307.00	2,379,307.00
Combined Improvements	3,497,925.00	3,497,925.00
	<hr/>	<hr/>
	\$ 12,021,714.84	12,021,714.84
	<hr/> <hr/>	<hr/> <hr/>

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

Ordinance Number	Improvement Description	Ordinance		2022 Authorizations		Costs to Fixed Capital	Transferred/ Canceled	Balance Dec. 31, 2022
		Date	Amount	Deferred Reserve for Amortization	Deferred Charge to Future Revenue			
2009-06	Reconstruction of Sewer Lines	03/19/09	1,000,000 \$					1,000,000.00
2009-15a	Reconstruction of Sewer Lines	06/18/09	1,700,000					1,700,000.00
2009-15b	Repainting the Water Tower	06/18/09	290,000.00					290,000.00
2009-15c	Purchase of Water Meters	06/18/09	617,400					617,400.00
2009-15d	Purchase of Vehicles	06/18/09	65,000					65,000.00
2009-15e	Purchase of Vehicles	06/18/09	70,000					70,000.00
2009-15f	Purchase of Equipment	06/18/09	180,000					180,000.00
2010-14a	Replacement of sanitary sewer mains	10/06/10	4,639,473					4,639,473.00
2010-14b	Replacement of well and well house #8	10/06/10	1,824,170					1,824,170.00
2010-14c	Improve and upgrade electrical at wells 5, 7 and 10	10/06/10	729,668					729,668.00
2011-9a	Replacement of Meter Batteries	06/16/11	500,000					500,000.00
2011-9c	Rehab Well House # 10	06/16/11	150,000					150,000.00
2011-9d	Purchase of Generator	06/16/11	100,000					100,000.00
2013-9a	Replacement of Water Meters	04/18/13	25,000					25,000.00
2013-9b	Renovations to Main Water Plant	04/18/13	100,000					100,000.00
2013-9c	Renovations to Wells	04/18/13	200,000					200,000.00
2013-9d	Replacement of Sewer and Water Mains	04/18/13	1,750,000					1,750,000.00
2013-9e	Replacement of Water Plant Heating System	04/18/13	75,000					75,000.00
2013-9f	Acquisition of Fire Hydrants	04/18/13	80,000					80,000.00
2013-9g	Acquisition of Vehicles	04/18/13	120,000					120,000.00
2014-26	Repairs to Stormwater System	10/16/14	5,387,000					5,387,000.00
2015-23	Repairs to Stormwater System	11/19/15	250,000					250,000.00
2015-24	Replacement of Sewer and Water Mains	11/19/15	295,871					295,871.00
2017-39	Water & Sewer Improvements	11/16/17	400,000					400,000.00
2017-40	Utility Improvements	11/16/17	4,576,430					4,576,430.00
2021-06	Various Utility Improvements	03/11/21	6,064,250					6,064,250.00
2022-17	Various Utility Improvements	07/13/22	2,500,000		1,475,000.00			1,475,000.00
				-	1,475,000.00		-	32,664,262.00
			\$ 31,189,262.00	-	1,475,000.00	-	-	

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

Ordinance Number	Improvement Authorization	Ordinance		Balance Dec. 31, 2021		2022 Authorizations			Paid or Charged	Current Year Encumbrances	Balance Dec. 31, 2022	
		Date	Amount	Funded	Unfunded	Down Payment or Capital Improvement Fund	Deferred Charges to Future Revenue	Prior Year Encumbrances			Funded	Unfunded
2013-9b	Renovations to Main Water Plant	04/18/13	100,000.00	\$ 4,217.50	-	-	-	8,000.00	4,217.50	44,135.03	-	-
2017-39	Water & Sewer Improvements	11/16/17	400,000.00	-	49,527.03	-	-	8,000.00	10,392.00	44,135.03	-	3,000.00
2017-40	Utility Improvements	11/16/17	4,576,430.00	328,403.18	1,736,430.00	-	-	97,704.28	1,312,940.94	255,824.73	-	593,771.79
2021-06	Various Utility Improvements	03/11/21	6,064,250.00	-	5,760,014.33	-	-	206,101.26	417,055.97	503,872.98	-	5,045,186.64
2022-17	Various Utility Improvements	07/13/22	2,500,000.00	-	-	-	1,475,000.00	-	-	102,142.47	-	1,372,857.53
				\$ 332,620.68	7,545,971.36	-	1,475,000.00	311,805.54	1,744,606.41	905,975.21	-	7,014,815.96



