

CITY OF SOMERS POINT

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

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

CITY OF SOMERS POINT

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CITY OF SOMERS POINT

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Somers Point
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 Somers Point, as of December 31, 2023 and 2022, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the City of Somers Point 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 Somers Point 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 Somers Point'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 Somers Point'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 Somers Point's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Somers Point's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards and schedule of state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08 respectively, 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, schedule of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2024, on our consideration of the City of Somers Point'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 Somers Point's internal control over financial reporting and compliance.

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

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

June 30, 2024

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EXHIBIT A - CURRENT FUND

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

| | 2023 | 2022 |
|--|------------------|---------------|
| <u>ASSETS</u> | | |
| Regular Fund: | | |
| Cash: | | |
| Cash Treasurer | \$ 8,763,462.44 | 6,898,556.09 |
| Cash - Collector | 222,721.42 | 670,546.93 |
| Cash - Change and Petty Cash | 500.00 | 500.00 |
| Total Cash | 8,986,683.86 | 7,569,603.02 |
| Other Receivables: | | |
| Due from State - Chapter 20 P.L. 1971 | 26,152.88 | 27,402.88 |
| Total Other Receivables | 26,152.88 | 27,402.88 |
| Receivables and Other Assets with Full Reserves: | | |
| Delinquent Property Taxes Receivable | 504,671.82 | 442,102.23 |
| Tax Title and Other Liens | 303,798.08 | 273,808.94 |
| Property Acquired for Taxes - at Assessed Valuation | 19,412.00 | 19,412.00 |
| Revenue Accounts Receivable | 6,305.26 | 6,126.30 |
| Overpaid Local School Tax | 195,759.00 | 195,759.00 |
| Interfund Receivable: | | |
| General Capital | 240,060.38 | 177,860.38 |
| Dog License Fund | 3,440.42 | 59,113.24 |
| Total Receivables and Other Assets | 1,273,446.96 | 1,174,182.09 |
| Deferred Charges: | | |
| None | - | - |
| Total Deferred Charges | - | - |
| Total Regular Fund | 10,286,283.70 | 8,771,187.99 |
| Federal and State Grant Fund: | | |
| Federal and State Grants Receivable | 1,465,654.00 | 1,111,799.50 |
| Due from Current Fund | 769,798.45 | 203,634.00 |
| Total Federal and State Grant Fund | 2,235,452.45 | 1,315,433.50 |
| Total Current Fund | \$ 12,521,736.15 | 10,086,621.49 |

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

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

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>2023</u> | <u>2022</u> |
|---|------------------|---------------|
| Regular Fund: | | |
| Liabilities: | | |
| Appropriation Reserves | \$ 1,646,242.49 | 1,682,917.56 |
| Reserve for Encumbrances | 346,739.61 | 479,419.05 |
| Accounts Payable | 14,887.23 | 179,273.53 |
| Prepaid Taxes | 468,121.59 | 383,527.78 |
| Overpaid Taxes | 158,943.40 | 54,061.33 |
| Local School Tax Payable | 15,976.00 | - |
| Regional School Tax Payable | 73.91 | 73.41 |
| Payroll Taxes Payable | 5,034.12 | 463.39 |
| County Added Tax Payable | 69,239.47 | 20,098.89 |
| Due to State: | | |
| Marriage Licenses | 875.00 | - |
| CCO Fees | 4,178.00 | 6,244.00 |
| Interfund Payable: | | |
| Grant Fund | 769,798.45 | 203,634.00 |
| Sewer Operating | 7,400.91 | 7,400.91 |
| Sewer Capital | 1,490,832.00 | 1,490,832.00 |
| Other | | |
| Reserve for Revaluation | 90,658.60 | 90,658.60 |
| Reserve for Hurricane Sandy | 40,565.08 | 40,565.08 |
| Reserve for Municipal Relief Fund | 100,873.61 | 50,447.47 |
| Reserve for Demolition of Buildings | 91,000.00 | 86,000.00 |
| | 5,321,439.47 | 4,775,617.00 |
| Reserve for Receivables and Other Assets | 1,273,446.96 | 1,174,182.09 |
| Fund Balance | 3,691,397.27 | 2,821,388.90 |
| Total Regular Fund | 10,286,283.70 | 8,771,187.99 |
| Federal and State Grant Fund: | | |
| Unappropriated Reserves | 2,420.51 | 2,112.39 |
| Appropriated Reserves | 1,583,652.37 | 1,228,002.53 |
| Encumbrances Payable | 649,379.57 | 85,318.58 |
| Total Federal and State Grant Fund | 2,235,452.45 | 1,315,433.50 |
| Total Current Fund | \$ 12,521,736.15 | 10,086,621.49 |

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

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

| | 2023 | 2022 |
|---|-----------------|---------------|
| Revenue and Other Income Realized | | |
| Fund Balance | \$ 2,700,000.00 | 2,685,000.00 |
| Miscellaneous Revenue Anticipated | 4,835,974.11 | 4,511,857.39 |
| Receipts from Delinquent Taxes | 622,194.46 | 352,587.68 |
| Receipts from Current Taxes | 39,519,982.68 | 37,690,315.48 |
| Non Budget Revenue | 299,849.28 | 253,945.21 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Res. | 1,612,872.40 | 1,596,000.42 |
| Interfund Returned | 59,113.24 | - |
| Cancellation of Prior Year Liabilities | 71,002.41 | - |
| Total Income | 49,720,988.58 | 47,089,706.18 |
| Expenditures | | |
| Budget and Emergency Appropriations: | | |
| Appropriations Within "CAPS" | | |
| Operations: | | |
| Salaries and Wages | 6,878,150.00 | 6,731,830.93 |
| Other Expenses | 5,435,131.00 | 5,131,250.00 |
| Deferred Charges & Statutory Expenditures | 1,988,567.00 | 1,874,516.07 |
| Appropriations Excluded from "CAPS" | | |
| Operations: | | |
| Salaries and Wages | 204,221.00 | 185,621.00 |
| Other Expenses | 2,292,083.76 | 1,544,575.02 |
| Capital Improvements | 134,240.00 | 503,000.00 |
| Debt Service | 2,004,626.11 | 1,974,671.94 |
| Local District School Tax | 11,232,366.00 | 11,135,599.00 |
| Regional District School Tax | 8,520,292.00 | 8,497,513.00 |
| County Tax | 7,317,522.76 | 6,638,701.01 |
| County Share of Added Tax | 69,239.47 | 20,098.89 |
| Interfund Created | 62,200.00 | 13,389.53 |
| Prior Senior Citizen & Veteran Disallowed | - | 999.31 |
| Cancellation of Prior Year Revenue | 9,040.15 | - |
| Refund of Prior Year Revenue | 3,300.96 | 197,902.25 |
| Total Expenditures | 46,150,980.21 | 44,449,667.95 |
| Excess in Revenue | 3,570,008.37 | 2,640,038.23 |

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

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

| | 2023 | 2022 |
|---|-----------------|--------------|
| Adjustments to Income before Fund Balance: | | |
| Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year | | |
| None | - | - |
| Total Adjustments | - | - |
| Statutory Excess to Fund Balance | 3,570,008.37 | 2,640,038.23 |
| Fund Balance January 1 | 2,821,388.90 | 2,866,350.67 |
| | 6,391,397.27 | 5,506,388.90 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | 2,700,000.00 | 2,685,000.00 |
| Fund Balance December 31 | \$ 3,691,397.27 | 2,821,388.90 |

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, 2023**

| | Anticipated | | Excess or (Deficit) |
|--|---------------------|-----------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | |
| Fund Balance Anticipated | \$ 2,700,000.00 | - | - |
| Total Fund Balance Anticipated | <u>2,700,000.00</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenues: | | | |
| Section A: Local Revenues | | | |
| Licenses: | | | |
| Alcoholic Beverages | 22,500.00 | | 1,890.00 |
| Fees and Permits | 37,000.00 | | 28,119.00 |
| Fines and Costs: | | | |
| Municipal Court | 98,000.00 | | (23,474.05) |
| Interest and Costs on Taxes | 80,000.00 | | 25,271.21 |
| Interest Earned on Investments | 85,000.00 | | 218,777.40 |
| Fees and Permits - Chapter 115 Inspections | 105,000.00 | | 53,170.00 |
| Cable TV Franchise Fee | 45,000.00 | | 6,999.69 |
| Hotel Fee | 200,000.00 | | 34,234.10 |
| Total Section A: Local Revenues | <u>672,500.00</u> | <u>-</u> | <u>344,987.35</u> |
| Section B: State Aid Without Offsetting Appropriations | | | |
| Energy Receipts Tax | 973,781.00 | | (0.08) |
| Municipal Relief Fund | 50,447.47 | | - |
| Total Section B: State Aid Without Offsetting Appropriations | <u>1,024,228.47</u> | <u>-</u> | <u>(0.08)</u> |
| Section C: Uniform Construction Code Fees | | | |
| Uniform Construction Code Fees | 255,000.00 | | 118,669.00 |
| Total Section C: Uniform Construction Code Fees | <u>255,000.00</u> | <u>-</u> | <u>118,669.00</u> |

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

| | Anticipated | | Excess or (Deficit) |
|---|---------------------|-------------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | |
| Section F: Special Items - Public and Private Programs | | | |
| Off-Set with Appropriations | | | |
| Safe and Secure Communities Program | 12,621.00 | | - |
| Body Armor Grant | 2,111.52 | | - |
| Local Arts Program - Arts Commission | | 5,050.00 | - |
| Local Arts Program - Beach Concerts | | 8,950.00 | - |
| Clean Communities | | 32,183.97 | - |
| Recycling Tonnage | | 12,377.01 | - |
| NJ Department of Environmental Protection | | | |
| Stormwater Assistance | | 25,000.00 | - |
| New Jersey Department of Transportation | | | |
| Reconstruction of Exton Road, Bala Drive and Colwick Drive | | 500,000.00 | - |
| Safe Streets | 861,000.00 | | - |
| FY2022 Ocean Avenue Ph II | 261,640.00 | | - |
| NJ Department of Community Affairs | | | |
| Division of Housing and Community Resources | | | |
| Neighborhood Preservation Program | | | |
| Bayfront Preservation | 125,000.00 | | - |
| Sustainable Communities Environmental Stewardship | | 5,000.00 | - |
| National Opioids Settlement | | 22,943.68 | - |
| Recreation Grant | 125,000.00 | | - |
| City of Long Beach vs Monstanto Co. Settlement | | 17,414.03 | - |
| Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations | 1,387,372.52 | 628,918.69 | - |

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

| | Anticipated | | Excess or (Deficit) |
|--|----------------------|-------------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | |
| Section G: Other Special Items | | | |
| Bayview Court - PILOT | 131,608.04 | | - |
| Shore Medical Center | 215,290.00 | | 0.12 |
| Reserve for Debt Service | 32,400.00 | | - |
| General Capital Fund Balance | 25,000.00 | | - |
| Total Section G: Other Special Items | <u>404,298.04</u> | <u>-</u> | <u>0.12</u> |
| Total Miscellaneous Revenues: | 3,743,399.03 | 628,918.69 | 463,656.39 |
| Receipts from Delinquent Taxes | 380,000.00 | | 242,194.46 |
| Amount to be Raised by Taxes for Support of Municipal Budget | | | |
| Local Tax for Municipal Purposes | 12,709,252.62 | | 895,587.41 |
| Total Amount to be Raised by Taxes for Support of of Municipal Budget | <u>12,709,252.62</u> | <u>-</u> | <u>895,587.41</u> |
| Budget Totals | 19,532,651.65 | 628,918.69 | 1,601,438.26 |
| Non-Budget Revenues: | | | |
| Other Non- Budget Revenues: | - | | 299,849.28 |
| | <u>19,532,651.65</u> | <u>628,918.69</u> | <u>1,901,287.54</u> |

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:

| | | |
|--|----|---------------|
| Revenue from Collections | \$ | 39,519,982.68 |
| Less: Reserve for Tax Appeals Pending | | - |
| Net Revenue from Collections | | 39,519,982.68 |
| Allocated to: | | |
| School, County and Other Taxes | | 27,139,420.23 |
| Balance for Support of Municipal Budget Appropriations | | 12,380,562.45 |
| Increased by: | | |
| Appropriation "Reserved for Uncollected Taxes" | | 1,224,277.58 |
| Amount for Support of Municipal Budget Appropriations | | 13,604,840.03 |

Receipts from Delinquent Taxes:

| | | |
|--------------------------------------|--|------------|
| Delinquent Tax Collection | | 622,194.46 |
| Tax Title Lien Collections | | - |
| Total Receipts from Delinquent Taxes | | 622,194.46 |

Analysis of Non-Budget Revenue:

| | | |
|-----------------------------|--|----------|
| Tax Collector: | | |
| Tax Collector Miscellaneous | | 2,427.44 |

Miscellaneous Revenue Not Anticipated:

| | | |
|----------------------------------|-----------|------------|
| Bingo and Raffle Licenses | 1,040.00 | |
| Vital Statistics | 60,948.00 | |
| Death Certificates | 2,270.00 | |
| Mercantile Licenses | 45,910.00 | |
| Planning & Zoning Board Fees | 23,513.00 | |
| Senior/Vet 2% Administrative Fee | 1,225.00 | |
| Tax Abatement | 9,105.00 | |
| Fishing Pier Lease | 6,300.00 | |
| Street Openings | 8,650.00 | |
| Business Liability Insurance | 150.00 | |
| Marina Fees | 14,700.00 | |
| Parking Fees - ParkMobile | 48.00 | |
| Library Rent | 35,000.00 | |
| Recovered Funds | 50,135.65 | |
| Miscellaneous | 38,427.19 | |
| Total Treasurer | | 297,421.84 |

| | | |
|--|----|------------|
| Total Miscellaneous Revenue Not Anticipated: | \$ | 299,849.28 |
|--|----|------------|

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, 2023**

| | Appropriations | | Budget After Modifications | Paid or Charged | Expended | | Reserved | (Over expended) Unexpended Balance Cancelled |
|--------------------------------------|----------------|-------------------------------|-------------------------------|--------------------|------------|----------|----------|---|
| | Budget | Budget After Modifications | | | Encumbered | Reserved | | |
| OPERATIONS WITHIN "CAPS" | | | | | | | | |
| GENERAL GOVERNMENT: | | | | | | | | |
| Mayor and Council | \$ 69,000.00 | 69,000.00 | 68,500.00 | - | 500.00 | | | |
| Salaries and Wages | 80,000.00 | 80,000.00 | 32,069.36 | 6,716.06 | 41,214.58 | | | |
| Other Expenses | 1,500.00 | 1,500.00 | 1,500.00 | - | - | | | |
| Veteran Events | | | | | | | | |
| Department of General Administration | | | | | | | | |
| Salaries and Wages | 113,000.00 | 113,000.00 | 86,649.96 | - | 26,350.04 | | | |
| Other Expenses | 55,000.00 | 55,000.00 | 21,119.38 | 1,091.78 | 32,788.84 | | | |
| Department of City Clerk | | | | | | | | |
| Salaries and Wages | 214,100.00 | 214,100.00 | 185,326.34 | - | 28,773.66 | | | |
| Other Expenses | 56,300.00 | 56,300.00 | 45,431.81 | 10,089.09 | 779.10 | | | |
| Data Processing | | | | | | | | |
| Other Expenses | 60,000.00 | 60,000.00 | 53,720.84 | - | 6,279.16 | | | |
| Department of Finance | | | | | | | | |
| Salaries and Wages | 87,600.00 | 87,600.00 | 80,266.50 | - | 7,333.50 | | | |
| Other Expenses | 45,000.00 | 45,000.00 | 36,264.30 | - | 8,735.70 | | | |
| Annual Audit | | | | | | | | |
| Other Expenses | 44,000.00 | 44,000.00 | 44,000.00 | - | - | | | |
| Department of Tax Assessment | | | | | | | | |
| Salaries and Wages | 15,000.00 | 15,000.00 | 198.41 | - | 14,801.59 | | | |
| Other Expenses | 90,000.00 | 90,000.00 | 83,842.45 | - | 6,157.55 | | | |
| Department of Tax Collections | | | | | | | | |
| Salaries and Wages | 85,100.00 | 85,100.00 | 77,496.90 | - | 7,603.10 | | | |
| Other Expenses | 22,000.00 | 22,000.00 | 16,818.71 | 202.76 | 4,978.53 | | | |
| Legal Services and Costs | | | | | | | | |
| Other Expenses | 235,000.00 | 260,000.00 | 223,888.56 | 1,440.00 | 34,671.44 | | | |
| Municipal Prosecutor | | | | | | | | |
| Other Expenses | 22,000.00 | 22,000.00 | 17,875.00 | - | 4,125.00 | | | |
| Engineering Services and Costs | | | | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 12,055.00 | - | 2,945.00 | | | |
| Public Buildings and Grounds | | | | | | | | |
| Salaries and Wages | 220,100.00 | 220,100.00 | 131,963.88 | - | 88,136.12 | | | |
| Other Expenses | 110,000.00 | 110,000.00 | 102,553.91 | 7,445.63 | 0.46 | | | |
| Vehicle Maintenance | | | | | | | | |
| Planning Board | | | | | | | | |
| Salaries and Wages | 22,500.00 | 22,500.00 | 22,500.00 | - | - | | | |
| Other Expenses | 26,400.00 | 26,400.00 | 9,956.32 | 680.60 | 15,763.08 | | | |
| Zoning Board | | | | | | | | |
| Salaries and Wages | 22,500.00 | 22,500.00 | 16,854.76 | - | 5,645.24 | | | |
| Other Expenses | 18,100.00 | 18,100.00 | 6,032.50 | - | 12,067.50 | | | |

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, 2023**

| | Appropriations | | Budget After Modifications | Paid or Charged | Expended | | Reserved | (Over expended) Unexpended Balance Cancelled |
|---|----------------|----------------------------|----------------------------|-----------------|------------|------------|----------|--|
| | Budget | Budget After Modifications | | | Encumbered | Reserved | | |
| PUBLIC SAFETY | | | | | | | | |
| Department of Fire | | | | | | | | |
| Salaries and Wages | 42,200.00 | 42,200.00 | 42,200.00 | | - | - | | |
| Other Expenses | 150,000.00 | 150,000.00 | 140,637.26 | | 9,272.34 | 90.40 | | |
| Department of the Police | | | | | | | | |
| Salaries and Wages | 3,469,000.00 | 3,469,000.00 | 3,132,925.19 | | 75,000.00 | 261,074.81 | | |
| Other Expenses | 188,300.00 | 188,300.00 | 118,724.21 | | 26,227.56 | 43,348.23 | | |
| Department of Communications | | | | | | | | |
| Salaries and Wages | 395,200.00 | 395,200.00 | 359,674.35 | | - | 35,525.65 | | |
| Other Expenses | 21,500.00 | 21,500.00 | - | | - | 21,500.00 | | |
| Department of Emergency Management | | | | | | | | |
| Salaries and Wages | 12,500.00 | 12,500.00 | 11,000.00 | | - | 1,500.00 | | |
| Other Expenses | 8,100.00 | 8,100.00 | 1,974.71 | | - | 6,125.29 | | |
| Bureau of Fire Prevention | | | | | | | | |
| Salaries and Wages | 2,000.00 | 2,000.00 | - | | - | 2,000.00 | | |
| Other Expenses | 2,000.00 | 2,000.00 | 2,000.00 | | - | - | | |
| Department of Zoning/Code Enforcement | | | | | | | | |
| Salaries and Wages | 54,200.00 | 54,200.00 | 47,597.56 | | - | 6,602.44 | | |
| Other Expenses | 24,100.00 | 24,100.00 | 16,826.26 | | 3,500.00 | 3,773.74 | | |
| Demolitions | 5,000.00 | 5,000.00 | - | | 5,000.00 | - | | |
| Emergency Medical Services | | | | | | | | |
| Other Expenses | 60,000.00 | 60,000.00 | 38,500.00 | | - | 21,500.00 | | |
| PUBLIC WORKS | | | | | | | | |
| Department of Public Works | | | | | | | | |
| Salaries and Wages | 688,500.00 | 688,500.00 | 619,937.89 | | - | 68,562.11 | | |
| Other Expenses | 75,000.00 | 75,000.00 | 58,175.60 | | 4,668.36 | 12,156.04 | | |
| Division of Sanitation | | | | | | | | |
| Salaries and Wages | 695,800.00 | 695,800.00 | 607,667.00 | | 40,000.00 | 48,133.00 | | |
| Other Expenses | 268,200.00 | 268,200.00 | 212,435.81 | | 23,360.73 | 32,403.46 | | |
| Sanitation - Transfer Fees | 308,000.00 | 308,000.00 | 261,488.40 | | - | 46,511.60 | | |
| HEALTH AND WELFARE | | | | | | | | |
| Animal Control Services | | | | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 8,800.00 | | - | 1,200.00 | | |
| RECREATION AND EDUCATION | | | | | | | | |
| Department of Parks and Recreation Programs | | | | | | | | |
| Salaries and Wages | 50,000.00 | 50,000.00 | 41,923.00 | | - | 8,077.00 | | |
| Other Expenses | 40,000.00 | 40,000.00 | 25,472.36 | | 14,526.32 | 1.32 | | |

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, 2023**

| | Appropriations | | Budget After Modifications | Paid or Charged | Expended | | Reserved | (Over expended) Unexpended Balance Cancelled |
|---|----------------|----------------------------|----------------------------|-----------------|------------|------------|----------|--|
| | Budget | Budget After Modifications | | | Encumbered | Reserved | | |
| Department of Parks and Recreation Facilities | | | | | | | | |
| Salaries and Wages | 227,400.00 | 227,400.00 | 193,707.93 | - | | 33,692.07 | | |
| Other Expenses | 46,000.00 | 46,000.00 | 33,447.44 | 710.25 | | 11,842.31 | | |
| Environmental Commission | | | | | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | - | - | | 2,000.00 | | |
| Economic Development and Advisory Commission | | | | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 8,150.00 | - | | 6,850.00 | | |
| Historic Preservation Commission | | | | | | | | |
| Other Expenses | 3,000.00 | 3,000.00 | - | - | | 3,000.00 | | |
| Arts Commission | | | | | | | | |
| Other Expenses | 4,000.00 | 4,000.00 | 3,977.99 | 22.01 | | 0.00 | | |
| MUNICIPAL COURT | | | | | | | | |
| Municipal Court | | | | | | | | |
| Salaries and Wages | 223,500.00 | 223,500.00 | 176,722.00 | - | | 46,778.00 | | |
| Other Expenses | 22,600.00 | 22,600.00 | 13,936.53 | - | | 8,663.47 | | |
| Public Defender (P.L. 1997, C.256) | | | | | | | | |
| Other Expenses | 14,000.00 | 14,000.00 | 7,450.00 | - | | 6,550.00 | | |
| INSURANCE | | | | | | | | |
| General Liability | 147,167.00 | 153,167.00 | 147,167.00 | - | | 6,000.00 | | |
| Workers Compensation Insurance | 356,664.00 | 382,664.00 | 339,646.00 | - | | 43,018.00 | | |
| Employee Group Health | 1,658,800.00 | 1,581,800.00 | 1,365,905.99 | - | | 215,894.01 | | |
| Surety Bond Premiums | 1,000.00 | 1,000.00 | - | - | | 1,000.00 | | |
| Health Waiver - Employee Opt Out | 40,950.00 | 45,950.00 | 41,420.06 | - | | 4,529.94 | | |
| Municipal Service Act | | | | | | | | |
| Other Expenses | 95,000.00 | 95,000.00 | 12,641.78 | 82,000.00 | | 358.22 | | |
| Apartment Trash Collection | | | | | | | | |
| Other Expenses | 57,000.00 | 57,000.00 | 17,164.60 | 30,390.82 | | 9,444.58 | | |
| UNIFORM CONSTRUCTION CODE | | | | | | | | |
| State Uniform Construction Code | | | | | | | | |
| Salaries and Wages | 123,000.00 | 123,000.00 | 114,717.22 | - | | 8,282.78 | | |
| Other Expenses | 45,200.00 | 45,200.00 | 24,498.48 | 198.60 | | 20,502.92 | | |
| UNCLASSIFIED | | | | | | | | |
| Utility Expenses and Bulk Purchases | | | | | | | | |
| Gasoline | 95,000.00 | 85,000.00 | 61,213.95 | - | | 23,786.05 | | |
| Diesel Fuel | 95,000.00 | 85,000.00 | 59,181.87 | - | | 25,818.13 | | |
| Fire Hydrant Water | 132,000.00 | 137,000.00 | 134,236.62 | - | | 2,763.38 | | |
| Electric | 145,000.00 | 145,000.00 | 126,998.16 | - | | 18,001.84 | | |

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, 2023**

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------------|----------------------------|----------------------|-------------------|---------------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| Street Lighting | 145,000.00 | 165,000.00 | 149,757.08 | - | 15,242.92 | |
| Telephone | 51,000.00 | 51,000.00 | 40,193.79 | - | 10,806.21 | |
| Natural Gas | 35,000.00 | 35,000.00 | 29,161.25 | - | 5,838.75 | |
| Water | 40,000.00 | 60,000.00 | 51,220.83 | - | 8,779.17 | |
| Fuel #2 | 1,000.00 | 1,000.00 | - | - | 1,000.00 | |
| Waste Water | 7,200.00 | 7,200.00 | 5,390.00 | - | 1,810.00 | |
| Telecommunications Costs | 20,000.00 | 20,000.00 | 19,093.22 | - | 906.78 | |
| TOTAL OPERATIONS WITHIN "CAPS" | 12,287,281.00 | 12,312,281.00 | 10,424,371.82 | 346,739.61 | 1,541,169.57 | - |
| Contingent | 1,000.00 | 1,000.00 | - | - | 1,000.00 | |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS" | 12,288,281.00 | 12,313,281.00 | 10,424,371.82 | 346,739.61 | 1,542,169.57 | - |
| Detail: | | | | | | |
| Salaries and Wages | 6,873,150.00 | 6,878,150.00 | 6,059,248.95 | 115,000.00 | 703,901.05 | - |
| Other Expenses | 5,415,131.00 | 5,435,131.00 | 4,365,122.87 | 231,739.61 | 838,268.52 | - |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES: | | | | | | |
| Deferred Charges: | | | | | | |
| None | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contributions to: | | | | | | |
| Public Employees' Retirement System | 468,103.00 | 468,103.00 | 468,103.00 | - | - | |
| Social Security System (O.A.S.I.) | 538,430.00 | 513,430.00 | 433,114.23 | - | 80,315.77 | |
| Police and Firemen's Retirement System | 972,034.00 | 972,034.00 | 972,034.00 | - | - | |
| Unemployment Compensation Insurance | 20,000.00 | 20,000.00 | 20,000.00 | - | - | |
| Defined Contribution Retirement Program | 15,000.00 | 15,000.00 | 12,242.85 | - | 2,757.15 | |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES: | 2,013,567.00 | 1,988,567.00 | 1,905,494.08 | - | 83,072.92 | - |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | 14,301,848.00 | 14,301,848.00 | 12,329,865.90 | 346,739.61 | 1,625,242.49 | - |

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, 2023**

| | Appropriations | | Budget After Modifications | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|---------------------|----------------------------|----------------------------|---------------------|------------|------------------|--|
| | Budget | Budget After Modifications | | | Encumbered | Reserved | |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | | | |
| (A) Operations - Excluded from "CAPS" | | | | | | | |
| LOSAP | 20,000.00 | 20,000.00 | | - | - | 20,000.00 | |
| Recycling Tax | 11,213.55 | 11,213.55 | | 11,213.55 | - | - | |
| Reserve for Tax Appeals | - | - | | - | - | - | |
| Employee Group Health | 256,200.00 | 256,200.00 | | 256,200.00 | - | - | |
| | <u>287,413.55</u> | <u>287,413.55</u> | | <u>267,413.55</u> | <u>-</u> | <u>20,000.00</u> | <u>-</u> |
| (A) Public and Private Programs Off-Set by Revenues | | | | | | | |
| Safe and Secure Communities Program | | | | | | | |
| State Share | 12,621.00 | 12,621.00 | | 12,621.00 | - | - | |
| City Share | 191,600.00 | 191,600.00 | | 191,600.00 | - | - | |
| Matching Funds | 1,000.00 | 1,000.00 | | - | - | 1,000.00 | |
| Body Armor Grant | 2,111.52 | 2,111.52 | | 2,111.52 | - | - | |
| Clean Communities | - | 32,183.97 | | 32,183.97 | - | - | |
| Recycling Tonnage Grant | - | 12,377.01 | | 12,377.01 | - | - | |
| Local Arts - Arts Commission | - | 5,050.00 | | 5,050.00 | - | - | |
| Local Arts - Beach Concerts | - | 8,950.00 | | 8,950.00 | - | - | |
| Sustainable Communities Environmental Stewardship | - | 5,000.00 | | 5,000.00 | - | - | |
| City of Long Beach vs Monsanto Co. Settlement | - | 17,414.03 | | 17,414.03 | - | - | |
| National Opioid Settlement | - | 22,943.68 | | 22,943.68 | - | - | |
| NPP Bayfront Preservation | 125,000.00 | 125,000.00 | | 125,000.00 | - | - | |
| Recreation Grant | 125,000.00 | 125,000.00 | | 125,000.00 | - | - | |
| NJDEP Stormwater Assistance Grant | - | 25,000.00 | | 25,000.00 | - | - | |
| NJDOT Exton Rd/ Bala Drive, and Colwick Drive | - | 500,000.00 | | 500,000.00 | - | - | |
| NJDOT FY2022 Ocean Avenue Ph II | 261,640.00 | 261,640.00 | | 261,640.00 | - | - | |
| NJDOT Safe Streets | 861,000.00 | 861,000.00 | | 861,000.00 | - | - | |
| | <u>1,579,972.52</u> | <u>2,208,891.21</u> | | <u>2,207,891.21</u> | <u>-</u> | <u>1,000.00</u> | <u>-</u> |
| Total Public and Private Programs Off-Set by Revenues | | | | | | | |
| | 1,867,386.07 | 2,496,304.76 | | 2,475,304.76 | - | 21,000.00 | - |
| Total Operations - Excluded from "CAPS" | | | | | | | |
| Detail: | | | | | | | |
| Salaries and Wages | 204,221.00 | 204,221.00 | | 204,221.00 | - | - | - |
| Other Expenses | 1,663,165.07 | 2,292,083.76 | | 2,271,083.76 | - | 21,000.00 | - |

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, 2023**

| | Appropriations | | Budget After Modifications | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|-------------------------|----------------------------|----------------------------|----------------------|-------------------|---------------------|--|
| | Budget | Budget After Modifications | | | Encumbered | Reserved | |
| (C) Capital Improvements | 134,240.00 | 134,240.00 | 134,240.00 | - | - | - | - |
| Capital Improvement Fund | - | - | - | - | - | - | - |
| Public and Private Programs Offset by Revenues: | | | | | | | |
| None | - | - | - | - | - | - | - |
| Total Capital Improvements | <u>134,240.00</u> | <u>134,240.00</u> | <u>134,240.00</u> | <u>134,240.00</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| (D) Debt Service | 1,415,000.00 | 1,415,000.00 | 1,415,000.00 | - | - | - | - |
| Payment of Bond Principal | 100.00 | 100.00 | 100.00 | - | - | - | 100.00 |
| Payment of Bond Anticipation and Capital Notes | 589,700.00 | 589,700.00 | 589,700.00 | 589,626.11 | - | - | 73.89 |
| Interest on Bonds | 100.00 | 100.00 | 100.00 | - | - | - | 100.00 |
| Interest on Notes | - | - | - | - | - | - | - |
| Total Debt Service | <u>2,004,900.00</u> | <u>2,004,900.00</u> | <u>2,004,900.00</u> | <u>2,004,626.11</u> | <u>-</u> | <u>-</u> | <u>273.89</u> |
| (E) Deferred Charges | - | - | - | - | - | - | - |
| None | - | - | - | - | - | - | - |
| Total Deferred Charges | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | <u>4,006,526.07</u> | <u>4,635,444.76</u> | <u>4,635,444.76</u> | <u>4,614,170.87</u> | <u>-</u> | <u>21,000.00</u> | <u>273.89</u> |
| SUBTOTAL GENERAL APPROPRIATIONS | <u>18,308,374.07</u> | <u>18,937,292.76</u> | <u>18,937,292.76</u> | <u>16,944,036.77</u> | <u>346,739.61</u> | <u>1,646,242.49</u> | <u>273.89</u> |
| (M) Reserve for Uncollected Taxes | <u>1,224,277.58</u> | <u>1,224,277.58</u> | <u>1,224,277.58</u> | <u>1,224,277.58</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL GENERAL APPROPRIATIONS | <u>\$ 19,532,651.65</u> | <u>20,161,570.34</u> | <u>20,161,570.34</u> | <u>18,168,314.35</u> | <u>346,739.61</u> | <u>1,646,242.49</u> | <u>273.89</u> |
| Budget | | 19,532,651.65 | | | | Cancelled | \$ 273.89 |
| Appropriations by 40A-4-87 | | 628,918.69 | | | | Overexpended | - |
| Emergency Appropriations | | - | | | | | |
| | | <u>\$ 20,161,570.34</u> | | | | | <u>\$ 273.89</u> |
| Reserve for Uncollected Taxes | | 1,224,277.58 | | | | | |
| Federal and State Grants | | 2,207,891.21 | | | | | |
| Deferred Charges | | - | | | | | |
| Disbursements | | 14,736,145.56 | | | | | |
| | | <u>\$ 18,168,314.35</u> | | | | | <u>\$ 273.89</u> |

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>2023</u> | <u>2022</u> |
|--|------------------------|---------------------|
| Animal Control Fund: | | |
| Cash | \$ 10,729.31 | 66,720.44 |
| | <u>10,729.31</u> | <u>66,720.44</u> |
| Length of Service Award Program | | |
| Investment held for LOSAP | 267,401.49 | 240,873.95 |
| | <u>267,401.49</u> | <u>240,873.95</u> |
| Other Funds: | | |
| Cash - Treasurer | 1,535,293.23 | 1,622,438.30 |
| Due from General Capital Fund | 350.00 | 350.00 |
| | <u>1,535,643.23</u> | <u>1,622,788.30</u> |
| | <u>1,813,774.03</u> | <u>1,930,382.69</u> |
| <u>Liabilities, Reserves, and Fund Balance</u> | | |
| Animal Control Fund: | | |
| Due to Current Fund | 3,440.42 | 59,113.24 |
| Due to State of New Jersey | 327.00 | 117.00 |
| Reserve for Animal Control Fund Expenditures | 6,961.89 | 7,490.20 |
| | <u>10,729.31</u> | <u>66,720.44</u> |
| Length of Service Award Program | | |
| Investment held for LOSAP | 267,401.49 | 240,873.95 |
| | <u>267,401.49</u> | <u>240,873.95</u> |
| Other Funds: | | |
| Miscellaneous Reserves | 1,535,643.23 | 1,622,788.30 |
| | <u>1,535,643.23</u> | <u>1,622,788.30</u> |
| Total | \$ <u>1,813,774.03</u> | <u>1,930,382.69</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>ASSETS</u> | <u>2023</u> | <u>2022</u> |
|---|-------------------------|----------------------|
| Cash | \$ 2,743,545.57 | 3,191,557.68 |
| Deferred Charges to Future Taxation - | | |
| Funded | 14,260,000.00 | 15,675,000.00 |
| Unfunded | 4,349,386.56 | 1,784,386.56 |
| | <u>21,352,932.13</u> | <u>20,650,944.24</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Encumbrances Payable | 1,318,324.77 | 1,446,008.40 |
| Bond Anticipation Notes Payable | 2,640,000.00 | - |
| Serial Bonds Payable | 14,260,000.00 | 15,675,000.00 |
| Improvement Authorizations: | | |
| Funded | 331,314.61 | 1,705,086.25 |
| Unfunded | 2,470,963.34 | 1,501,444.18 |
| Due to Current Fund | 240,060.38 | 177,860.38 |
| Due to Trust Fund | 350.00 | 350.00 |
| Reserve for Bequest - JFK Park | 23,000.00 | 23,000.00 |
| Reserve for Acquisition of Vehicle | 10,000.00 | 10,000.00 |
| Reserve for Debt Service | 4,968.28 | 32,484.28 |
| Capital Improvement Fund | 5,805.00 | 6,565.00 |
| Fund Balance | 48,145.75 | 73,145.75 |
| | <u>\$ 21,352,932.13</u> | <u>20,650,944.24</u> |

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

| | |
|------|--------------|
| 2022 | 1,784,386.56 |
| 2023 | 1,709,386.56 |

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

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

| | 2023 | 2022 |
|--|--------------|-----------|
| Beginning Balance January 1 | \$ 73,145.75 | 84,069.66 |
| Increased by: | | |
| Cancellation of Improvement Authorizations | - | 13,145.75 |
| Decreased by: | | |
| Anticipated Revenue in Current Fund | 25,000.00 | 24,069.66 |
| Ending Balance December 31 | \$ 48,145.75 | 73,145.75 |

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

EXHIBIT D - SEWER UTILITY

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

| | 2023 | 2022 |
|--|------------------|---------------|
| <u>ASSETS</u> | | |
| Operating Fund: | | |
| Cash and Investments | \$ 6,951,711.95 | 5,157,278.17 |
| Change Fund | 400.00 | 400.00 |
| Due from Current Fund | 7,400.91 | 7,400.91 |
| | 6,959,512.86 | 5,165,079.08 |
| Receivables and Other Assets with Full Reserves: | | |
| Consumer Accounts Receivable | 80,836.43 | 100,912.77 |
| Sewer Liens | 5,817.38 | 5,432.38 |
| | 86,653.81 | 106,345.15 |
| Deferred Charges: | | |
| Overexpenditure of Appropriations | - | 39,197.68 |
| | - | 39,197.68 |
| Total of Operating Fund | 7,046,166.67 | 5,310,621.91 |
| Capital Fund: | | |
| Due from Current Fund | 1,490,832.00 | 1,490,832.00 |
| Due from Sewer Operating Fund | 3,988,979.48 | 2,714,771.24 |
| Fixed Capital - | | |
| Complete | 9,475,727.42 | 9,475,727.42 |
| Authorized and Uncompleted | 13,726,750.00 | 7,809,750.00 |
| Total of Capital Fund | 28,682,288.90 | 21,491,080.66 |
| Total Assets | \$ 35,728,455.57 | 26,801,702.57 |

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

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

| | 2023 | 2022 |
|---|------------------|---------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Operating Fund: | | |
| Liabilities: | | |
| Appropriation Reserves | \$ 429,340.65 | 174,757.28 |
| Encumbrances Payable | 98,972.44 | 57,095.84 |
| Sewer Rent Prepayments | 9,404.25 | 27,048.78 |
| Due to Sewer Capital | 3,988,979.48 | 2,714,771.24 |
| Accrued Interest on Bonds and Notes | 57,485.42 | 62,823.05 |
| | 4,584,182.24 | 3,036,496.19 |
| Reserve for Receivables | 86,653.81 | 106,345.15 |
| Fund Balance | 2,375,330.62 | 2,167,780.57 |
| Total of Operating Fund | 7,046,166.67 | 5,310,621.91 |
| Capital Fund: | | |
| Encumbrances Payable | 726,074.28 | 122,158.37 |
| Improvement Authorizations | | |
| Funded | 270,460.28 | 296,833.16 |
| Unfunded | 8,873,932.86 | 3,763,042.65 |
| Bond Anticipation Notes Payable | 1,500,000.00 | - |
| Serial Bonds Payable | 5,385,000.00 | 5,800,000.00 |
| NJEIT Bonds Payable | 161,000.00 | 249,305.25 |
| Reserve to Pay Debt | 89,347.78 | 86,572.78 |
| Reserves for Amortization | 11,172,813.01 | 10,669,507.76 |
| Deferred Reserve for Amortization | 91,914.41 | 91,914.41 |
| Fund Balance | 411,746.28 | 411,746.28 |
| Total of Capital Fund | 28,682,288.90 | 21,491,080.66 |
| Total Liabilities, Reserves and Fund Balance | \$ 35,728,455.57 | 26,801,702.57 |