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

Ordinance	Purpose	Date of Original Issue	Date of Issue	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
2015-23	Repairs to Stormwater System	7/15/2020	7/14/2021	250,000.00	1.00% \$	250,000.00	-	250,000	-
2017-39	Water & Sewer Utility Improvements	7/15/2020	7/14/2021	200,000.00	1.00%	200,000.00	-	200,000.00	-
2017-40	Utility Improvements	7/14/2021	7/14/2021	1,700,000.00	1.00%	1,700,000.00	-	1,700,000.00	-
2021-06	Various Utility Improvements	7/14/2021	7/14/2021	3,850,000.00	1.00%	3,850,000.00	-	3,850,000.00	-
2021-06	Various Utility Improvements	7/13/2022	7/13/2022	3,500,000.00	2.50%		3,500,000.00		3,500,000.00
						<u>\$ 6,000,000.00</u>	<u>3,500,000.00</u>	<u>6,000,000.00</u>	<u>3,500,000.00</u>

**WATER AND SEWER CAPITAL UTILITY FUND**  
**STATEMENT OF WATER AND SEWER SERIAL BONDS PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022			
			Date	Amount	December 31, 2022								
Water and Sewer Bonds of 2013	12/04/13	3,635,000	12/01/23	200,000.00	3.00%	\$ 2,345,000.00			200,000.00	2,145,000.00			
			12/01/24	210,000.00	3.00%								
			12/01/25	220,000.00	3.25%								
			12/01/26	230,000.00	3.375%								
			12/01/27	240,000.00	3.50%								
			12/01/28	250,000.00	3.625%								
			12/01/29	260,000.00	3.75%								
			12/01/30	265,000.00	4.00%								
			12/01/31	270,000.00	4.00%								
Refunding Water and Sewer Bond- 2017	09/22/17	7,195,000	12/01/23	670,000.00	4.00%	6,320,000.00			640,000.00	5,680,000.00			
			12/01/24	695,000.00	4.00%								
			12/01/25	695,000.00	4.00%								
			12/01/26	690,000.00	4.00%								
			12/01/27	705,000.00	4.00%								
			12/01/28	730,000.00	4.00%								
			12/01/29	745,000.00	4.00%								
			12/01/30	750,000.00	4.00%								
Water & Sewer Bonds of 2019	10/22/2019	3,845,000	09/01/23	290,000.00	3.00%	3,385,000.00			270,000.00	3,115,000.00			
			09/01/24	310,000.00	3.00%								
			09/01/25	325,000.00	3.00%								
			09/01/26	345,000.00	4.00%								
			09/01/27	345,000.00	4.00%								
			09/01/28	345,000.00	4.00%								
			09/01/29	365,000.00	4.00%								
			09/01/30	365,000.00	2.00%								
			09/01/31	425,000.00	2.00%								
Water & Sewer Bonds of 2022	7/13/2022	2,500,000	09/01/23	140,000.00	3.875%		2,500,000.00			2,500,000.00			
			09/01/24	160,000.00	4.000%								
			09/01/25	180,000.00	4.000%								
			09/01/26	190,000.00	4.000%								
			09/01/27	200,000.00	4.000%								
			09/01/28	210,000.00	4.000%								
			09/01/29	230,000.00	4.000%								
			09/01/30	230,000.00	4.000%								
			09/01/31	230,000.00	4.000%								
			09/01/32	240,000.00	4.000%								
			09/01/33	240,000.00	4.000%								
			09/01/34	250,000.00	4.000%								
										\$ 12,050,000.00	2,500,000.00	1,110,000.00	13,440,000.00