There were Bonds and Notes Authorized But Not Issued at December 31,

| | |
|------|--------------|
| 2022 | 474,750.00 |
| 2023 | 4,891,750.00 |

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

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

| | 2023 | 2022 |
|--|-----------------|--------------|
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Anticipated | \$ 283,897.68 | 114,100.00 |
| Rents | 2,782,559.46 | 2,758,021.80 |
| Miscellaneous | 254,497.85 | 73,262.30 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 201,987.48 | 135,935.32 |
| Total Income | 3,522,942.47 | 3,081,319.42 |
| <u>Expenditures</u> | | |
| Operations: | | |
| Salaries and Wages | 665,000.00 | 646,800.00 |
| Other Expenses | 432,100.00 | 409,300.00 |
| Atlantic County Utility Authority | 1,100,000.00 | 1,100,000.00 |
| Debt Service | 743,197.06 | 640,634.83 |
| Deferred Charges and Statutory Expenditures | 91,197.68 | 40,000.00 |
| Total Expenditures | 3,031,494.74 | 2,836,734.83 |
| Excess in Revenues | 491,447.73 | 244,584.59 |
| Adjustments to Income before Fund Balance: | | |
| Expenditures included above which are by Statute deferred charges to budget of succeeding year | - | 39,197.68 |
| Statutory Excess to Fund Balance | 491,447.73 | 283,782.27 |
| Fund Balance January 1 | 2,167,780.57 | 1,998,098.30 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | 283,897.68 | 114,100.00 |
| Fund Balance December 31 | \$ 2,375,330.62 | 2,167,780.57 |

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

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

| | 2023 | 2022 |
|----------------------|---------------|------------|
| Balance January 1, | \$ 411,746.28 | 411,746.28 |
| No Activity | | |
| Balance December 31, | \$ 411,746.28 | 411,746.28 |

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

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

| | Antic. Budget | Realized | Excess Or (Deficit) |
|-------------------------------|------------------------|---------------------|------------------------|
| Operating Surplus Anticipated | \$ 283,897.68 | 283,897.68 | - |
| Rents - Sewer | 2,760,000.00 | 2,782,559.46 | 22,559.46 |
| | <u>\$ 3,043,897.68</u> | <u>3,066,457.14</u> | <u>22,559.46</u> |

Analysis of Realized RevenueRents

Consumer Accounts Receivable \$ 2,782,559.46

Miscellaneous

Interest on Delinquent Rents 15,631.41

Interest Earned 172,587.54

Connection Fees 33,906.45

Interest & Costs 1,102.37

Egg Harbor Township Shared Service 26,090.13

Miscellaneous 5,179.95

\$ 254,497.85

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

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

| | Appropriations | | Expended | | (Overexpended)/ Unexpended Balance Cancelled |
|---|------------------------|--------------------------------|---------------------|---------------------|---|
| | Budget | Budget After Modification | Paid or Charged | Encumbered Reserved | |
| OPERATING | | | | | |
| Salaries and Wages | \$ 665,000.00 | 665,000.00 | 628,947.81 | 10,000.00 | 26,052.19 |
| Other Expenses | 438,100.00 | 432,100.00 | 228,996.10 | 68,972.44 | 134,131.46 |
| ACUA - Share of Costs | 1,100,000.00 | 1,100,000.00 | 810,843.00 | 20,000.00 | 269,157.00 |
| | <u>2,203,100.00</u> | <u>2,197,100.00</u> | <u>1,668,786.91</u> | <u>98,972.44</u> | <u>-</u> |
| DEBT SERVICE | | | | | |
| Payment on Bond Principal | 415,000.00 | 415,000.00 | 415,000.00 | - | - |
| Payment on Bond Anticipation Notes and Capital Notes | 100.00 | 100.00 | - | - | 100.00 |
| Interest on Bonds | 234,000.00 | 234,000.00 | 222,516.81 | - | 11,483.19 |
| Interest on Notes | 100.00 | 6,100.00 | 5,625.00 | - | 475.00 |
| NJEIT Loan - Principal | 88,400.00 | 88,400.00 | 88,305.25 | - | 94.75 |
| NJEIT Loan - Interest | 12,000.00 | 12,000.00 | 11,750.00 | - | 250.00 |
| | <u>749,600.00</u> | <u>755,600.00</u> | <u>743,197.06</u> | <u>-</u> | <u>12,402.94</u> |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES | | | | | |
| Deferred Charges | 39,197.68 | 39,197.68 | 39,197.68 | - | - |
| Overexpenditure of an Appropriation | | | | | |
| Contribution to: Social Security System (O.A.S.I.) | 52,000.00 | 52,000.00 | 52,000.00 | - | - |
| | <u>91,197.68</u> | <u>91,197.68</u> | <u>91,197.68</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 3,043,897.68</u> | <u>3,043,897.68</u> | <u>2,503,181.65</u> | <u>98,972.44</u> | <u>12,402.94</u> |
| | | Accrued Interest \$ 239,891.81 | | Cancelled | 12,402.94 |
| | | Deferred Charges 39,197.68 | | Overexpended | 0.00 |
| | | Disbursed 2,224,092.16 | | | <u>12,402.94</u> |
| | | \$ 2,503,181.65 | | | <u><u>12,402.94</u></u> |

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

EXHIBIT E - 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>2023</u> | <u>2022</u> |
|------------------------------------|-------------------------|----------------------|
| General Fixed Assets: | | |
| Land and Improvements | \$ 8,367,676.50 | 8,367,676.50 |
| Buildings and Improvements | 6,497,980.95 | 6,494,125.83 |
| Machinery and Equipment | 10,785,301.29 | 9,881,592.84 |
| Total General Fixed Assets | <u>25,650,958.74</u> | <u>24,743,395.17</u> |
| | | |
| Investment in General Fixed Assets | <u>\$ 25,650,958.74</u> | <u>24,743,395.17</u> |

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

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NOTES TO FINANCIAL STATEMENTS

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**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City has no component units.

B. Description of Funds

The accounting policies of the City of Somers Point 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 Somers Point 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.

C. Basis of Accounting

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

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

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City'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

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering 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 City 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. Expenditures for long lived assets with an original cost in excess of \$3,000 are capitalized. No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by the 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.

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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 Somers Point 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 City operates a 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 semi-annually installments on March 1, and September 1.

Interest on Delinquent Utility Charges -- It is the policy of the City 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 Somers Point 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 Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

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

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

F. Recent Accounting Pronouncements Not Yet Effective

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

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

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

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2023 and 2022 statutory budgets included a reserve for uncollected taxes in the amount of \$1,224,277.58 and \$1,139,392.04. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2023 and 2022 statutory budgets was \$2,700,000.00 and \$2,685,000.00. In addition, the City 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 City. 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 2023 and 2022 utility budgets was \$283,897.68 and \$114,000.00.

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

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**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

| Budget Category | 2023 | 2022 |
|--|-------------|-------------|
| <u>Current Fund</u> | | |
| Department of General Administration | | |
| Salaries and Wages | \$ - | (25,000.00) |
| Legal Services and Costs | | |
| Other Expenses | 25,000.00 | - |
| Public Buildings and Grounds | | |
| Other Expenses | - | 25,000.00 |
| Department of Public Works | | |
| Salaries and Wages | - | 30,000.00 |
| Division of Sanitation | | |
| Other Expenses | - | 30,000.00 |
| Department of the Police | | |
| Salaries and Wages | - | (96,469.07) |
| Department of Communications | | |
| Salaries and Wages | - | 30,000.00 |
| Workers Compensation Insurance | 26,000.00 | - |
| Employee Group Health Insurance | (77,000.00) | (90,000.00) |
| Unclassified: | | |
| Electric | - | (30,000.00) |
| Diesel Fuel | - | 20,000.00 |
| Gasoline | - | 20,000.00 |
| Street Lighting | 20,000.00 | - |
| Water | 20,000.00 | - |
| Contribution to Police and Firemen's Retirement System | - | 58,097.76 |
| Social Security System (OASI) | 25,000.00 | - |
| Utility Operating Fund | | |
| None | | - |

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 2023 and 2022, the following budget insertions were approved:

| Budget Category | 2023 | 2022 |
|---|--------------|------------|
| City of Long Beach vs Monstanto Co. Settlement | \$ 17,414.03 | - |
| Recycling Tonnage Grant | 12,377.01 | 17,012.64 |
| NJ DCA-Community Capital Needs Grant | - | 154,000.00 |
| Clean Communities | 32,183.97 | 28,694.14 |
| NJDEP Stormwater Assistance | 25,000.00 | - |
| NJDOT-Exton Road, Bala Drvie, and Colwick Drive | 500,000.00 | - |
| National Opioids Settlement | 22,943.68 | - |
| Sustainable Communities Environmental Stewardship | 5,000.00 | - |
| Local Arts Program - Arts Commission | 5,050.00 | - |
| Local Arts Program - Beach Concerts | 8,950.00 | - |

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

The City 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. During 2023 and 2022, City Council did not approve any emergency appropriations.

Note 3: INVESTMENTS

As of December 31, 2023 and 2022, the municipality had no investments, other than as noted below.

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 types of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

Investments – Length of Service Award Program (LOSAP)

As more fully described in Note 18, the City has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et seq. except that all investments are retained in the name of the City. All investments are valued at fair value. In accordance with NJAC 5:30-14.37 the investments are maintained by MassMutual, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2023 and 2022 amounted to \$267,401.49 and \$240,873.95, respectively.

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2023 and 2022, \$0 of the municipality's bank balance of \$18,412,537.64 and \$18,058,481.70 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, 2023 and 2022:

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | Balance 12/31/2022 | Additions | Retirements/ Adjustments | Balance 12/31/2023 |
|----------------------------|-------------------------|-------------------|-----------------------------|-----------------------|
| Land and Improvements | \$ 8,367,676.50 | | | 8,367,676.50 |
| Buildings and Improvements | 6,494,125.83 | 3,855.12 | | 6,497,980.95 |
| Machinery and Equipment | 9,881,592.84 | 903,708.45 | | 10,785,301.29 |
| | <u>\$ 24,743,395.17</u> | <u>907,563.57</u> | <u>-</u> | <u>25,650,958.74</u> |

| | Balance 12/31/2021 | Additions | Retirements/ Adjustments | Balance 12/31/2022 |
|----------------------------|-------------------------|-------------------|-----------------------------|-----------------------|
| Land and Improvements | \$ 8,367,676.50 | | | 8,367,676.50 |
| Buildings and Improvements | 6,494,125.83 | | | 6,494,125.83 |
| Machinery and Equipment | 9,594,044.48 | 287,548.36 | | 9,881,592.84 |
| | <u>\$ 24,455,846.81</u> | <u>287,548.36</u> | <u>-</u> | <u>24,743,395.17</u> |

Note 6: SHORT-TERM OBLIGATIONS

| | Balance 12/31/22 | Issued | Retired | Balance 12/31/23 |
|-------------------------------------|------------------------|---------------------|---------------------|---------------------|
| Bond Anticipation Notes payable: | | | | |
| General | \$ - | 2,640,000.00 | | 2,640,000.00 |
| Utility | - | 1,500,000.00 | | 1,500,000.00 |
| | <u>\$ -</u> | <u>4,140,000.00</u> | <u>-</u> | <u>4,140,000.00</u> |
| | | | | |
| | Balance 12/31/21 | Issued | Retired | Balance 12/31/22 |
| Bond Anticipation Notes payable: | | | | |
| General | \$ 4,264,000.00 | | 4,264,000.00 | - |
| Utility | 2,321,000.00 | | 2,321,000.00 | - |
| | <u>\$ 6,585,000.00</u> | <u>-</u> | <u>6,585,000.00</u> | <u>-</u> |

The bond anticipation note is held by Piper Sandler Co. and will mature on August 31, 2024 with interest payable at 4.50% per annum. It is the City's intent to issue permanent debt upon maturity of this bond anticipation note.

Note 7: LONG TERM DEBT.

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

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**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | Balance 12/31/2022 | Issued | Retired | Balance 12/31/2023 | Amounts Due Within One Year |
|---------------------------------|-------------------------|----------------------|---------------------|-----------------------|-----------------------------------|
| Bonds payable: | | | | | |
| General | \$ 15,675,000.00 | | 1,415,000.00 | 14,260,000.00 | 1,495,000.00 |
| Utility | 6,049,305.25 | | 503,305.25 | 5,546,000.00 | 558,000.00 |
| Total | <u>21,724,305.25</u> | - | <u>1,918,305.25</u> | <u>19,806,000.00</u> | <u>2,053,000.00</u> |
| Other liabilities: | | | | | |
| Compensated Absences Payable | 1,258,637.15 | 34,502.88 | 100,248.51 | 1,192,891.52 | 20,000.00 |
| Total long-term liabilities | <u>\$ 22,982,942.40</u> | <u>34,502.88</u> | <u>2,018,553.76</u> | <u>20,998,891.52</u> | <u>2,073,000.00</u> |
| | | | | | |
| | Balance 12/31/2021 | Issued | Retired | Balance 12/31/2022 | Amounts Due Within One Year |
| Bonds payable: | | | | | |
| General | \$ 11,311,000.00 | 6,355,000.00 | 1,991,000.00 | 15,675,000.00 | 1,415,000.00 |
| Utility | 3,124,410.50 | 3,590,000.00 | 665,105.25 | 6,049,305.25 | 503,305.25 |
| Total | <u>14,435,410.50</u> | <u>9,945,000.00</u> | <u>2,656,105.25</u> | <u>21,724,305.25</u> | <u>1,918,305.25</u> |
| Other liabilities: | | | | | |
| Compensated Absences Payable | 1,135,748.29 | 154,947.89 | 32,059.03 | 1,258,637.15 | 85,741.86 |
| Total long-term liabilities | <u>\$ 15,571,158.79</u> | <u>10,099,947.89</u> | <u>2,688,164.28</u> | <u>22,982,942.40</u> | <u>2,004,047.11</u> |

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

\$12,030,000 General Improvement Bond dated 10/1/19 payable in annual installments through 10/1/2031. Interest is paid semiannually at rates from 2.00% to 4.00% per annum. Bonds maturing on or after October 1, 2027 are redeemable at the option of the City, in whole or in part, on any date on or after October 1, 2026. The balance remaining as of December 31, 2023 was \$8,800,000.00.

\$5,935,000.00 General Improvement Bond dated 10/6/2022 payable in annual installments through 10/15/2032. Interest is paid semiannually at rates from 4.00% to 5.00% per annum. Bonds maturing on or after 10/15/2030 are redeemable at the option of the City, in whole or in part, on any date on or after October 15, 2029. The balance remaining as of December 31, 2023 was \$5,460,000.00.

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

\$910,000 New Jersey Environmental Infrastructure Trust Bonds dated 12/2/10 payable in annual installments through 8/1/25. Interest is paid semiannually at a rate of 5.00% per annum. The balance remaining as of December 31, 2023, was \$161,000.00. \$1,410,000.00 of bonds were originally anticipated to be issued however the project was complete and \$500,000.00 of the bonds were canceled. In May 2016, the City participated in the NJEIT refunding of this bond issue. As a result, the City was able to save a total of \$55,522.27 which consisted of \$37,000 of savings credit against the principal and \$18,522.27 of interest.

\$862,463.00 New Jersey Environmental Infrastructure Trust Bonds dated 12/2/10 payable in annual installments through 8/1/23 bearing no interest. The balance remaining as of December 31, 2023, was \$0. \$1,465,000.00 of bonds were originally anticipated to be issued however the project was complete and \$602,537.00 of the bonds were canceled.

\$2,970,000 General Improvement Bond dated 10/1/19 payable in annual installments through 10/1/2031. Interest is paid semiannually at rates from 2.00% to 4.00% per annum. Bonds maturing on or after October 1, 2027 are redeemable at the option of the City, in whole or in part, on any date on or after October 1, 2026. The balance remaining as of December 31, 2023, was \$2,175,000.00.

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

\$3,400,000.00 Sewer Utility Bond dated 10/6/2022 payable in annual installments through 10/15/2034. Interest is paid semiannually at rates from 4.00% to 5.00% per annum. Bonds maturing on or after 10/15/2030 are redeemable at the option of the City, in whole or in part, on any date on or after October 15, 2029. The balance remaining as of December 31, 2023 was \$3,210,000.00.

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

| Year | General | | Sewer Utility | | Total |
|-----------|-------------------------|---------------------|---------------------|---------------------|----------------------|
| | Principal | Interest | Principal | Interest | |
| 2024 | \$ 1,495,000.00 | 540,900.00 | 558,000.00 | 227,050.00 | 2,820,950.00 |
| 2025 | 1,600,000.00 | 486,150.00 | 588,000.00 | 204,450.00 | 2,878,600.00 |
| 2026 | 1,685,000.00 | 416,800.00 | 545,000.00 | 177,750.00 | 2,824,550.00 |
| 2027 | 1,720,000.00 | 343,750.00 | 555,000.00 | 153,400.00 | 2,772,150.00 |
| 2028 | 1,750,000.00 | 268,950.00 | 580,000.00 | 128,550.00 | 2,727,500.00 |
| 2029-2033 | 6,010,000.00 | 436,900.00 | 2,340,000.00 | 316,900.00 | 9,103,800.00 |
| 2034 | - | - | 380,000.00 | 15,200.00 | 395,200.00 |
| | <u>\$ 14,260,000.00</u> | <u>2,493,450.00</u> | <u>5,546,000.00</u> | <u>1,223,300.00</u> | <u>23,522,750.00</u> |

As of December 31, 2023 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 \$589,626.11 and to the utility budget was \$239,891.81.

| <u>Summary of Municipal Debt</u> | <u>Year 2023</u> | <u>Year 2022</u> | <u>Year 2021</u> |
|--|-------------------------|----------------------|----------------------|
| <u>Issued:</u> | | | |
| General - Bonds and Notes | \$ 16,900,000.00 | 15,675,000.00 | 15,575,000.00 |
| Sewer Utility - Bonds and Notes | 7,046,000.00 | 6,049,305.25 | 5,445,410.50 |
| Total Issued | <u>23,946,000.00</u> | <u>21,724,305.25</u> | <u>21,020,410.50</u> |
| <u>Authorized but not issued:</u> | | | |
| General - Bonds and Notes | 1,709,386.56 | 1,784,386.56 | 973,136.56 |
| Sewer Utility - Bonds and Notes | 4,891,750.00 | 474,750.00 | 285,750.00 |
| Total Authorized But Not Issued | <u>6,601,136.56</u> | <u>2,259,136.56</u> | <u>1,258,886.56</u> |
| Total Bonds & Notes Issued and Authorized But Not Issued | <u>30,547,136.56</u> | <u>23,983,441.81</u> | <u>22,279,297.06</u> |
| <u>Deductions:</u> | | | |
| Reserve for Payment of Bonds | | | |
| Self-Liquidating Debt | 11,937,750.00 | 6,524,055.25 | 5,731,160.50 |
| Total Deductions | <u>11,937,750.00</u> | <u>6,524,055.25</u> | <u>5,731,160.50</u> |
| Net Debt | <u>\$ 18,609,386.56</u> | <u>17,459,386.56</u> | <u>16,548,136.56</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 1.267%.

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | Gross Debt | Deductions | Net Debt |
|-------------------------------|-------------------------|----------------------|----------------------|
| Local School District Debt | \$ 7,753,000.00 | 7,753,000.00 | - |
| Regional School District Debt | 7,633,634.02 | 7,633,634.02 | - |
| Sewer Utility Debt | 11,937,750.00 | 11,937,750.00 | - |
| General Debt | 18,609,386.56 | - | 18,609,386.56 |
| | <u>\$ 45,933,770.58</u> | <u>27,324,384.02</u> | <u>18,609,386.56</u> |

Net Debt \$18,609,386.56 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,468,891,800.33 = 1.267%.

The above information is in agreement with the Annual Debt Statement filed by the City of Somers Point.

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

| | |
|--|-------------------------|
| 3 1/2 % of Equalized Valuation Basis (Municipal) | \$ 51,411,213.01 |
| Net Debt | 18,609,386.56 |
| Remaining Borrowing Power | <u>\$ 32,801,826.45</u> |

The City of Somers Point School District, as a K-8 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

Operating Leases:

The City is currently leasing six (6) copy machines, under operating leases, for various offices within City Hall. The term of each lease is 60 months and they will expire at various times during the years 2024 through 2028. The monthly payment for the leases range between \$92.61 and \$200.68.

The total operating lease payments were \$7,809.64 in 2023 and \$4,154.68 in 2022.

The following is a schedule of the future minimum lease payments under these leases and the net minimum lease payments at December 31, 2023.

| Year | Operating |
|------------------------------|---------------------|
| 2024 | \$ 5,867.88 |
| 2025 | 5,093.58 |
| 2026 | 4,332.12 |
| 2027 | 3,920.52 |
| 2028 | 3,719.84 |
| 2029 | 630.15 |
| Total minimum lease payments | <u>\$ 23,564.09</u> |

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**CITY OF SOMERS POINT
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022**

Note 9: FUND BALANCES APPROPRIATED

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

| | | 2024 | 2023 |
|--------------------|----|--------------|--------------|
| Current Fund | \$ | 2,800,000.00 | 2,700,000.00 |
| Sewer Utility Fund | | 529,800.00 | 283,897.68 |

Municipalities are permitted to appropriate the full amount of fund balance, net of any amounts due from the State of New Jersey for Senior Citizens and Veterans deductions, deferred charges, and cash deficit. The total amount of fund balance available to the City to appropriate in the 2024 budget is \$3,665,244.39 for the current fund and \$2,375,330.62 for the utility fund.

Note 10: SCHOOL TAXES

Local District School Tax in the amounts of \$11,232,366.00 and \$11,135,599 have been raised for the 2023 and 2022 calendar years, respectively and \$11,216,390.00 and \$11,138,316 was remitted to the school district leaving a balance due of \$15,976.00.

Regional High School Tax in the amounts of \$8,520,292.00 and \$8,497,513.00 have been raised for the 2023 and 2022 calendar years, respectively and \$8,520,291.50 and \$8,497,450.51 remitted to the school district leaving a \$73.91 balance payable.

Note 11: TAXES COLLECTED IN ADVANCE

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

| | Balance 12/31/2023 | Balance 12/31/2022 |
|---|-----------------------|-----------------------|
| Prepaid Taxes | \$ 468,121.59 | 383,527.78 |
| Cash Liability for Taxes Collected in Advance | \$ 468,121.59 | 383,527.78 |

Note 12: PENSION FUNDS

Description of Plans

Substantially all of the City's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS), a 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>.

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**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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.

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.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008, under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (N.J.S.A. 43:15C-1 et seq). The DCRP is a cost sharing multiple employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.50% of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The City's contributions to PERS for the years ended December 31, 2023, 2022, and 2021 were \$468,103.00, \$459,453.00, and \$414,519.20.

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 City's contributions to PFRS for the years ended December 31, 2023, 2022, and 2021 were \$972,034.00, \$781,295.00, and \$775,344.00.

The total payroll for the year ended December 31, 2023, 2022, and 2021 was \$7,049,100.86, \$6,712,509.86, and \$6,526,806.71. Payroll covered by PFRS was \$2,910,126.00, \$2,677,623.00, and \$2,595,614.00. Payroll covered by PERS was \$2,867,287.00, \$2,879,139.00, and \$2,705,883.00.

Significant Legislation

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

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**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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 $\frac{1}{60}$ from $\frac{1}{55}$, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a $\frac{1}{7}$ 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

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Note 13: PENSION LIABILITIES

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

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

Public Employees’ Retirement System

The City has a liability of \$5,601,943 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City’s proportion would be 0.03712015660%, which would be a decrease of 5.38% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City would have recognized pension expense of \$(434,977). At December 31, 2022, the City would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected & actual experience | \$ 40,432 | (35,656) |
| Changes of assumptions | 17,357 | (838,833) |
| Changes in proportion | 200,791 | (380,212) |
| Net difference between projected and actual earnings on pension plan investments | 231,859 | - |
| Total | \$ 490,439 | (1,254,701) |

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

| Year ended June 30, | |
|------------------------|--------------|
| 2023 | \$ (698,577) |
| 2024 | (257,282) |
| 2025 | (18,077) |
| 2026 | 211,317 |
| 2027 | (1,643) |
| Total | \$ (764,262) |

**CITY OF SOMERS POINT
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022**

Actuarial Assumptions

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---------------------------|-------------------------------------|---------------------------|
| City's proportionate share of the net pension liability | \$ 6,717,878 | \$ 5,601,943 | \$ 4,653,293 |

Pension plan fiduciary net position.

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

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Police and Firemen’s Retirement System

The City has a liability of \$8,555,019 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2021 that was rolled forward to June 30, 2022. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City’s proportion would be 0.07474011000%, which would be an increase of 11.49% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City would have recognized pension expense of \$(80,266). At December 31, 2022, the City would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected & actual experience | \$ 387,223 | \$ (524,111) |
| Changes of assumptions | 23,446 | (1,076,908) |
| Changes in proportion | 869,071 | (854,181) |
| Net difference between projected and actual earnings on pension plan investments | 783,388 | - |
| Total | <u>\$ 2,063,128</u> | <u>\$ (2,455,200)</u> |

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

| Year ended June 30, | |
|------------------------|---------------------|
| 2023 | \$ (412,232) |
| 2024 | (263,442) |
| 2025 | (250,958) |
| 2026 | 524,211 |
| 2027 | 5,052 |
| Thereafter | 5,296 |
| Total | <u>\$ (392,072)</u> |

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**CITY OF SOMERS POINT
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022**

Actuarial Assumptions

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

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

Employee mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females. Disability rates were based on the Pub-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2022 are summarized in the following table:

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**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on 100% of the actuarially determine contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

| | Decrease (6.00%) | Rate (7.00%) | Increase (8.00%) |
|---|---------------------|-----------------|---------------------|
| City's proportionate share of the net pension liability | 12,089,342.56 | 8,555,019.00 | 5,613,022.58 |

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2022 State special funding situation net pension liability amount of \$2,037,115,833.00 is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2022 State special funding situation pension expense of \$235,029,281.00 is

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2022, the State contributed an amount more than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the City was 0.07474011000% for 2022. The net pension liability amount allocated to the City was \$1,522,543. For the fiscal year ending June 30, 2022 State special funding situation pension expense of \$175,661 is allocated to the City.

Pension plan fiduciary net position.

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

Note 14: OTHER POST-RETIREMENT BENEFITS

General Information about the Plan:

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

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

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

1) retired on a disability pension;

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

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

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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

Allocation Methodology:

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the City these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2022 were \$3,361,552,823 and \$3,872,142,278, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's non special funding situation during the measurement period July 1, 2021 through June 30, 2022. Employer and non-employer allocation percentages have been rounded for presentation purposes.

Special Funding Situation:

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Net OPEB Liability:

Components of Net OPEB Liability

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

| | June 30, 2022 | |
|---|-----------------------------|--------------------------------|
| | Collective Total | Proportionate Share |
| Total OPEB Liability | \$ 16,090,925,144 | \$ 15,779,159 |
| Plan Fiduciary Net Position (Deficit) | (58,670,334) | (50,799) |
| Net OPEB Liability | <u>\$ 16,149,595,478</u> | <u>\$ 15,829,958</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | -0.36% | -0.32% |

At June 30, 20223 the City's proportionate share of the Collective Net OPEB Liability was \$15,829,958. The State's proportionate share for the Special Funding Situation that is associated with the City is \$2,080,113. The City's proportion of the Collective Net OPEB Liability was 0.086584% which was a decrease from the prior year of 2.28%. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was 0.054745% which was an increase from the prior year of 1.62%.

| | |
|--|----------------------|
| City's Proportionate Share of Collective Net OPEB Liability | \$ 13,982,966 |
| State's proportionate share that is associated with the City | 1,846,992 |
| Total | <u>\$ 15,829,958</u> |

For the Year ended June 30, 2021 the City's Total OPEB Expense was \$707,731 and the State of New Jersey realized Total OPEB Expense in the amount of \$(302,946) for its proportionate share of Total OPEB Expense that is associated with the Municipality.

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

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**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Investment Rate of Return
Including Inflation rate 3.54%

Salary increases*:

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

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

Mortality:

Pre-Retirement Healthy Mortality:

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

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

Post-Retirement Healthy Mortality

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

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

Disable Retiree Mortality:

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

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

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

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

| | | 1% Decrease (2.54%) | Discount Rate (3.54%) | 1% Increase (4.54%) |
|---------------------|----|------------------------|--------------------------|------------------------|
| Collective | | | | |
| Net OPEB Liability | \$ | 18,720,632,230 | 16,149,595,478 | 14,080,955,857 |
| Proportionate Share | | | | |
| Net OPEB Liability | \$ | 18,350,108 | 15,829,958 | 13,802,261 |

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

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

| | | 1% Decrease | Healthcare cost Trend Rate | 1% Increase |
|---------------------|----|----------------|-------------------------------|----------------|
| Collective | | | | |
| Net OPEB Liability | \$ | 13,700,188,049 | 16,149,595,478 | 19,286,596,671 |
| Proportionate Share | | | | |
| Net OPEB Liability | \$ | 13,429,030 | 15,829,958 | 18,904,871 |

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

| | Collective Totals | | Proportionate Share | |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 833,982,363 | (2,993,448,535) | 722,095 | (2,591,847) |
| Changes of assumptions | 2,155,230,462 | (5,511,545,572) | 1,866,085 | (4,772,117) |
| Net difference between projected and actual earnings on OPEB plan investments | 4,251,491 | | 3,681 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | | | 5,200,065 | (1,300,234) |
| Total | \$ 2,993,464,316 | (8,504,994,107) | 7,791,926 | (8,664,198) |

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 | Collective Totals | Proportionate Share |
|--------------|------------------------------|---------------------|
| June 30, | | |
| 2023 | \$ (1,463,380,541.00) | (231,599.20) |
| 2024 | (1,464,672,406.00) | (231,803.65) |
| 2025 | (1,156,630,075.00) | (183,051.91) |
| 2026 | (516,557,746.00) | (81,752.05) |
| 2027 | (115,810,526.00) | (18,328.54) |
| Thereafter | (794,478,497.00) | (125,736.66) |
| Total | \$ (5,511,529,791.00) | (872,272.00) |

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

Collective OPEB Expenses reported by the State of New Jersey

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

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**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

Schedule of Municipality's Share of Net OPEB Liability

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|--------------|-------------|-------------|-------------|-------------|
| City's Proportionate Share of Net OPEB Liability | \$ 0.086584% | 0.881110% | 0.007145% | 0.563350% | 0.061798% |
| City's Share of Net OPEB Liability | 15,829,958 | 15,859,787 | 10,850,702 | 7,631,179 | 9,681,657 |
| City's Covered Payroll | 2,879,139 | 2,705,883 | 2,874,668 | 2,749,853 | 2,739,512 |
| City's Proportionate Share of the Net OPEB Liability as a percentage of its Covered-Employee Payroll | 549.82% | 586.12% | 377.46% | 277.51% | 353.41% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | -0.36% | 0.28% | 0.97% | 1.97% | 1.98% |

Note 15: ACCRUED SICK AND VACATION BENEFITS

In accordance with Civil Service regulations, the City has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$1,192,891.52 in 2023 and \$1,258,637.15 in 2022. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. It is the City's policy to negotiate the final amount of each payment of accrued sick and vacation pay on an individual basis. Although more days may be accrued, the final amount cannot exceed: 180 days for members of Police Mainland Local #77; \$20,000 for members of Teamsters Local #115; and contractual limitations for individuals with personal service contracts. The amount shown above represents the total number of days of unpaid compensation without taking the 180 day limitation into account. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The City does not accrue the liability.

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Note 16: ECONOMIC DEPENDENCY

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

Note 17: RISK MANAGEMENT

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

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

The City 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 City 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 City has a general liability limit of \$100,000 under JIF, which increases to \$5,000,000 under MEL.

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 | Employee Contributions | Interest Earned | Amount Reimbursed | Ending Balance |
|---------------|--------------------|------------------------|-----------------|-------------------|----------------|
| 2023 | \$ 20,000.00 | 11,274.23 | - | 17,666.11 | 171,811.69 |
| 2022 | 20,000.00 | 10,615.28 | - | | 158,203.57 |
| 2021 | 20,000.00 | 11,596.14 | - | 9,100.99 | 127,588.29 |

Note 18: LENGTH OF SERVICE AWARDS PROGRAM

During the year 2001 the voters of the City of Somers Point approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who are performing qualified services which are defined as fire fighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code of 1986, as amended except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document.

Note 19: DEFERRED COMPENSATION

Employees of the City of Somers Point may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

Note 20: CONTINGENT LIABILITIES

The City is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the City'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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**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Note 21: INTERFUND BALANCES

During the most current calendar year ended December 31, 2023, the following interfunds were included on the balance sheets of the various funds of the City of Somers Point:

| | <u>Due From</u> | <u>Due To</u> |
|----------------------------------|------------------------|---------------------|
| Current Fund | | |
| Federal and State Grant Fund | \$ | 769,798.45 |
| Animal Control Fund | 3,440.42 | |
| General Capital Fund | 240,060.38 | |
| Sewer Operating Fund | | 7,400.91 |
| Sewer Capital Fund | | 1,490,832.00 |
| Federal and State Grant Fund | | |
| Current Fund | 769,798.45 | |
| Animal Control Fund | | |
| Current Fund | | 3,440.42 |
| Trust Funds - Other | | |
| General Capital | 350.00 | |
| General Capital Fund | | |
| Current Fund | | 240,060.38 |
| Trust Fund - Other | | 350.00 |
| Sewer Utility Operating Fund | | |
| Current Fund | 7,400.91 | |
| Sewer Utility Capital Fund | | 3,988,979.48 |
| Sewer Utility Capital Fund | | |
| Current Fund | 1,490,832.00 | |
| Sewer Utility Operating Fund | 3,988,979.48 | |
| | <u>\$ 6,500,861.64</u> | <u>6,500,861.64</u> |

Neither the Grant Fund nor the Sewer Utility Capital Fund have bank accounts. This has caused the interfunds to be created. The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

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**CITY OF SOMERS POINT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Note 22: SUBSEQUENT EVENTS

Capital Ordinances

On June 27, 2024, City Council adopted bond ordinance #14-2024 which authorized the following general capital projects to be completed. This capital ordinance increases the City’s authorized debt by \$2,992,000.

| Project | Appropriation And Estimated Cost | Estimated Maximum Amount of Bonds & Notes |
|---|--|--|
| Purchase of Fire Department Public Safety Equipment | \$ 247,150 | 234,750 |
| Purchase of Vehicles and Equipment for Department of Public Works | 120,000 | 114,000 |
| Purchase of Vehicles and Equipment for the Police Department | 332,100 | 315,400 |
| Improvements to Municipal Facilities | 283,500 | 269,300 |
| Improvements to City’s Recreational Facilities | 85,000 | 80,700 |
| Purchase of Public Computer for Tax Collection Office | 7,000 | 6,650 |
| Various Municipal Roadway Improvements | 2,075,250 | 1,971,200 |
| Totals | 3,150,000 | 2,992,000 |

Also, on June 27, 2024, City Council adopted bond ordinance #15-2024 which authorized the following sewer utility projects to be completed:

| Project | Appropriation And Estimated Cost | Estimated Maximum Amount of Bonds & Notes |
|--|--|--|
| Construction of Various Improvements to the City Sewer Utility | \$ 1,400,000 | 1,400,000 |
| Purchase of Vehicles and Equipment for the City Sewer Utility Department | 110,000 | 110,000 |
| Total | 1,510,000 | 1,510,000 |

A down payment is not required since the purposes authorized in the ordinance are deemed self-liquidating and obligations are deductible from the gross debt of the City.

Other

The City has evaluated subsequent events through June 30, 2024, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY INFORMATION

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FORD - SCOTT

& ASSOCIATES, L.L.C.

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

To the Honorable Mayor and
Members of the City Council
City of Somers Point
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 Somers Point, State of New Jersey, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2024, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the City of Somers Point 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. During our audit we did identify the following deficiency in internal control that we consider to be a material weakness: Finding 2023-1. However, other material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

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

June 30, 2024



FORD - SCOTT

& ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT **ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER** **COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE & NJ OMB 15-08**

The Honorable Mayor and
Members of City Council
City of Somers Point
County of Atlantic, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the City of Somers Point's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and NJ OMB 15-08 that could have a direct and material effect on each of Somers Point's major federal and state programs for the year ended December 31, 2023. The City of Somers Point's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Somers Point complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards, OMB Circular Uniform Guidance and NJ OMB 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of this report.

We are required to be independent of the City of Somers Point and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the City of Somers Point's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its Federal and State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Somers Point's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Somers Point's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Somers Point's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Somers Point's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the City of Somers Point's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular Uniform Guidance and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

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CERTIFIED PUBLIC ACCOUNTANTS

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

June 30, 2024

**CITY OF SOMERS POINT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023**

| <u>Federal Grantor / Pass-through Grantor Program</u> | <u>CFDA Number</u> | <u>Grant Period From To</u> | <u>Program or Award Amount</u> | <u>Unexpended Balance 12/31/22</u> | <u>Receipts or Revenue Recognized</u> | <u>Disbursements/ Expenditures</u> | <u>Adjustments</u> | <u>Unexpended Balance 12/31/23</u> |
|---|------------------------|---------------------------------|--|--|---|--|--------------------|--|
| Small Cities | 14.218 | 1/1/16 12/31/16 | 11,490.00 | 11,490.00 | - | - | - | 11,490.00 |
| Total Community Development Block Grant | | | | <u>11,490.00</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,490.00</u> |
| Department of Community Affairs National Opioid Settlement | 93.788 | 1/1/23 12/31/23 | 22,943.68 | | 22,943.68 | | | 22,943.68 |
| Subtotal Department of Community Affairs | | | | <u>-</u> | <u>22,943.68</u> | <u>-</u> | <u>-</u> | <u>22,943.68</u> |
| U.S. Department of Transportation - Highway Planning and Construction Passed through State of NJ Department of Transportation Bike Path Enhancements | 20.205 | 1/1/21 12/31/21 | 165,000.00 | 165,000.00 | | 117,761.00 | | 47,239.00 |
| Subtotal NJ Department of Transportation | | | | <u>165,000.00</u> | <u>-</u> | <u>117,761.00</u> | <u>-</u> | <u>47,239.00</u> |
| U.S. Department of the Treasury Passed through State of NJ Department of Community Affairs American Rescue Plan - Revenue Loss Due to COVID-19 Public Health Emergency | 21.027 | 1/1/21 12/31/22 | 1,064,897.00 | | | | 187,697.20 | 187,697.20 |
| Total U.S. Department of Transportation | | | | <u>165,000.00</u> | <u>-</u> | <u>117,761.00</u> | <u>187,697.20</u> | <u>234,936.20</u> |
| Total Federal Assistance | | | | <u>\$ 176,490.00</u> | <u>22,943.68</u> | <u>117,761.00</u> | <u>187,697.20</u> | <u>269,369.88</u> |