**WATER AND SEWER CAPITAL UTILITY FUND  
STATEMENT OF WATER AND SEWER NJEIT LOAN PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest Rate	Balance Dec. 31, 2021	Loan Forgiveness	Paid	Balance Dec. 31, 2022
			Date	Outstanding December 31, 2022 Amount					
NJEIT Series 2016 A-1	05/26/16	3,125,466	02/01/23	105,948.00	0.00%	\$1,948,044.00		158,922.00	1,789,122.00
			08/01/23	52,974.00	0.00%				
			02/01/24	105,948.00	0.00%				
			08/01/24	52,974.00	0.00%				
			02/01/25	105,948.00	0.00%				
			08/01/25	52,974.00	0.00%				
			02/01/26	105,948.00	0.00%				
			08/01/26	52,974.00	0.00%				
			02/01/27	105,948.00	0.00%				
			08/01/27	52,974.00	0.00%				
			02/01/28	105,948.00	0.00%				
			08/01/28	52,974.00	0.00%				
			02/01/29	105,948.00	0.00%				
			08/01/29	52,974.00	0.00%				
			02/01/30	105,948.00	0.00%				
			08/01/30	52,974.00	0.00%				
			02/01/31	105,948.00	0.00%				
			08/01/31	52,974.00	0.00%				
			02/01/32	105,948.00	0.00%				
			08/01/32	52,974.00	0.00%				
			02/01/33	105,948.00	0.00%				
			08/01/33	52,974.00	0.00%				
			02/01/34	-	0.00%				
			08/01/34	40,980.00	0.00%				

**WATER AND SEWER CAPITAL UTILITY FUND  
STATEMENT OF WATER AND SEWER NJEIT LOAN PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest Rate	Balance Dec. 31, 2021	Loan Forgiveness	Paid	Balance Dec. 31, 2022
			Date	Outstanding December 31, 2022 Amount					
NJEIT Series 2016 A-1	05/26/16	1,335,000	02/01/23	65,000.00	5.00%	1,080,000.00		60,000.00	1,020,000.00
			02/01/24	65,000.00	4.00%				
			02/01/25	70,000.00	4.00%				
			02/01/26	70,000.00	4.00%				
			02/01/27	75,000.00	4.00%				
			02/01/28	80,000.00	2.00%				
			02/01/29	80,000.00	2.00%				
			02/01/30	80,000.00	2.00%				
			02/01/31	85,000.00	2.13%				
			02/01/32	85,000.00	3.00%				
			02/01/33	85,000.00	3.00%				
			02/01/34	90,000.00	3.00%				
			02/01/35	90,000.00	3.00%				
						\$3,028,044.00	-	218,922.00	2,809,122.00

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

Balance December 31, 2021		\$ 15,895,675.77
Increased by:		
Serial Bonds Paid by Operating Budget	1,110,000.00	
BAN's Paid by Operating Budget	-	
NJEIT Paid by Operating Budget	218,922.00	
	<hr/>	<hr/>
		1,328,922.00
Balance December 31, 2022		<hr/> <hr/> \$ 17,224,597.77

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

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2021	Fixed Capital Authorized	To Reserve for Amortization	Bond Paid/ Loan Forgiven	Balance Dec. 31, 2022
2009-06	Various Capital Improvements	2009	\$ 162,488.87				162,488.87
2009-15c	Purchase of water meters	6/18/09	887,976.69				887,976.69
2010-14a	Various Capital Improvements	10/06/10	1,903,629.51				1,903,629.51
2014-26	Repairs to Stormwater System	10/16/14	1,032,482.00				1,032,482.00
2021-06	Various Utility Improvements	03/11/21	303,213.00				303,213.00
			<u>\$ 4,289,790.07</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,289,790.07</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	BANs Issued	Serial Bonds Issued	Balance Dec. 31, 2022
2017-40	Water & Sewer Utility Improvements	\$ 36,430.00		-		36,430.00
2021-06	Water & Sewer Utility Improvements	1,911,037.00	-	-		1,911,037.00
2022-17	Water & Sewer Utility Improvements	-	1,475,000.00	-	-	1,475,000.00
		\$ 1,947,467.00	1,475,000.00	-	-	3,422,467.00