CITY OF SOMERS POINT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2023

| State Grantor / Pass-Through Grantor / Program | State Account Number | Grant Period From | Grant Period To | Grant Award | Unexpended Balance 12/31/22 | Receipts or Revenue Recognized | Disbursements/ Expenditures | Adjustments | Unexpended Balance 12/31/23 | Accumulated Expenditures |
|---|------------------------|-------------------|-----------------|-------------|-----------------------------|--------------------------------|-----------------------------|---------------------|-----------------------------|--------------------------|
| Department of Transportation: | | | | | | | | | | |
| Bikeway along Somers Point-Mays Landing Rd. | 6320-480-078-6320-xxx | 1/1/2019 | 12/31/2021 | 130,000.00 | 632.85 | 632.85 | | | 0.00 | 130,000.00 |
| Reconstruction of West Atlantic Avenue | 6320-480-078-6320-xxx | 1/1/2020 | 12/31/2022 | 300,000.00 | 17,325.12 | 17,325.12 | | | (0.00) | 300,000.00 |
| Reconstruction of West Atlantic Avenue | 6320-480-078-6320-xxx | 1/1/2021 | 12/31/2023 | 350,000.00 | - | - | | 35,574.92 | 35,574.92 | 314,425.08 |
| Reconstruction of Ocean Avenue-Phase I | 6320-480-078-6320-xxx | 1/1/2022 | 12/31/2023 | 350,000.00 | 350,000.00 | 350,000.00 | | | - | 350,000.00 |
| Reconstruction of Ocean Avenue-Phase II | 6320-480-078-6320-xxx | 1/1/2023 | 12/31/2024 | 261,640.00 | | 261,640.00 | | | 261,640.00 | - |
| Reconstruction of Exton Road, Baia Drive, and Colwick Drive | 6320-480-078-6320-xxx | 4/1/2023 | 4/1/2025 | 500,000.00 | | 500,000.00 | | | - | 500,000.00 |
| Safe Streets - Shore Road Pedestrian Safety | 6320-480-078-6320-xxx | 1/1/2023 | 12/31/2024 | 861,000.00 | 861,000.00 | 861,000.00 | | | 861,000.00 | - |
| Total Department of Transportation | | | | | 367,957.97 | 1,622,640.00 | 867,957.97 | 35,574.92 | 1,158,214.92 | 1,594,425.08 |
| Department of Community Affairs | | | | | | | | | | |
| Division of Housing and Community Resources | | | | | | | | | | |
| Neighborhood Preservation Program | | | | | | | | | | |
| Bayfront Preservation-Phase I | N/A | 1/1/2022 | 12/31/2022 | 125,000.00 | 34,589.20 | 125,000.00 | 14,500.00 | (20,089.20) | - | 125,000.00 |
| Bayfront Preservation-Phase II | N/A | 1/1/2023 | 12/31/2023 | 125,000.00 | | 120,544.54 | 120,544.54 | | 4,455.46 | 120,544.54 |
| Community Capital Needs Grant | N/A | 1/1/2022 | 12/31/2022 | 154,000.00 | 154,000.00 | 154,000.00 | 154,000.00 | | - | 154,000.00 |
| Local Recreation Grant | N/A | 1/1/2022 | 12/31/2022 | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 | | - | 75,000.00 |
| Local Recreation Grant | N/A | 1/1/2022 | 12/31/2022 | 125,000.00 | | 125,000.00 | 54,269.26 | (70,000.00) | 730.74 | 124,269.26 |
| Total Department of Community Affairs | | | | | 263,589.20 | 250,000.00 | 418,313.80 | (90,089.20) | 5,186.20 | 598,313.80 |
| Department of Law and Public Safety: | | | | | | | | | | |
| Safe and Secure Communities | 100-066-1020-107 | 1/1/2023 | 12/31/2023 | 12,621.00 | - | 12,621.00 | 12,621.00 | | - | 12,621.00 |
| Body Armor Grant | 1020-718-066-1020 | 1/1/2021 | 12/31/2021 | 2,341.48 | 2,341.48 | 1,589.39 | 1,589.39 | | 752.09 | 1,589.39 |
| Body Armor Grant | 1020-718-066-1020 | 1/1/2022 | 12/31/2022 | 1,589.39 | - | (1,589.39) | (1,589.39) | | 1,589.39 | - |
| Body Armor Grant | 1020-718-066-1020 | 1/1/2023 | 12/31/2023 | 2,111.52 | | 2,111.52 | | | 2,111.52 | - |
| Body Worn Cameras | 1020-718-066-1020 | 1/1/2022 | 12/31/2022 | 30,570.00 | 30,570.00 | 30,570.00 | 30,570.00 | | - | 30,570.00 |
| Drunk Driving Enforcement | 1110-101-030000-129040 | 7/1/2018 | 6/30/2019 | 18,854.87 | 18,854.87 | 11,381.26 | 11,381.26 | | 7,473.61 | 11,381.26 |
| Drunk Driving Enforcement | 1110-101-030000-129040 | 1/1/2017 | 12/31/2017 | 10,428.10 | 5,321.98 | 5,321.98 | 5,321.98 | | 0.00 | 10,428.10 |
| Drunk Driving Enforcement | 1110-101-030000-129040 | 1/1/2021 | 12/31/2021 | 9,516.16 | 9,337.16 | 9,337.16 | 9,337.16 | | - | 9,516.16 |
| Total Department of Law and Public Safety | | | | | 66,425.49 | 14,732.52 | 69,231.40 | - | 11,926.61 | 76,105.91 |
| NJ Office of Emergency Management | | | | | | | | | | |
| PDM-C Grant | | | | | | | | | | |
| Exton Road Pump Station | N/A | 1/1/2020 | 12/31/2020 | 287,887.50 | 287,887.50 | 287,887.50 | (261,365.63) | | 26,521.87 | 261,365.63 |
| Total NJ Office of Emergency Management | | | | | 287,887.50 | - | - | (261,365.63) | 26,521.87 | 261,365.63 |
| New Jersey Arts Commission: | | | | | | | | | | |
| Local Arts Development Program | | | | | | | | | | |
| Arts Commission | N/A | 1/1/2022 | 12/31/2022 | 5,050.00 | 273.22 | 5,050.00 | 5,050.00 | (273.22) | - | 5,050.00 |
| Arts Commission | N/A | 1/1/2023 | 12/31/2023 | 5,050.00 | | 5,050.00 | 5,050.00 | | - | 5,050.00 |
| Summer Outdoor Free Concert Series | N/A | 1/1/2022 | 12/31/2022 | 9,750.00 | 9,750.00 | 9,750.00 | 9,750.00 | | - | 9,750.00 |
| Summer Outdoor Free Concert Series | N/A | 1/1/2021 | 12/31/2021 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | | - | 5,000.00 |
| Summer Outdoor Free Concert Series | N/A | 1/1/2023 | 12/31/2023 | 8,950.00 | | 8,950.00 | 8,950.00 | | - | 8,950.00 |
| Total New Jersey Arts Commission | | | | | 15,023.22 | 14,000.00 | 28,750.00 | (273.22) | - | 33,800.00 |

CITY OF SOMERS POINT
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2023

| State Grantor / Pass-Through Grantor / Program | State Account Number | Grant Period | | Grant Award | Unexpended Balance 12/31/22 | Receipts or Revenue Recognized | Disbursements/ Expenditures | Adjustments | Unexpended Balance 12/31/23 | Accumulated Expenditures |
|--|----------------------|--------------|------------|-------------|-----------------------------|--------------------------------|-----------------------------|--------------|-----------------------------|--------------------------|
| | | From | To | | | | | | | |
| Department of Environmental Protection | | | | | | | | | | |
| Clean Communities | 4900-765-042-4900 | 1/1/2023 | 12/31/2023 | 32,183.97 | - | 32,183.97 | 32,183.97 | - | - | 32,183.97 |
| Recycling Tonnage Grant | 4830-752-050580-50 | 1/1/2023 | 12/31/2023 | 12,377.01 | 0.00 | 12,377.01 | 9,397.93 | | 2,979.08 | 9,397.93 |
| Recycling Tonnage Grant | 4830-752-050580-50 | 1/1/2022 | 12/31/2022 | 17,012.64 | 10,007.25 | | 10,007.25 | | - | 17,012.64 |
| Stormwater Assistance Grant | NA | 1/1/2023 | 12/31/2023 | 25,000.00 | | 25,000.00 | | | 25,000.00 | - |
| Total Department of Environmental Protection | | | | | 10,007.25 | 69,560.98 | 51,589.15 | - | 27,979.08 | - |
| Total State Assistance | | | | | 1,010,890.63 | 1,970,933.50 | 1,435,842.32 | (316,153.13) | 1,229,828.68 | 2,564,510.42 |
| Total Federal and State and Local Assistance | | | | | 1,187,380.63 | 1,993,877.18 | 1,553,603.32 | (128,455.93) | 1,499,198.56 | - |

CITY OF SOMERS POINT
NOTES TO SCHEDULE OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2023

Note 1: GENERAL

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Somers Point, New Jersey and is presented on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining the single audit threshold on major programs.

The City has elected not to use the 10% de minimis indirect cost rate.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements. Receipts from federal and state grants are realized as revenue when anticipated in the City's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the City's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|---|----------------|--------------|--------------|
| Expenditure per Schedule of Expenditures of | | | |
| Federal Awards and State Financial Assistance | \$ 117,761.00 | 1,435,842.32 | 1,553,603.32 |
| Encumbrances, net | - | (564,060.99) | (564,060.99) |
| Expenditures reported in Basic Financial Statements | \$ 117,761.00 | 871,781.33 | 989,542.33 |

**CITY OF SOMERS POINT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

Part I -- Summary of Auditor's Results

State Awards Section -

- J) Dollar threshold used to determine Type A programs: \$ 750,000.00
- K) Auditee qualified as low-risk auditee? _____ yes X no _____ n/a
- L) Type of auditor's report on compliance for major programs
_____ Unmodified _____
- M) Internal Control over compliance:
- 1) Material weakness(es) identified? _____ yes X no
- 2) Were reportable condition(s) identified that were not considered to be material weaknesses? _____ yes X no
- N) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? _____ yes X no

O) Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|-----------------------|--|
| 480-078-6320-xxx | State of New Jersey Department of Transportation - |
| | County, Municipal, Formula, and Discretionary Aid |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

Part 2 - Schedule of Financial Statement Findings

FINDING 2023-1

Criteria or Specific Requirement

All bank accounts should be reconciled promptly and accurately on a monthly basis.

Condition

The State Dog bank account, which is maintained by the City Clerk's office, was not reconciled during the 2023 calendar year.

Cause

The City Clerk's office began accepting credit card payments for dog and cat licenses through a third-party website. The reports generated through the system did not provide the office personnel with sufficient information to match the payment with the issued license.

Effect

The City was unaware if payments had been received for the licenses and if the bank account balance was correct.

Recommendation

That the City Clerk, or her designee, reconcile the State Dog bank account promptly on a monthly basis and that any differences be investigated and immediately resolved.

Management Response

The City Administrator and Chief Financial Officer will work with, and assist if necessary, the personnel within the City Clerk's office to ensure the State Dog account is reconciled accurately and in a timely manner. The City no longer accepts credit cards for the payment of dog or cat licenses.

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

NONE

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

| | | Current Fund |
|---|----|---------------|
| Balance December 31, 2022 | \$ | 6,898,556.09 |
| Increased by Receipts: | | |
| Tax Collector | | 40,850,635.00 |
| Revenue Accounts Receivable | | 2,606,564.22 |
| Miscellaneous Revenue | | 247,286.19 |
| Due from State - Senior Citizens and Veterans | | 61,250.00 |
| Due from Animal Control Fund | | 59,113.24 |
| Due from General Capital Fund | | 1,318,056.69 |
| Payroll Taxes Payable | | 14,059.84 |
| Reserve for Municipal Relief Fund | | 100,873.61 |
| Due to State - Marriage Licenses | | 875.00 |
| Due to State - CCO | | 24,299.00 |
| Change Fund | | 400.00 |
| | | 45,283,412.79 |
| | | 52,181,968.88 |
| Decreased by Disbursements: | | |
| Current Year Appropriation | | 14,736,145.56 |
| Prior Year Appropriations | | 529,577.08 |
| Accounts Payable | | 108,271.02 |
| Payroll Taxes Payable | | 9,489.11 |
| County Taxes | | 7,317,522.76 |
| Added & Omitted County Taxes | | 20,098.89 |
| Local District School Taxes | | 11,216,390.00 |
| Regional School Taxes | | 8,520,291.50 |
| Refund of Tax Overpayments | | 22,476.42 |
| Due to General Capital | | 911,479.10 |
| Due to State - CCO | | 26,365.00 |
| Change Fund | | 400.00 |
| | | 43,418,506.44 |
| Balance December 31, 2023 | \$ | 8,763,462.44 |

See Accompanying Auditor's Report

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

| | | |
|-----------------------------|-----------------------------|-----------------------------|
| Balance December 31, 2022 | | \$ 670,546.93 |
| Increased by Receipts: | | |
| Prepaid Taxes | 468,121.59 | |
| Taxes Receivable | 39,826,989.25 | |
| Revenue Accounts Receivable | 105,271.21 | |
| Miscellaneous Revenue | 2,427.44 | |
| Tax Title and Other Liens | - | |
| | <u> </u> | <u>40,402,809.49</u> |
| | | 41,073,356.42 |
| Payments to Treasurer | | <u>40,850,635.00</u> |
| Balance December 31, 2023 | | \$ <u><u>222,721.42</u></u> |

See Accompanying Auditor's Report

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

| Year | Balance Dec. 31, 2022 | Current Year Levy | Added Taxes | Overpayments Created | Collections by Cash | | Overpayments Applied | Adjustments | Transferred To Tax Title Lien | Balance Dec. 31, 2023 |
|--|--------------------------|----------------------|-------------|-------------------------|---------------------|----------------------|------------------------------|-------------|-------------------------------------|--------------------------|
| | | | | | 2022 | 2023 | | | | |
| Arrears | \$ 2,238.85 | | | | | 1,913.77 | | | - | 325.08 |
| 2022 | 439,863.38 | | 189,025.86 | 19,391.65 | | 639,672.34 | | 8,585.11 | | 23.44 |
| | 442,102.23 | - | 189,025.86 | 19,391.65 | | 641,586.11 | | 8,585.11 | | 348.52 |
| 2023 | | 39,780,166.75 | 381,988.54 | 131,833.13 | 383,527.78 | 39,245,403.14 | 22,884.89 | 109,138.53 | 28,710.78 | 504,323.30 |
| | \$ 442,102.23 | 39,780,166.75 | 571,014.40 | 151,224.78 | 383,527.78 | 39,886,989.25 | 22,884.89 | 117,723.64 | 28,710.78 | 504,671.82 |
| | | | | | | 39,826,989.25 | Cash Receipts | | | |
| | | | | | | 60,000.00 | Senior Citizens and Veterans | | | |
| | | | | | | <u>39,886,989.25</u> | | | | |
| Analysis of Current Year Tax Levy | | | | | | | | | | |
| Tax Yield: | | | | | | | | | | |
| | | | | | | 39,780,166.75 | | | | |
| | | | | | | <u>381,988.54</u> | | | | |
| | | | | | | | | | | <u>40,162,155.29</u> |
| Tax Levy: | | | | | | | | | | |
| | | | | | | 6,482,307.44 | | | | |
| | | | | | | 301,766.74 | | | | |
| | | | | | | 74,466.35 | | | | |
| | | | | | | 458,982.23 | | | | |
| | | | | | | <u>69,239.47</u> | | | | |
| | | | | | | | | | | 7,386,762.23 |
| | | | | | | | | | | |
| | | | | | | | | | | 11,232,366.00 |
| | | | | | | | | | | 8,520,292.00 |
| | | | | | | | | | | |
| | | | | | | 12,709,252.62 | | | | |
| | | | | | | <u>313,482.44</u> | | | | 13,022,735.06 |
| | | | | | | | | | | <u>40,162,155.29</u> |

See Accompanying Auditor's Report

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

| | | | |
|------------------------------------|-----------|----|------------|
| Balance December 31, 2022 | | \$ | 273,808.94 |
| Increased by: | | | |
| Transfers from Taxes Receivable | 28,710.78 | | |
| Establish 6% Year-End Penalty | 1,278.36 | | |
| Interest and Costs Accrued by Sale | - | | |
| | | | 29,989.14 |
| Balance December 31, 2023 | | \$ | 303,798.08 |

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

| | Balance Dec. 31, 2022 | Accrued in 2023 | Collected by | | Balance Dec. 31, 2023 |
|--|--------------------------|---------------------|-------------------|---------------------|--------------------------|
| | | | Collector | Treasurer | |
| Licenses: | | | | | |
| Alcoholic Beverages | | 24,390.00 | | 24,390.00 | |
| Fees and Permits | | 65,119.00 | | 65,119.00 | |
| Municipal Court | 6,126.30 | 74,704.91 | | 74,525.95 | 6,305.26 |
| Interest and Costs on Taxes | | 105,271.21 | 105,271.21 | | |
| Interest Earned on Investments | | 303,777.40 | | 303,777.40 | |
| Fees and Permits - Chapter 115 Inspections | | 158,170.00 | | 158,170.00 | |
| Cable Television Franchise Fees | | 51,999.69 | | 51,999.69 | |
| Hotel Fee | | 234,234.10 | | 234,234.10 | |
| Consolidated Municipal Property Tax Relief Act | | - | | | |
| Energy Receipts Tax | | 973,780.92 | | 973,780.92 | |
| Uniform Construction Code Fees | | 373,669.00 | | 373,669.00 | |
| Uniform Fire Safety Act | | - | | | |
| Reserve to Pay Bonds | | 32,400.00 | | 32,400.00 | |
| Bayview Court - PILOT | | 131,608.04 | | 131,608.04 | |
| Shore Medical Center Bed Fees | | 215,290.12 | | 215,290.12 | |
| Shore Memorial Hospital | | - | | | |
| Miscellaneous Revenue Not Anticipated | | 299,849.28 | 2,427.44 | 297,421.84 | |
| | <u>\$ 6,126.30</u> | <u>3,044,263.67</u> | <u>107,698.65</u> | <u>2,936,386.06</u> | <u>6,305.26</u> |
| | | | Cash | 2,903,986.06 | |
| | | | Due from Capital | 32,400.00 | |
| | | | Non-Cash | - | |
| | | | | <u>2,936,386.06</u> | |

See Accompanying Auditor's Report

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

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charged | Accounts Payable | Balance Lapsed | Over- Expended |
|---|--------------------------|-------------------------------|--------------------|---------------------|-------------------|-------------------|
| \$ | | | | | | |
| OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT: | | | | | | |
| Mayor and Council | | | | | | |
| Salaries and Wages | 1,780.82 | 1,780.82 | - | - | 1,780.82 | |
| Other Expenses | 6,480.54 | 6,480.54 | (15.00) | 15.00 | 6,480.54 | |
| Veteran Events | 500.00 | 500.00 | - | - | 500.00 | |
| Department of General Administration | | | | | | |
| Salaries and Wages | 67,177.40 | 67,177.40 | - | - | 67,177.40 | |
| Other Expenses | 32,841.99 | 32,841.99 | 7,403.40 | 15.00 | 25,423.59 | |
| Department of City Clerk | | | | | | |
| Salaries and Wages | 9,116.28 | 9,116.28 | - | - | 9,116.28 | |
| Other Expenses | 8,542.68 | 8,542.68 | 4,983.55 | 31.14 | 3,527.99 | |
| Data Processing | | | | | | |
| Other Expenses | 20,035.84 | 20,035.84 | 8,057.49 | - | 11,978.35 | |
| Department of Finance | | | | | | |
| Salaries and Wages | 5,651.44 | 5,651.44 | - | - | 5,651.44 | |
| Other Expenses | 9,290.82 | 9,290.82 | 2,784.95 | - | 6,505.87 | |
| Annual Audit | | | | | | |
| Other Expenses | 500.00 | 500.00 | - | - | 500.00 | |
| Department of Tax Assessment | | | | | | |
| Salaries and Wages | 20,000.00 | 20,000.00 | - | - | 20,000.00 | |
| Other Expenses | 4,650.46 | 4,650.46 | 1,616.63 | - | 3,033.83 | |
| Department of Tax Collection | | | | | | |
| Salaries and Wages | 14,630.66 | 14,630.66 | - | - | 14,630.66 | |
| Other Expenses | 2,377.92 | 2,377.92 | 1,961.33 | - | 416.59 | |
| Legal Services and Costs | | | | | | |
| Other Expenses | 45,732.86 | 45,732.86 | 17,187.43 | - | 28,545.43 | |
| Municipal Prosecutor | | | | | | |
| Other Expenses | 2,125.00 | 5,025.00 | 4,072.50 | - | 952.50 | |
| Engineering Services and Costs | | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 14,745.00 | - | 255.00 | |
| Public Buildings and Grounds | | | | | | |
| Salaries and Wages | 24,786.54 | 24,786.54 | - | - | 24,786.54 | |
| Other Expenses | 14,756.47 | 14,756.47 | 14,077.49 | - | 678.98 | |
| Vehicle Maintenance | 40,245.10 | 40,245.10 | 17,613.36 | - | 22,631.74 | |
| Planning Board | | | | | | |
| Other Expenses | 18,136.78 | 18,136.78 | - | - | 18,136.78 | |
| Zoning Board | | | | | | |
| Other Expenses | 8,233.60 | 8,233.60 | - | - | 8,233.60 | |

See Accompanying Auditor's Report

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

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charged | Accounts Payable | Balance Lapsed | Over- Expended |
|---|--------------------------|-------------------------------|--------------------|---------------------|-------------------|-------------------|
| PUBLIC SAFETY | | | | | | |
| Department of Fire | | | | | | |
| Salaries and Wages | 1,600.00 | 1,600.00 | - | - | 1,600.00 | |
| Other Expenses | 16,189.67 | 24,289.67 | 18,802.82 | | 5,486.85 | |
| Department of Police | | | | | | |
| Salaries and Wages | 529,091.70 | 529,091.70 | 44,193.40 | - | 484,898.30 | |
| Other Expenses | 53,122.23 | 53,122.23 | 15,880.21 | 5,098.96 | 32,143.06 | |
| Department of Communications | | | | | | |
| Salaries and Wages | 75,025.86 | 75,025.86 | 38,050.62 | - | 36,975.24 | |
| Other Expenses | 21,500.00 | 21,500.00 | - | - | 21,500.00 | |
| Department of Emergency Management | | | | | | |
| Salaries and Wages | 2,500.00 | 2,500.00 | - | - | 2,500.00 | |
| Other Expenses | 5,922.49 | 5,922.49 | 124.01 | - | 5,798.48 | |
| Bureau of Fire Prevention | | | | | | |
| Salaries and Wages | 2,000.00 | 2,000.00 | - | - | 2,000.00 | |
| Other Expenses | - | - | - | - | - | |
| Department of Zoning/Code Enforcement | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| Other Expenses | 5,400.35 | 5,400.35 | - | - | 5,400.35 | |
| Demolitions | | | | | | |
| Other Expenses | 5,000.00 | 5,000.00 | - | 5,000.00 | - | |
| Emergency Medical Services | | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | - | - | 15,000.00 | |
| PUBLIC WORKS | | | | | | |
| Department of Public Works | | | | | | |
| Salaries and Wages | 5,741.34 | 5,741.34 | 1,450.73 | - | 4,290.61 | |
| Other Expenses | 21,055.63 | 21,055.63 | 10,038.80 | 90.00 | 10,926.83 | |
| Division of Sanitation | | | | | | |
| Salaries and Wages | 72,230.71 | 61,230.71 | - | - | 61,230.71 | |
| Other Expenses | 37,382.53 | 37,382.53 | 35,861.69 | - | 1,520.84 | |
| Sanitation - Transfer Fee | 41,815.76 | 41,815.76 | 20,922.16 | - | 20,893.60 | |
| HEALTH AND WELFARE | | | | | | |
| Animal Control Services | | | | | | |
| Other Expenses | 1,200.00 | 1,200.00 | 800.00 | - | 400.00 | |
| RECREATION AND EDUCATION | | | | | | |
| Department of Parks and Recreation Programs | | | | | | |
| Salaries and Wages | 11,299.93 | 11,299.93 | - | - | 11,299.93 | |
| Other Expenses | 27,242.66 | 27,242.66 | 5,828.01 | - | 21,414.65 | |

See Accompanying Auditor's Report

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

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charged | Accounts Payable | Balance Lapsed | Over- Expended |
|---|--------------------------|-------------------------------|--------------------|---------------------|-------------------|-------------------|
| Department of Parks and Recreation Facilities | | | | | | |
| Salaries and Wages | 53,011.24 | 53,011.24 | - | - | 53,011.24 | |
| Other Expenses | 20,666.57 | 20,666.57 | 13,300.33 | - | 7,366.24 | |
| Environmental Commission | | | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | - | 280.00 | 1,720.00 | |
| Economic Development and Advisory Commission | | | | | | |
| Other Expenses | 17,105.00 | 17,105.00 | 9,600.00 | - | 7,505.00 | |
| Historic Preservation Commission | | | | | | |
| Other Expenses | 3,000.00 | 3,000.00 | - | - | 3,000.00 | |
| Arts Commission | | | | | | |
| Other Expenses | 52.15 | 52.15 | - | - | 52.15 | |
| MUNICIPAL COURT | | | | | | |
| Municipal Court | | | | | | |
| Salaries and Wages | 25,179.18 | 25,179.18 | - | - | 25,179.18 | |
| Other Expenses | 7,169.98 | 7,169.98 | 223.95 | - | 6,946.03 | |
| Public Defender (P.L. 1997, C.256) | | | | | | |
| Other Expenses | 1,050.00 | 1,050.00 | 1,050.00 | - | - | |
| INSURANCE | | | | | | |
| General Liability | 7,461.54 | 7,461.54 | - | - | 7,461.54 | |
| Workers Compensation Insurance | 8,721.46 | 8,721.46 | - | - | 8,721.46 | |
| Employee Group Health | 232,705.87 | 232,705.87 | - | - | 232,705.87 | |
| Surety Bond Premiums | 1,000.00 | 1,000.00 | - | - | 1,000.00 | |
| Health Waiver - Employee Opt Out | 2,395.99 | 2,395.99 | - | - | 2,395.99 | |
| Municipal Services Act | | | | | | |
| Other Expenses | 90,000.00 | 90,000.00 | 69,485.27 | - | 20,514.73 | |
| Apartment Trash Collection | | | | | | |
| Other Expenses | 33,026.27 | 33,026.27 | 20,794.83 | 9,100.27 | 3,131.17 | |
| STATE UNIFORM CONSTRUCTION CODE | | | | | | |
| Construction Official | | | | | | |
| Salaries and Wages | 33,689.62 | 33,689.62 | - | - | 33,689.62 | |
| Other Expenses | 4,902.95 | 4,902.95 | 2,020.74 | 256.76 | 2,625.45 | |
| UNCLASSIFIED | | | | | | |
| Gasoline | 3,467.62 | 3,467.62 | 3,382.23 | - | 85.39 | |
| Diesel Fuel | 7,869.17 | 7,869.17 | 3,962.36 | - | 3,906.81 | |
| Fire Hydrant Water | | | | | | |
| Electric | 18,293.40 | 18,293.40 | 11,517.94 | - | 6,775.46 | |

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

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charged | Accounts Payable | Balance Lapsed | Over- Expended |
|--|--------------------------|-------------------------------|--------------------|---------------------|---------------------|-------------------|
| Street Lighting | 16,520.87 | 16,520.87 | 13,411.03 | - | 3,109.84 | |
| Telephone | 10,499.82 | 10,499.82 | 8,133.09 | - | 2,366.73 | |
| Natural Gas | 24,382.33 | 24,382.33 | 8,235.66 | - | 16,146.67 | |
| Water | 7,367.05 | 7,367.05 | - | - | 7,367.05 | |
| Fuel #2 | 1,000.00 | 1,000.00 | - | - | 1,000.00 | |
| Waste Water | 2,016.00 | 2,016.00 | - | - | 2,016.00 | |
| Telecommunications Costs | 5,365.45 | 5,365.45 | - | - | 5,365.45 | |
| Contingent | 1,000.00 | 1,000.00 | - | - | 1,000.00 | |
| STATUTORY EXPENDITURES | | | | | | |
| Contribution to | | | | | | |
| Public Employees' Retirement System | 8,371.31 | 8,371.31 | 8,371.31 | - | - | |
| Social Security System (O.A.S.I.) | 110,191.23 | 110,191.23 | - | - | 110,191.23 | |
| Police and Firemen's Retirement System | 58,097.76 | 58,097.76 | 58,097.76 | - | - | |
| Defined Contribution Retirement Plan | 842.72 | 842.72 | - | - | 842.72 | |
| LOSAP | 20,000.00 | 20,000.00 | 11,550.00 | - | 8,450.00 | |
| OPERATIONS EXCLUDED FROM "CAPS" | | | | | | |
| Matching Funds for Grants | 1,000.00 | 1,000.00 | - | - | 1,000.00 | |
| | <u>\$ 2,162,336.61</u> | <u>2,162,336.61</u> | <u>529,577.08</u> | <u>19,887.13</u> | <u>1,612,872.40</u> | <u>-</u> |
| Reserves | 1,682,917.56 | | Accounts Payable | 14,887.13 | | |
| Encumbrances | 479,419.05 | | Res for Demolition | 5,000.00 | | |
| | <u>2,162,336.61</u> | | | <u>19,887.13</u> | | |

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

| | | | |
|--|----|-------------------|--------------------------------|
| Balance December 31, 2022 | | | |
| School Tax Payable | \$ | - | |
| School Tax Deferred | | - | |
| | | <u> </u> | \$ - |
| Increased by: | | | |
| Levy - Calender Year January 1, 2023 to December 31, 2023 | | | <u>11,232,366.00</u> |
| | | | 11,232,366.00 |
| Decreased by: | | | |
| Payments | | | <u>11,216,390.00</u> |
| Balance December 31, 2023 | | | |
| School Tax Payable | | <u>15,976.00</u> | <u>15,976.00</u> |
| Current Year Liability for Local School District School Tax: | | | |
| Tax Paid | | | 11,216,390.00 |
| Tax Payable Ending | | | <u>15,976.00</u> |
| | | | 11,232,366.00 |
| Less: Tax Payable Beginning | | | <u> </u> |
| Amount charged to Current Year Operations | | | <u><u>\$ 11,232,366.00</u></u> |

See Accompanying Auditor's Report

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

| | | | |
|--|----|--------------|------------------------|
| Balance December 31, 2022 | | | |
| School Tax Payable | \$ | 73.41 | |
| School Tax Deferred | | <u>-</u> | |
| | | | \$ 73.41 |
| Increased by: | | | |
| Levy - Calender Year January 1, 2023 to December 31, 2023 | | | <u>8,520,292.00</u> |
| | | | 8,520,365.41 |
| Decreased by: | | | |
| Payments | | | <u>8,520,291.50</u> |
| Balance December 31, 2023 | | | |
| School Tax Payable | | <u>73.91</u> | <u>73.91</u> |
| Current Year Liability for Local School District School Tax: | | | |
| Tax Paid | | | 8,520,291.50 |
| Tax Payable Ending | | | <u>73.91</u> |
| | | | 8,520,365.41 |
| Less: Tax Payable Beginning | | | <u>73.41</u> |
| Amount charged to Current Year Operations | | | <u>\$ 8,520,292.00</u> |

See Accompanying Auditor's Report

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

| <u>Purpose</u> | <u>Balance Dec. 31, 2022</u> | <u>Transferred From 2023 Revenues</u> | <u>Received</u> | <u>Cancelled/ Adjustments</u> | <u>Balance Dec. 31, 2023</u> |
|---|----------------------------------|---|-------------------|-----------------------------------|----------------------------------|
| FEDERAL GRANTS: | | | | | |
| US Department of Transportation - Highway Planning and Construction - Passed through the State of New Jersey Department of Transportation | | | | | |
| Congestion Mitigation and Air Quality Program - Bike Path Enhancements | \$ 165,000.00 | 22,943.68 | 117,761.00 | | 47,239.00 |
| National Opioid Settlement | | | 22,943.68 | | - |
| Total Federal | <u>165,000.00</u> | <u>22,943.68</u> | <u>140,704.68</u> | <u>-</u> | <u>47,239.00</u> |
| STATE GRANTS: | | | | | |
| Safe and Secure Program | - | 12,621.00 | 12,621.00 | | - |
| Clean Communities | - | 32,183.97 | 32,183.97 | | - |
| Recycling Tonnage Grant | - | 12,377.01 | 12,377.01 | | - |
| Body Armor Fund | - | 2,111.52 | 2,111.52 | | - |
| Local Recreation Grant - 2022 | 75,000.00 | | 75,000.00 | | - |
| Local Recreation Grant - 2023 | | 125,000.00 | | 70,000.00 | 55,000.00 |
| NJ Department of Transportation | - | | | | - |
| Bikeway along Somers Point-Mays Landing Road | 32,500.00 | | 32,500.00 | | - |
| West Atlantic Avenue-Phase 1 | 75,000.00 | | 75,000.00 | | - |
| Safe Streets to Route 9 - 2023 | - | 861,000.00 | | | 861,000.00 |
| West Atlantic Avenue - 2021 - Phase II | 87,500.00 | | 87,500.00 | | - |
| Reconstruction of Ocean Avenue - Phase I | 350,000.00 | | 262,500.00 | | 87,500.00 |
| Reconstruction of Ocean Avenue - Phase II | | 261,640.00 | | | 261,640.00 |
| Reconstruction of Exton Road, Bala Drive, and Colwick Drive | | 500,000.00 | 375,000.00 | | 125,000.00 |
| NJ Department of Community Affairs | | | | | |
| Division of Housing and Community Resources | | | | | |
| Neighborhood Preservation Program | | | | | |
| Bayfront Preservation - 2022 | 12,500.00 | | 12,500.00 | | - |
| Bayfront Preservation - 2023 | | 125,000.00 | 112,500.00 | | 12,500.00 |
| Community Capital Needs Grant | 15,400.00 | | 15,400.00 | | - |
| NJ Department of Environmental Protection | | | | | |
| Stormwater Assistance Grant | | 25,000.00 | 15,000.00 | | 10,000.00 |
| NJ Office of Emergency Management | | | | | |
| PDM-C Grant Exton Road Pump Station | 287,887.50 | | 26,521.87 | 261,365.63 | - |

See Accompanying Auditor's Report

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

| <u>Purpose</u> | Balance Dec. 31, 2022 | Transferred From 2023 Revenues | Received | Cancelled/ Adjustments | Balance Dec. 31, 2023 |
|---|--------------------------|--------------------------------------|------------------------|---------------------------|--------------------------|
| Local Arts - Arts Commission 2022 | 1,262.00 | | 1,262.00 | | - |
| Local Arts - Arts Commission 2023 | | 5,050.00 | 3,900.00 | | 1,150.00 |
| Local Arts Development Program | 9,750.00 | | 9,750.00 | | - |
| Summer Outdoor Free Concert Series - 2022 | | 8,950.00 | 6,825.00 | | 2,125.00 |
| Summer Outdoor Free Concert Series - 2023 | | | | | |
| Total State | 946,799.50 | 1,970,933.50 | 1,170,452.37 | 331,365.63 | 1,415,915.00 |
| LOCAL GRANTS: | | | | | |
| Sustainable Communities Environmental Stewardship | - | 5,000.00 | 2,500.00 | | 2,500.00 |
| City of Long Beach vs Monsanto Co. Settlement | | 17,414.03 | 17,414.03 | | - |
| Total Local | - | 22,414.03 | 19,914.03 | - | 2,500.00 |
| | \$ 1,111,799.50 | 2,016,291.21 | 1,331,071.08 | 331,365.63 | 1,465,654.00 |
| | | Cash | 1,328,959.56 | | |
| | | Unappropriated Reserves | 2,111.52 | | |
| | | | \$ 1,331,071.08 | | |

See Accompanying Auditor's Report

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

| | Balance December 31, 2022 | 2023 | Reclass of | Balance |
|---|---------------------------|------------------|-------------------|-------------------|
| | Appropriated | Appropriations | Prior Year | Dec. 31, 2023 |
| | Encumbrances | Disbursed | Expenditures | Encumbrances |
| | Reserve for | Encumbrances | Encumbrances | Encumbrances |
| | Appropriated | Appropriations | Expenditures | Encumbrances |
| FEDERAL GRANTS: | | | | |
| Small Cities | \$ 11,490.00 | | | 11,490.00 |
| US Department of Transportation - Highway Planning and Construction - Passed through the State of New Jersey Department of Transportation | | | | |
| Congestion Mitigation and Air Quality Program - Bike Path Enhancements | 165,000.00 | 22,943.68 | 187,697.20 | 47,239.00 |
| American Rescue Plan | | | | 187,697.20 |
| National Opioid Settlement | | | | 22,943.68 |
| Total Federal | 176,490.00 | 22,943.68 | 187,697.20 | 269,369.88 |

STATE GRANTS:

| | | | | | |
|---|------------|------------|------------|------------|------------|
| NJ Office of Emergency Management - PDM-C Grant - Exton Road Pump Station | 287,887.50 | | | 261,365.63 | 26,521.87 |
| NJ Department of Transportation | | | | | |
| West Atlantic Avenue - Phase I | 17,325.12 | 861,000.00 | 50,622.40 | | (0.00) |
| Safe Streets to Transit - Shore Road | | | | | |
| West Atlantic Avenue - 2021 | 16,445.45 | | 632.85 | 16,445.45 | 861,000.00 |
| Bikeway along Somers Point-Mays Landing Rd. | 632.85 | | | | 35,574.92 |
| Reconstruction of Ocean Avenue - Phase I | 350,000.00 | 261,640.00 | 136,054.76 | 213,945.24 | 35,574.92 |
| Reconstruction of Ocean Avenue - Phase II | | | | | 0.00 |
| Reconstruction of Exton Road, Bala Drive, and Colwick Drive | | 500,000.00 | 163,390.50 | 336,609.50 | 261,640.00 |
| NJ Department of Community Affairs | | | | | |
| Division of Housing and Community Resources | | | | | |
| Neighborhood Preservation Program | | | | | |
| Bayfront Preservation - Phase I | 34,589.20 | 125,000.00 | 14,500.00 | 20,089.20 | (0.00) |
| Bayfront Preservation - Phase II | | | 92,831.12 | | 4,455.46 |
| Community Capital Needs Grant | 154,000.00 | | 154,000.00 | | |
| Local Recreation Grant - 2022 | 75,000.00 | 125,000.00 | 75,000.00 | | |
| Local Recreation Grant - 2023 | | | 52,142.26 | 2,127.00 | 730.74 |
| Body Armor - 2020 | 2,341.48 | | 1,589.39 | 70,000.00 | 752.09 |
| Body Armor - 2022 | | | | | 1,589.39 |
| Body Armor - 2023 | | 2,111.52 | | | 2,111.52 |
| Body Worn Camera | 30,570.00 | | 30,570.00 | | |
| Drunk Driving Enforcement Fund - 2019 | 18,854.87 | | 3,761.98 | 7,619.28 | 7,473.61 |
| Drunk Driving Enforcement - 2017 | 5,321.98 | | 2,973.42 | 2,647.56 | 0.00 |
| Drunk Driving Enforcement - 2021 | 9,337.16 | | | 9,337.16 | |
| Safe and Secure Communities | | 12,621.00 | 12,621.00 | | |
| New Jersey Department of Environmental Protection | | | | | |
| Stormwater Assistance Grant | | 25,000.00 | | | 25,000.00 |
| Clean Communities - 2022 | | | 3,646.59 | | |
| Clean Communities - 2023 | | 32,183.97 | 32,183.97 | | |
| Recycling Tonnage Grant - 2022 | 10,007.25 | | 18,259.39 | 2,552.07 | (0.00) |
| Recycling Tonnage Grant - 2023 | | 12,377.01 | | 9,397.93 | 2,979.08 |

See Accompanying Auditor's Report

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

| | Balance December 31, 2022 | 2023 | Reclass of Prior Year Expenditures | Encumbrances | Canceled | Balance Dec. 31, 2023 |
|---|---------------------------|---------------------|------------------------------------|-------------------|-------------------|-----------------------|
| | Appropriated | Appropriations | Disbursed | Encumbrances | Canceled | Balance Dec. 31, 2023 |
| Local Arts Development Program | 273.22 | | | | 273.22 | 0.00 |
| Arts Commission - 2022 | | 5,050.00 | 3,301.70 | | | 0.00 |
| Arts Commission - 2023 | 14,750.00 | | 14,750.00 | 1,748.30 | | - |
| Summer Outdoor Free Concert Series - 2022 | | 8,950.00 | 8,950.00 | | | - |
| Summer Outdoor Free Concert Series - 2023 | | 1,970,933.50 | 871,781.33 | 630,142.91 | 351,728.05 | 1,229,828.68 |
| Total State | 1,010,890.63 | 1,970,933.50 | 871,781.33 | 630,142.91 | 351,728.05 | 1,229,828.68 |
| LOCAL GRANTS: | | | | | | |
| Comcast Cable Technology Grant | 10,848.67 | | | | | 10,848.67 |
| Safe and Secure Communities | 29,773.23 | 191,600.00 | 140,408.89 | | 29,773.23 | 51,191.11 |
| Sustainable Communities Environmental Stewardship | | 5,000.00 | | | | 5,000.00 |
| City of Long Beach vs Monsanto Co. Settlement | | 17,414.03 | | | | 17,414.03 |
| Total Local | 40,621.90 | 214,014.03 | 140,408.89 | | 29,773.23 | 84,459.81 |
| \$ | 1,228,002.53 | 2,207,891.21 | 1,129,951.22 | 649,379.57 | 381,501.28 | 1,583,652.37 |