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**CITY OF VENTNOR CITY**

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2022**

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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 or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Due to the City having a Qualified Purchasing Agent, pursuant to N.J.S.A. 40A:11-3(a), the maximum bid threshold is \$44,000.

The governing body of the City has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Commission's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

- Installation of Accessible Corner Ramps, Concrete Gutter, and Curbs
- Construction and Installation of Well #9
- Rehabilitation at Wellhouse #4
- Ocean Avenue Curb and Sidewalk Replacement and Parking Improvements
- Ventnor City Fishing Pier Kiosk
- Ventnor Heights Improvement Project – Marshall, Dudley, and Oxford Avenues

### **Contracts and Agreements Requiring Solicitation of Quotations**

N.J.S. 40A:11-6.1 states, "Prior to the award of any other purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practical, on any such purchase, contract or agreement the estimated cost or price of which is 15% of bid amount or more."

Our examination of expenditures did reveal purchases made in excess of 15% of bid amount without obtaining quotes as required by statute.

### **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 would become delinquent.

The governing body, on January 13, 2022, adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Commission of the City of Ventnor, County of Atlantic and state of New Jersey, as follows:

The Tax Collector is hereby authorized and directed to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency.

There will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.

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

### **Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 28, 2022 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2022	0
2021	0
2020	0

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 taxpaying basis.

### **Verification of Delinquent Taxes and Other Charges**

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

<u>Type:</u>	<u>Number Mailed</u>
Payment of 2022 and 2023 Taxes	25
Payment of 2022 and 2023 Utility Bills	15
Delinquent Taxes	19
Delinquent Utility	5

As of the date of this audit report, all verifications have not been returned. No problems were noted with the verifications that have been returned related to property taxes, utilities or municipal court.

### **Deposit of Municipal Funds**

N.J.S. 40A:5-15 states, "All municipal funds shall be deposited within 48 hours upon receipt."

Our examination has revealed that municipal funds were deposited within the mandated time.

### **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.

Currently			
<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2022	\$ 54,264,225.80	53,135,802.05	97.92%
2021	54,084,568.77	52,961,059.36	97.92%
2020	53,211,394.49	52,164,964.01	98.03%
2019	52,708,914.86	51,566,301.00	97.83%
2018	53,490,494.50	52,274,407.35	97.73%

#### Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$ 2.572	2.588	2.591	2.585	2.634
Apportionment of Tax Rate:					
Municipal	1.146	1.135	1.135	1.118	1.121
County	0.569	0.560	0.562	0.590	0.599
School	0.857	0.893	0.894	0.877	0.914
Assessed Valuation	2,095,551,980	2,065,456,800	2,041,541,000	2,028,525,300	2,021,949,500

#### Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>of Tax Levy</u>
2022	\$ -	1,226,066.44	1,226,066.44	2.26%
2021	-	1,105,283.92	1,105,283.92	2.04%
2020	-	1,058,355.29	1,058,355.29	1.99%
2019	-	1,130,881.39	1,130,881.39	2.15%
2018	13,616.87	1,198,572.56	1,212,189.43	2.27%

#### Uniform Construction Code

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

## RECOMMENDATIONS

**2022-1:** That the budget be monitored on a routine basis to ensure appropriation balances are sufficient for all remaining expenditures and that the balances are reasonable. Appropriation transfers, if needed, should be approved between November 1 and December 31.

**2022-2:** That internal controls over all departments within the City be analyzed and revised, as necessary, to ensure sufficient checks and balances are in place to minimize the risk of theft in the future.

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 my 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**

**September 5, 2023**