See Accompanying Auditor's Report

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

| <u>Purpose</u> | <u>Balance Dec. 31, 2022</u> | <u>Transferred To 2023 Appropriations</u> | <u>Received</u> | <u>Adjustments</u> | <u>Balance Dec. 31, 2023</u> |
|------------------------|----------------------------------|---|-----------------|--------------------|----------------------------------|
| FEDERAL GRANTS: | | | | | |
| American Rescue Plan | \$ 0.87 | | | | 0.87 |
| Total Federal | <u>0.87</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>0.87</u> |
| STATE GRANTS: | | | | | |
| Body Armor | 2,111.52 | 2,111.52 | 2,419.64 | | 2,419.64 |
| Total State | <u>2,111.52</u> | <u>2,111.52</u> | <u>2,419.64</u> | <u>-</u> | <u>2,419.64</u> |
| | <u>\$ 2,112.39</u> | <u>2,111.52</u> | <u>2,419.64</u> | <u>-</u> | <u>2,420.51</u> |

See Accompanying Auditor's Report

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

| | Animal Control | Other |
|--------------------------------------|---------------------|---------------------|
| Balance December 31, 2022 | \$ 66,720.44 | 1,622,438.30 |
| Increased by Receipts: | | |
| Dog License Fees 2023 | 2,569.00 | |
| Due to State of New Jersey | 327.00 | |
| Interest Earned | 353.11 | |
| Miscellaneous Trust Reserves | | 1,187,998.51 |
| | <u>3,249.11</u> | <u>1,187,998.51</u> |
| Decreased by Disbursements | | |
| Due to State of New Jersey | 117.00 | |
| Expenditures under N.J.S. 4:19-15:11 | 10.00 | |
| Miscellaneous Trust Reserves | | 1,265,654.47 |
| Due from Current Fund | 59,113.24 | 9,489.11 |
| | <u>59,240.24</u> | <u>1,275,143.58</u> |
| Balance December 31, 2023 | \$ <u>10,729.31</u> | <u>1,535,293.23</u> |

See Accompanying Auditor's Report

**TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**

| | | | |
|--------------------------------------|----|----------|-----------|
| Balance December 31, 2022 | | \$ | 7,490.20 |
| Increased by: | | | |
| Dog & Cat License Fees Collected | \$ | 2,569.00 | |
| Interest Earned | | 353.11 | |
| | | | 2,922.11 |
| | | | 10,412.31 |
| Decreased by: | | | |
| Statutory Excess Due to Current Fund | | 3,440.42 | |
| Expenditures under N.J.S. 4:19-15:11 | | | |
| Dog Fund Disbursements | | 10.00 | |
| | | | 3,450.42 |
| Balance December 31, 2023 | | \$ | 6,961.89 |

License Fees Collected:

| Year | Amount |
|------|-------------|
| 2022 | \$ 3,576.49 |
| 2021 | 3,385.40 |
| | \$ 6,961.89 |

**TRUST FUND
SCHEDULE OF AMOUNT DUE TO CURRENT FUND - ANIMAL CONTROL FUND**

| | | | |
|---------------------------|----|-----------------|------------------------|
| Balance December 31, 2022 | | \$ | 59,113.24 |
| Increased by: | | | |
| Statutory Excess | \$ | <u>3,440.42</u> | <u>3,440.42</u> |
| | | | 62,553.66 |
| Decreased by: | | | |
| Payments | | | <u>59,113.24</u> |
| Balance December 31, 2023 | | \$ | <u><u>3,440.42</u></u> |

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

| | | | |
|--|----|---------------|----------------------|
| Balance December 31, 2022 | | \$ | 117.00 |
| Increased by: | | | |
| 2023 State License Fees | \$ | <u>327.00</u> | <u>327.00</u> |
| | | | 444.00 |
| Decreased by: | | | |
| Disbursements to the State Prior Year | | <u>117.00</u> | <u>117.00</u> |
| Balance December 31, 2023 | | \$ | <u><u>327.00</u></u> |

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

| Reserve | Balance 12/31/22 | Increased by | | Decreased by | | Balance 12/31/23 |
|----------------------------------|---------------------|--------------|--------------------------|---------------|-------------------|---------------------|
| | | Receipts | Due from Current Fund | Disbursements | Due to Current | |
| Affordable Housing | \$ 193,232.90 | 21,430.79 | | | | 214,663.69 |
| Arts Commission | 17,966.29 | 9,527.00 | | 3,475.00 | | 24,018.29 |
| Bayfest | 35,035.27 | 44,768.00 | | 40,401.61 | | 39,401.66 |
| Credit Card Processing Fees | 1,797.93 | 1,500.00 | | 1,535.09 | | 1,762.84 |
| Escrow | 415,605.88 | 490,676.02 | | 522,602.95 | | 383,678.95 |
| Fire Safety Penalty Monies | 4,600.00 | 1,750.00 | | | | 6,350.00 |
| Historic District Parking | 8,000.00 | | | | | 8,000.00 |
| Law Enforcement Trust | 41,083.24 | 937.68 | | | | 42,020.92 |
| Lead Hazard Fees | 220.00 | 500.00 | | | | 720.00 |
| Marina | - | 450.30 | | 450.30 | | - |
| Police Off Duty | 174,234.22 | 72,980.85 | | 50,195.30 | | 197,019.77 |
| Parking Offense Adjudication Act | 630.00 | 104.00 | | | | 734.00 |
| Recreation | 53,278.24 | 75,609.22 | | 76,078.58 | | 52,808.88 |
| Recycling | 24,050.20 | 3,259.30 | | | | 27,309.50 |
| Street Openings | 48,750.55 | 14,000.00 | | 46,507.50 | | 16,243.05 |
| Tax Sale Premiums | 446,100.01 | 129,015.12 | | 226,015.14 | | 349,099.99 |
| Tax Title Lien Redemptions | - | 290,216.00 | | 290,216.00 | | - |
| Unemployment Trust | 158,203.57 | 31,274.23 | | 17,666.11 | | 171,811.69 |
| | \$ 1,622,788.30 | 1,187,998.51 | - | 1,275,143.58 | - | 1,535,643.23 |

See Accompanying Auditor's Report

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

| | | |
|---------------------------|--------------|-------------------------------|
| Balance December 31, 2022 | | \$ 3,191,557.68 |
| Increased by: | | |
| Receipts | 2,783,924.00 | |
| | 2,783,924.00 | 2,783,924.00 |
| | | 5,975,481.68 |
| Decreased by: | | |
| Disbursements | 3,231,936.11 | |
| | 3,231,936.11 | 3,231,936.11 |
| Balance December 31, 2023 | | \$ <u><u>2,743,545.57</u></u> |

GENERAL CAPITAL FUND
ANALYSIS OF CASH

| | Balance Dec. 31, 2022 | Receipts | | Disbursements | | Transfers | | Balance Dec. 31, 2023 |
|--|--------------------------|---------------|--------------|-------------------------------|---------------|-----------|--------------|--------------------------|
| | | Miscellaneous | Debt Issued | Improvement Authorizations | Miscellaneous | From | To | |
| Fund Balance | \$ 73,145.75 | | | | | | | 48,145.75 |
| Capital Improvement Fund | 6,565.00 | 134,240.00 | | | 25,000.00 | | | 5,805.00 |
| Encumbrances Payable | 1,446,008.40 | | | | 1,446,008.40 | | | 1,318,324.77 |
| Due to/from Current Fund | 177,860.38 | 4,800.00 | | | | | 57,400.00 | 240,060.38 |
| Due to/from Trust Fund | 350.00 | | | | | | | 350.00 |
| Reserve for Bequest - JFK Park | 23,000.00 | | | | | | | 23,000.00 |
| Reserve for the Acquisition of Vehicle | 10,000.00 | | | | | | | 10,000.00 |
| Reserve for Debt Service | 32,484.28 | 4,884.00 | | | 32,400.00 | | | 4,968.28 |
| Improvement Authorizations: | | | | | | | | |
| 5-13 Various Improvements | 1,460.00 | | | 1,460.00 | | | | - |
| 25-14 Dredging | 53,630.30 | | | | | | | 53,630.30 |
| 6-17 Various Improvements | 18,048.43 | | | 4,770.73 | | | | 13,277.70 |
| 4-18 Various Improvements | 12,146.18 | | | 8,147.64 | | | 7,300.00 | 11,298.54 |
| 13-18 Launch Avenue Bulkhead and Other | | | | | | | | |
| General Improvements | (268,602.65) | | | | | | | (268,602.65) |
| 4-19 Various Improvements | 307,127.99 | | | 212,879.76 | 14,375.95 | | 664.11 | 80,536.39 |
| 3-20 Various Improvements | 92,598.89 | | | 186,643.76 | | | | (94,044.87) |
| 9-21 Various Improvements | 649,221.08 | | | 326,426.42 | 52,762.48 | | 49,040.33 | 319,072.51 |
| 12-22 Various Improvements | 556,513.65 | | | 2,286,772.65 | 243,792.98 | | 1,389,003.96 | (585,048.02) |
| 15-23 Various Improvements | | | 2,640,000.00 | 204,835.15 | 1,007,393.36 | | 135,000.00 | 1,562,771.49 |
| | \$ 3,191,557.68 | 143,924.00 | 2,640,000.00 | 3,231,936.11 | 2,956,733.17 | | 2,956,733.17 | 2,743,545.57 |

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

| | <u>Ref.</u> | |
|-----------------------------------|-------------|---------------------------|
| Balance December 31, 2022 | | \$ 6,565.00 |
| Increased by: | | |
| 2023 Budget Appropriation | 134,240.00 | |
| | 134,240.00 | 134,240.00 |
| | | 140,805.00 |
| Decreased by: | | |
| Improvement Authorization Funding | 135,000.00 | |
| | 135,000.00 | 135,000.00 |
| Balance December 31, 2023 | | \$ <u><u>5,805.00</u></u> |

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

| | | |
|-----------------------------|--------------|------------------|
| Balance December 31, 2022 | | \$ 15,675,000.00 |
| Decreased by: | | |
| 2023 Budget Appropriations: | | |
| General Serial Bonds | 1,415,000.00 | |
| | | 1,415,000.00 |
| Balance December 31, 2023 | | \$ 14,260,000.00 |

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

| Ord # | Improvement Description | Ord. Date | Amount | Balance December 31, 2022 | | Authorizations | | | Paid or Charged | Current Year Encumbrances | Balance December 31, 2023 | |
|-------|---|-----------|--------------|---------------------------|---------------------|-------------------|-------------------------------------|-------------------------|---------------------|---------------------------|---------------------------|----------|
| | | | | Funded | Unfunded | Other Funding | Deferred Charges to Future Taxation | Prior Year Encumbrances | | | Funded | Unfunded |
| 5-13 | Purchase of Vehicles | 2/14/2013 | 108,613.00 | 1,460.00 | 1,460.00 | | | 1,460.00 | | | - | |
| 25-14 | Dredging | 9/11/2014 | 325,000.00 | 53,630.30 | | | | | | | 53,630.30 | |
| 6-17 | Various Improvements | 4/13/2017 | 1,550,000.00 | 18,048.43 | | | | 4,770.73 | | 13,277.70 | | |
| 4-18 | Various General Improvements | 5/24/2018 | 2,250,000.00 | 12,146.18 | | | | 8,147.64 | | 11,298.54 | | |
| 13-18 | Launch Avenue Bulkhead and Other General Improvements | 9/13/2018 | 750,000.00 | | 443,897.35 | | | | | | 443,897.35 | |
| 4-19 | Various Improvements | 5/9/2019 | 5,332,500.00 | 307,127.99 | | | | 212,879.76 | 14,375.95 | 80,536.39 | 4,821.56 | |
| 3-20 | Various Improvements | 6/11/2020 | 2,900,000.00 | | 347,598.89 | | | 186,643.76 | | | 160,955.13 | |
| 9-21 | Various Improvements | 6/24/2021 | 1,857,700.00 | | 650,036.08 | | | 326,426.42 | 52,762.48 | | 319,887.51 | |
| 12-22 | Various Improvements | 6/23/2022 | 3,055,000.00 | 1,367,763.65 | | | | 2,286,772.65 | 243,792.98 | 226,201.98 | | |
| 15-23 | Various Improvements | 6/22/2023 | 2,700,000.00 | | | 135,000.00 | 2,565,000.00 | 204,835.15 | 1,007,393.36 | | 1,487,771.49 | |
| | | | \$ | <u>1,705,086.25</u> | <u>1,501,444.18</u> | <u>135,000.00</u> | <u>2,565,000.00</u> | <u>3,231,936.11</u> | <u>1,318,324.77</u> | <u>331,314.61</u> | <u>2,470,963.34</u> | |

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

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|----------------------|---------------|--------------------------|---------------------------------|--------------|---------------|-----------------------|-----------|---------------------|-----------------------|
| | | | Date | Amount | | | | | |
| General Improvements | 10/1/2019 | 12,030,000 | 10/1/2024 | 1,000,000.00 | 3.00% | 9,740,000.00 | | 940,000.00 | 8,800,000.00 |
| | | | 10/1/2025 | 1,065,000.00 | 4.00% | | | | |
| | | | 10/1/2026 | 1,120,000.00 | 4.00% | | | | |
| | | | 10/1/2027 | 1,120,000.00 | 4.00% | | | | |
| | | | 10/1/2028 | 1,120,000.00 | 4.00% | | | | |
| | | | 10/1/2029 | 1,170,000.00 | 2.00% | | | | |
| | | | 10/1/2030 | 1,170,000.00 | 2.00% | | | | |
| General Improvements | | | 10/1/2031 | 1,035,000.00 | 2.00% | | | | |
| | | | 10/15/2024 | 495,000.00 | 5.00% | 5,935,000.00 | | 475,000.00 | 5,460,000.00 |
| | | | 10/15/2025 | 535,000.00 | 5.00% | | | | |
| | | | 10/15/2026 | 565,000.00 | 5.00% | | | | |
| | | | 10/15/2027 | 600,000.00 | 5.00% | | | | |
| | | | 10/15/2028 | 630,000.00 | 5.00% | | | | |
| | | | 10/15/2029 | 640,000.00 | 5.00% | | | | |
| | | | 10/15/2030 | 665,000.00 | 5.00% | | | | |
| | | | 10/15/2031 | 670,000.00 | 5.00% | | | | |
| | | | 10/15/2032 | 660,000.00 | 4.00% | | | | |
| | | | | | \$ | <u>15,675,000.00</u> | <u>-</u> | <u>1,415,000.00</u> | <u>14,260,000.00</u> |

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

| Improvement Description | Ordinance Number | Original Amount Issued | Date of Original Issue | Date of Issue | Date of Maturity | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|---|------------------|------------------------|------------------------|---------------|------------------|---------------|-----------------------|--------------|-----------|-----------------------|
| Launch Avenue Bulkhead and Other General Improvements | 13-2018 | 140,000.00 | 12/1/2023 | 12/1/2023 | 8/31/2024 | 4.500% | - | 140,000.00 | | 140,000.00 |
| Various General Improvements | 3-2020 | 250,000.00 | 12/1/2023 | 12/1/2023 | 8/31/2024 | 4.500% | - | 250,000.00 | | 250,000.00 |
| Various General Improvements | 12-2022 | 750,000.00 | 12/1/2023 | 12/1/2023 | 8/31/2024 | 4.500% | - | 750,000.00 | | 750,000.00 |
| Various General Improvements | 15-2023 | 1,500,000.00 | 12/1/2023 | 12/1/2023 | 8/31/2024 | 4.500% | - | 1,500,000.00 | | 1,500,000.00 |
| | | | | | | | \$ - | 2,640,000.00 | - | 2,640,000.00 |

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

| Ordinance Number | Improvement Description | Balance Dec. 31, 2022 | 2023 Authorizations | Cancelled | Debt Issued | Balance Dec. 31, 2023 |
|---------------------|--|--------------------------|------------------------|-----------|---------------------|--------------------------|
| 13-18 | Launch Avenue Bulkhead and Other General Improvements | \$ 712,500.00 | | | 140,000.00 | 572,500.00 |
| 4-19 | Various General Improvements | 4,821.56 | | | | 4,821.56 |
| 3-2020 | Various General Improvements | 255,000.00 | | | 250,000.00 | 5,000.00 |
| 9-2021 | Various General Improvements | 815.00 | | | | 815.00 |
| 12-2022 | Various General Improvements | 811,250.00 | | | 750,000.00 | 61,250.00 |
| 15-2023 | Various General Improvements | | 2,565,000.00 | | 1,500,000.00 | 1,065,000.00 |
| | | <u>\$ 1,784,386.56</u> | <u>2,565,000.00</u> | <u>-</u> | <u>2,640,000.00</u> | <u>1,709,386.56</u> |

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

| | | Operating |
|---------------------------------------|-----------------|-----------------|
| Balance as of December 31, 2022 | | \$ 5,157,278.17 |
| Increased by Receipts: | | |
| Sewer Rents Receivable | \$ 2,764,914.93 | |
| Miscellaneous Revenue Not Anticipated | 254,497.85 | |
| Due to Sewer Capital | 1,502,775.00 | |
| | | 4,522,187.78 |
| | | 9,679,465.95 |
| Decreased by Disbursements: | | |
| 2023 Appropriations | 2,224,092.16 | |
| 2022 Appropriation Reserves | 29,865.64 | |
| Accrued Interest | 245,229.44 | |
| Due from Sewer Capital | 228,566.76 | |
| | | 2,727,754.00 |
| Balance as of December 31, 2023 | | \$ 6,951,711.95 |

SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

| | Balance | | Receipts | | Disbursements | | Transfers | | Balance | |
|---|----------------|----------------|----------|---------------|----------------------------|---------------|-----------|----|---------------|----------------|
| | Dec. 31, 2022 | Dec. 31, 2023 | Debt | Miscellaneous | Improvement Authorizations | Miscellaneous | From | To | Dec. 31, 2023 | |
| Fund Balance | \$ 411,746.28 | 411,746.28 | | | | | | | | 411,746.28 |
| Encumbrances Payable | 122,158.37 | 726,074.28 | | | | | | | | 726,074.28 |
| Due from Current Fund | (1,490,832.00) | (1,490,832.00) | | | | | | | | (1,490,832.00) |
| Due to Sewer Utility Operating Fund | (2,714,771.24) | 228,566.76 | | | | | | | | (3,988,979.48) |
| Reserve for Debt Service | 86,572.78 | 2,775.00 | | | | | | | | 89,347.78 |
| <u>Improvement Authorizations:</u> | | | | | | | | | | |
| <u>Ordinance Number</u> | | | | | | | | | | |
| 14-15 Various Sewer Capital Improvements | 17,321.70 | 17,321.70 | | | | | | | | 17,321.70 |
| 8-16 Various Sewer Capital Improvements | 219.92 | 219.92 | | | | | | | | 219.92 |
| 5-17 Various Sewer Capital Improvements | 6,055.92 | 5,898.90 | | | | | | | | 5,898.90 |
| 5-18 Various Sewer Capital Improvements | (137,151.30) | (194,486.64) | | | | | | | | (194,486.64) |
| 5-19 Various Sewer Capital Improvements | 290,777.24 | 80,794.14 | | | | | | | | 264,561.38 |
| 4-20 Various Sewer Capital Improvements | 843,084.38 | 843,084.38 | | | | | | | | 843,084.38 |
| 10-21 Various Sewer Capital Improvements | 1,303,866.67 | 1,156,304.03 | | | | | | | | 1,156,304.03 |
| 13-22 Various Sewer Capital Improvements | 1,260,951.28 | 1,233,215.13 | | | | | | | | 1,233,215.13 |
| 16-23 Various Sewer Capital Improvements | - | 926,524.34 | | | | | | | | 926,524.34 |
| 20-23 Stormwater Utility Capital Improvements | - | - | | | | | | | | - |
| | \$ (0.00) | 2,579,574.41 | | | | | | | | 0.00 |

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

| | | | |
|------------------------------------|----|-----------------|-------------------------|
| Balance as of December 31, 2022 | | \$ | 100,912.77 |
| Increased by: | | | |
| Utility Rents Levied | \$ | 2,762,868.12 | |
| Prepayments & Overpayments Created | | <u>9,404.25</u> | |
| | | | <u>2,772,272.37</u> |
| | | | 2,873,185.14 |
| Decreased by: | | | |
| Collections | | 2,764,914.93 | |
| Prepayments & Overpayments Applied | | 27,048.78 | |
| Transferred to Liens | | <u>385.00</u> | |
| | | | <u>2,792,348.71</u> |
| Balance as of December 31, 2023 | | \$ | <u><u>80,836.43</u></u> |

**SEWER OPERATING FUND
SCHEDULE OF SEWER LIENS**

| | | | |
|---------------------------------------|----|----------|------------------------|
| Balance as of December 31, 2022 | | \$ | 5,432.38 |
| Increase by: | | | |
| Transferred from Consumer Receivables | \$ | 385.00 | |
| Interest and Cost on Sale | | <u>-</u> | |
| | | | <u>385.00</u> |
| Balance as of December 31, 2023 | | \$ | <u><u>5,817.38</u></u> |

**SEWER OPERATING FUND
SCHEDULE OF FIXED CAPITAL**

| Account | Balance Dec. 31, 2022 | Additions By Budget Capital Outlay | Balance Dec. 31, 2023 |
|---------------------------|--------------------------|--|--------------------------|
| Sewer System Improvements | \$ 9,475,727.42 | - | 9,475,727.42 |
| | <u>\$ 9,475,727.42</u> | <u>-</u> | <u>9,475,727.42</u> |

See Accompanying Auditor's Report

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

| Ordinance Number | Improvement Description | Ordinance | | Balance Dec. 31, 2022 | Deferred Charge to Future Revenue | Balance Dec. 31, 2023 |
|------------------|---|-----------|------------|-----------------------|-----------------------------------|-----------------------|
| | | Date | Amount | | | |
| 8-12 | Various Sewer Capital Improvements | 05/10/12 | \$ 309,000 | \$ 309,000.00 | | 309,000.00 |
| 14-12 | Various Sewer Capital Improvements | 07/26/12 | 300,000 | 300,000.00 | | 300,000.00 |
| 17-14 | Various Sewer Capital Improvements | 05/08/14 | 500,000 | 500,000.00 | | 500,000.00 |
| 14-15 | Various Sewer Capital Improvements | 04/16/15 | 500,000 | 500,000.00 | | 500,000.00 |
| 8-16 | Various Sewer Capital Improvements | 06/09/16 | 500,000 | 500,000.00 | | 500,000.00 |
| 5-17 | Various Sewer Capital Improvements | 4/13/17 | 410,000 | 410,000.00 | | 410,000.00 |
| 5-18 | Various Sewer Capital Improvements | 5/24/18 | 810,000 | 810,000.00 | | 810,000.00 |
| 5-19 | Various Sewer Capital Improvements | 5/9/19 | 626,000 | 626,000.00 | | 626,000.00 |
| 4-20 | Various Sewer Capital Improvements | 6/11/2020 | 1,075,000 | 1,075,000.00 | | 1,075,000.00 |
| 10-21 | Various Sewer Capital Improvements | 6/24/2021 | 1,321,750 | 1,321,750.00 | | 1,321,750.00 |
| 13-22 | Various Sewer Capital Improvements | 6/23/2022 | 1,458,000 | 1,458,000.00 | | 1,458,000.00 |
| 16-23 | Various Sewer Capital Improvements | 6/22/2023 | 1,617,000 | | 1,617,000.00 | 1,617,000.00 |
| 20-23 | Stormwater Utility Capital Improvements | 8/24/2023 | 4,300,000 | | 4,300,000.00 | 4,300,000.00 |
| | | | | \$ 7,809,750.00 | 5,917,000.00 | 13,726,750.00 |

See Accompanying Auditor's Report

**SEWER OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES**

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid Or Charged | Balance Lapsed | Over- Expended |
|-------------------------|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| Operating: | | | | | |
| Salaries and Wages | \$ 72,930.64 | 72,930.64 | 984.53 | 71,946.11 | |
| Other Expenses | 74,862.48 | 74,862.48 | 28,881.11 | 45,981.37 | |
| ACMUA - Treatment Costs | 84,060.00 | 84,060.00 | - | 84,060.00 | |
| | <u>\$ 231,853.12</u> | <u>231,853.12</u> | <u>29,865.64</u> | <u>201,987.48</u> | <u>-</u> |

See Accompanying Auditor's Report

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

| | | |
|--|----|------------|
| Balance as of December 31, 2022 | \$ | 62,823.05 |
| Increased by: | | |
| Accrued interest charged to 2023 budget appropriation - Interest on bonds and notes | | 239,891.81 |
| | | 302,714.86 |
| Decreased by: | | |
| Disbursements | | 245,229.44 |
| Balance as of December 31, 2023 | \$ | 57,485.42 |

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2023

| Description | Principal Outstanding Dec. 31, 2023 | Interest Rate | From | To | # of Days | Amount |
|-------------------------|---|------------------|----------|----------|--------------|--------------|
| NJ EIT Bonds | 161,000.00 | 5.00% | 08/01/23 | 12/31/23 | 150 | 3,354.17 |
| 2019 Refunding Issue | 2,175,000.00 | 3.25% | 10/01/23 | 12/31/23 | 90 | 17,287.50 |
| 2022 Sewer Bonds | 3,210,000.00 | 5.00% | 10/15/23 | 12/31/23 | 75 | 31,218.75 |
| Bond Anticipation Notes | 1,500,000.00 | 4.50% | 12/01/23 | 12/31/23 | 30 | 5,625.00 |
| | | | | | | \$ 57,485.42 |

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

| Ord Number | Improvement Authorization | Ordinance Date | Amount | Balance Dec. 31, 2022 | | Down Payment Or Capital Improv. Fund | 2023 Authorizations | | Prior Year Encumbrances | Paid Or Charged | Balance Dec. 31, 2023 | |
|------------|---|----------------|--------------|-----------------------|-------------------|--------------------------------------|------------------------------------|--------------------------|-------------------------|-------------------|-----------------------|--------------|
| | | | | Funded | Unfunded | | Deferred Charges To Future Revenue | Unfunded | | | Funded | Unfunded |
| 14-15 | Various Sewer Capital Improvements | 04/16/15 | 500,000.00 | \$ | 17,321.70 | | | | | | 17,321.70 | |
| 8-16 | Various Sewer Capital Improvements | 06/09/16 | 500,000.00 | | 219.92 | | | 2,315.62 | 2,315.62 | | | 219.92 |
| 5-17 | Various Sewer Capital Improvements | 4/13/17 | 410,000.00 | | 6,055.92 | | | | 157.02 | | 5,898.90 | |
| 5-18 | Various Sewer Capital Improvements | 05/24/18 | 810,000.00 | | 72,848.70 | | | 39,048.61 | 96,383.95 | | | 15,513.36 |
| 5-19 | Various Sewer Capital Improvements | 5/9/19 | 626,000.00 | | 290,777.24 | | | 80,794.14 | 107,010.00 | | 264,561.38 | |
| 4-20 | Various Sewer Capital Improvements | 6/11/2020 | 1,075,000.00 | | 918,084.38 | | | | | | | 918,084.38 |
| 10-21 | Various Sewer Capital Improvements | 6/24/2021 | 1,321,750.00 | | 1,304,616.67 | | | | 147,562.64 | | | 1,157,054.03 |
| 13-22 | Various Sewer Capital Improvements | 6/23/2022 | 1,458,000.00 | | 1,449,951.28 | | | | 27,736.15 | | | 1,422,215.13 |
| 16-23 | Various Sewer Capital Improvements | 06/22/23 | 1,617,000.00 | | | | 1,617,000.00 | | 573,475.66 | | | 1,043,524.34 |
| 20-23 | Stormwater Utility Capital Improvements | 08/24/23 | 4,300,000.00 | | | | 4,300,000.00 | | | | | 4,300,000.00 |
| | | | | \$ | <u>296,833.16</u> | <u>3,763,042.65</u> | <u>5,917,000.00</u> | <u>122,158.37</u> | <u>954,641.04</u> | <u>270,460.28</u> | <u>8,873,932.86</u> | |
| | | | | | | | | Encumbered Disbursements | 726,074.28 | | | |
| | | | | | | | | | 228,566.76 | | | |
| | | | | | | | | | <u>954,641.04</u> | | | |

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

| Purpose | Date of Original Issue | Date of Issue | Date of Maturity | Amount of Original Issue | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|------------------------------------|------------------------|---------------|------------------|--------------------------|---------------|-----------------------|---------------------|-----------|-----------------------|
| 16-2023 Various Sewer Improvements | 12/11/2023 | 12/1/2023 | 8/31/2024 | 1,500,000 | 4.50% | - | 1,500,000.00 | | 1,500,000.00 |
| | | | | | | | <u>1,500,000.00</u> | <u>-</u> | <u>1,500,000.00</u> |

See Accompanying Auditor's Report

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

| Purpose | Date Of Issue | Original Issue | Maturities of Bonds Outstanding December 31, 2023 | | Int. Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|---------------------|---------------|----------------|---|------------|-----------|-----------------------|-----------|------------|-----------------------|
| | | | Date | Amount | | | | | |
| Sewer Utility Bonds | 10/01/19 | 2,970,000.00 | 10/01/24 | 265,000.00 | 3.00% | 2,400,000.00 | | 225,000.00 | 2,175,000.00 |
| | | | 10/01/25 | 270,000.00 | 4.00% | | | | |
| | | | 10/01/26 | 290,000.00 | 4.00% | | | | |
| | | | 10/01/27 | 290,000.00 | 4.00% | | | | |
| | | | 10/01/28 | 300,000.00 | 4.00% | | | | |
| | | | 10/01/29 | 315,000.00 | 2.00% | | | | |
| | | | 10/01/30 | 335,000.00 | 2.00% | | | | |
| | | | 10/01/31 | 110,000.00 | 2.00% | | | | |
| Sewer Utility Bonds | 10/15/22 | 3,400,000.00 | 10/15/24 | 215,000.00 | 5.00% | 3,400,000.00 | | 190,000.00 | 3,210,000.00 |
| | | | 10/15/25 | 235,000.00 | 5.00% | | | | |
| | | | 10/15/26 | 255,000.00 | 5.00% | | | | |
| | | | 10/15/27 | 265,000.00 | 5.00% | | | | |
| | | | 10/15/28 | 280,000.00 | 5.00% | | | | |
| | | | 10/15/29 | 285,000.00 | 5.00% | | | | |
| | | | 10/15/30 | 295,000.00 | 5.00% | | | | |
| | | | 10/15/31 | 315,000.00 | 5.00% | | | | |
| | | | 10/15/32 | 335,000.00 | 4.00% | | | | |
| | | | 10/15/33 | 350,000.00 | 4.00% | | | | |
| | | | 10/15/34 | 380,000.00 | 4.00% | | | | |
| | | | | | | \$ 5,800,000.00 | | 415,000.00 | 5,385,000.00 |

See Accompanying Auditor's Report

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

| | | |
|---------------------------------------|-------------------|--------------------------------|
| Balance as of December 31, 2022 | | \$ 10,669,507.76 |
| Increased by: | | |
| Capital Outlay: | | |
| NJ EIT Bonds Payable | 88,305.25 | |
| Serial Bonds Paid by Operating Budget | <u>415,000.00</u> | |
| | | <u>503,305.25</u> |
| Balance as of December 31, 2023 | | \$ <u><u>11,172,813.01</u></u> |

See Accompanying Auditor's Report

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

| Ordinance Number | Improvement Description | Date of Ordinance | Balance Dec. 31, 2022 | Paid in Operating Budget Bond | Balance Dec. 31, 2023 |
|---------------------|------------------------------------|----------------------|--------------------------|--|--------------------------|
| 8-12 | Various Sewer Capital Improvements | 05/10/12 | \$ 41,794.65 | | 41,794.65 |
| 14-12 | Various Sewer Capital Improvements | 07/26/12 | 25,119.76 | | 25,119.76 |
| 17-14 | Various Sewer Capital Improvements | 05/08/14 | 25,000.00 | | 25,000.00 |
| | | | \$ 91,914.41 | - | 91,914.41 |

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

| Ord. Number | Improvement Description | Balance Dec. 31, 2022 | 2023 Authorization | Bonds Issued | Balance Dec. 31, 2023 |
|----------------|---|--------------------------|-----------------------|-----------------|--------------------------|
| 5-18 | Various Sewer Capital Improvements | \$ 210,000.00 | | | 210,000.00 |
| 4-20 | Various Sewer Capital Improvements | 75,000.00 | | | 75,000.00 |
| 10-21 | Various Sewer Capital Improvements | 750.00 | | | 750.00 |
| 13-22 | Various Sewer Capital Improvement | 189,000.00 | | | 189,000.00 |
| 16-23 | Various Sewer Capital Improvement | | 1,617,000.00 | 1,500,000.00 | 117,000.00 |
| 20-23 | Stormwater Utility Capital Improvements | | 4,300,000.00 | | 4,300,000.00 |
| | | \$ 474,750.00 | 5,917,000.00 | 1,500,000.00 | 4,891,750.00 |

See Accompanying Auditor's Report

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CITY OF SOMERS POINT

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

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GENERAL COMMENTS

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

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost 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. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$44,000 except by contract or agreement."

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

Our examination of expenditures did not reveal any payments in excess of \$44,000 "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:

- Bay Avenue Replacement Lights
- Somers Point Bike Path Enhancements
- Cedar Avenue Sanitary Main Extension
- Emergency Stormwater Repairs and Miscellaneous Maintenance
- Reconstruction of Ocean Avenue Phase I
- Reconstruction of Colwick Drive, Exton Road, Devon Road, and Bala Drive

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 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of a municipality to fix the rate of interest to be charged for the nonpayment of taxes of assessments and sewer charges;

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Somers Point, County of Atlantic, State of New Jersey, that:

1. In the event that payments of taxes or assessments and sewer charges are not paid on the due date, but are paid within a period of ten (10) days in the case of taxes, or thirty (30) days in the case of assessments and sewer charges, the Tax Collector is hereby authorized to charge no interest on all such delinquent payments.
2. In the event that payment of taxes or assessments and sewer charges are not paid within ten (10) days in the case of taxes, or thirty (30) in the case of assessments and sewer charges,, the Tax Collector is hereby authorized to charge interest at the rate of eight percent per annum on the first \$1,500 of the delinquency and 18 percent per annum on any amount in excess of \$1,500 to be calculated from the date the tax or assessment was payable until the date of actual payment.

3. N.J.S.A. 54:6-67 specifically provides that a governing body may fix a penalty to be charged to a taxpayer where there is a tax and/or other municipal charge delinquency in excess of \$10,000 at the end of any calendar year on a given parcel of real estate; and
4. That a penalty equal to six (6) percent per annum of any delinquency in taxes and other municipal charges on a given parcel of real property shall be and hereby imposed where the delinquency exceeds \$10,000 at the end of each calendar year.

This Resolution shall take effect January 1, 2023.

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 2023 tax sale was held on October 13, 2023 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> |
|-------------|----------------------------|
| 2023 | 16 |
| 2022 | 16 |
| 2021 | 16 |

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 2023 and 2024 Taxes | 25 |
| Payment of 2023 and 2024 Utility Bills | 25 |
| Delinquent Taxes | 5 |
| 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.

| Year | Current Fund | | |
|------|-----------------|------------------|---------------------------|
| | Tax Levy | Cash Collections | Percentage of Collections |
| 2023 | \$40,162,155.29 | 39,519,982.68 | 98.40% |
| 2022 | 38,021,947.49 | 37,690,315.48 | 99.13% |
| 2021 | 37,241,711.94 | 36,946,168.60 | 99.21% |
| 2020 | 36,626,529.82 | 36,014,337.46 | 98.33% |
| 2019 | 35,712,239.30 | 35,052,433.61 | 98.15% |

Comparative Schedule of Tax Rate Information

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|----------------------------|------------------|---------------|---------------|---------------|---------------|
| Tax Rate | \$ 3.470 | 3.341 | 3.291 | 3.224 | 3.133 |
| Apportionment of Tax Rate: | | | | | |
| Municipal | 1.11 | 1.025 | 1.008 | 1.008 | 0.989 |
| County | 0.64 | 0.585 | 0.555 | 0.539 | 0.533 |
| Local School | 0.98 | 0.982 | 0.985 | 0.974 | 0.954 |
| Regional School | 0.74 | 0.749 | 0.743 | 0.703 | 0.657 |
| Assessed Valuation | \$ 1,146,402,500 | 1,134,603,933 | 1,130,903,733 | 1,141,669,878 | 1,138,873,200 |

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.

| Year | Amount of Tax Title Liens | Amount of Delinquent Taxes | Total Delinquent | Percentage of Tax Levy |
|------|---------------------------|----------------------------|------------------|------------------------|
| 2023 | \$ 303,798.08 | 504,671.82 | 808,469.90 | 2.01% |
| 2022 | 273,808.94 | 442,102.23 | 715,911.17 | 1.88% |
| 2021 | 217,359.43 | 353,827.22 | 571,186.65 | 1.53% |
| 2020 | 188,913.95 | 581,045.97 | 769,959.92 | 2.10% |
| 2019 | 157,174.23 | 571,383.30 | 728,557.53 | 2.04% |

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous years was as follows:

| Year | Amount |
|------|--------------|
| 2023 | \$ 19,412.00 |
| 2022 | 19,412.00 |
| 2021 | 19,412.00 |
| 2020 | 19,412.00 |
| 2019 | 19,412.00 |

Sewer Utility Service Charges

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years.

| Year | Balance End of Year | | Billings | Cash |
|------|---------------------|----------|--------------|--------------|
| | Receivable | Liens | | Collections |
| 2023 | \$ 80,836.43 | 5,817.38 | 2,762,868.12 | 2,782,559.46 |
| 2022 | 100,912.77 | 5,432.38 | 2,735,710.00 | 2,758,021.80 |
| 2021 | 123,608.57 | 5,048.38 | 2,750,801.00 | 2,763,036.63 |
| 2020 | 136,993.20 | 3,899.38 | 2,723,231.00 | 2,721,085.51 |
| 2019 | 135,981.74 | 2,765.38 | 2,784,108.31 | 2,751,249.77 |

Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the year and the amounts utilized in the subsequent year's budgets.

| Year | Balance December 31 | Utilized in budget of Succeeding Year | Percentage of Fund Balance Utilized |
|--|------------------------|--|--|
| <u>Current Fund</u> | | | |
| 2023 | \$ 3,691,397.27 | 2,800,000.00 | 75.85% |
| 2022 | 2,821,388.90 | 2,700,000.00 | 95.70% |
| 2021 | 2,866,350.67 | 2,685,000.00 | 93.67% |
| 2020 | 2,406,356.65 | 2,314,000.00 | 96.16% |
| 2019 | 2,203,844.39 | 1,996,211.22 | 90.58% |
| <u>Sewer Utility Operating Fund</u> | | | |
| 2023 | \$ 2,375,330.62 | 529,800.00 | 22.30% |
| 2022 | 2,167,780.57 | 283,897.68 | 13.10% |
| 2021 | 1,998,098.30 | 114,100.00 | 5.71% |
| 2020 | 1,746,038.74 | 25,000.00 | 1.43% |
| 2019 | 1,531,636.44 | 104,200.00 | 6.80% |

STATUS OF PRIOR YEAR RECOMMENDATIONS

None

RECOMMENDATIONS

That the City Clerk, or her designee, reconcile the State Dog bank account promptly on a monthly basis and that any differences be investigated and immediately resolved.

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

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

Very truly yours,

Ford, Scott & Associates, L.L.C.

**FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS**

Leon P. Costello

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

June 30, 2024