

**CITY OF ABSECON**  
**COUNTY OF ATLANTIC**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2022**

**CITY OF ABSECON**  
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**CITY OF ABSECON**

**PART 1**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

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

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Council  
City of Absecon  
Absecon, New Jersey 08201

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Absecon, in the County of Atlantic, State of New Jersey, as of December 31, 2022 and 2021, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Absecon, in the County of Atlantic, State of New Jersey, as of December 31, 2022 and 2021, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2022, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the City of Absecon, in the County of Atlantic, State of New Jersey, as of December 31, 2022 and 2021, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions on Regulatory Basis of Accounting***

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

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

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

***Emphasis of Matter***

***Change in Accounting Principle***

As discussed in note 1 to the financial statements, during the year ended December 31, 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The adoption of this new accounting principle resulted in material note disclosure. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

***Consistency of Financial Statements***

Because of the implementation of GASB Statement No. 87, the City has determined that a lease agreement in which they are the lessor has now been disclosed in accordance with the Statement (note 6). Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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'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 Responsibilities for the Audit of the Financial Statements***

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)***

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 accompanying supplemental statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2023 on our consideration of the City of Absecon'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Absecon's 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 Absecon's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
October 12, 2023

**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**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Council  
City of Absecon  
Absecon, New Jersey 08201

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the City of Absecon, in the County of Atlantic, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 12, 2023. That report indicated that the City of Absecon's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the consistency of financial statements resulting from the new accounting principle.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Purpose of this Report**

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
October 12, 2023

**CITY OF ABSECON**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2022 and 2021

| ASSETS:  | <u>Ref.</u> | <u>2022</u>             | <u>2021</u>             |
|--|-------------|-------------------------|-------------------------|
| Regular Fund:  |             |                         |                         |
| Cash   | SA-1        | \$ 8,227,707.35         | \$ 8,111,005.83         |
| Change Fund  | SA-3        | 600.00                  | 600.00                  |
| Due from State of New Jersey --<br>Veterans' and Senior Citizens' Deductions | SA-4        | <u>471.89</u>           | <u>498.71</u>           |
|  |             | <u>8,228,779.24</u>     | <u>8,112,104.54</u>     |
| Receivables and Other Assets with<br>Full Reserves:                          |             |                         |                         |
| Delinquent Property Taxes Receivable   | SA-5        | 172,102.56              | 148,186.06              |
| Tax Title Liens Receivable   | SA-6        | 150,246.73              | 135,991.69              |
| Property Acquired for Taxes -- Assessed Valuation                            | A           | <u>416,200.00</u>       | <u>416,200.00</u>       |
|  |             | <u>738,549.29</u>       | <u>700,377.75</u>       |
| Total Current Fund   |             | <u>8,967,328.53</u>     | <u>8,812,482.29</u>     |
| Federal and State Grant Fund:  |             |                         |                         |
| Federal, State and Local Grants Receivable                                   | SA-17       | 1,854,028.45            | 1,438,948.75            |
| Due Current Fund   | SA-18       | <u>449,982.95</u>       | <u>317,747.53</u>       |
| Total Federal and State Grant Fund   |             | <u>2,304,011.40</u>     | <u>1,756,696.28</u>     |
| Total Assets   |             | <u>\$ 11,271,339.93</u> | <u>\$ 10,569,178.57</u> |

(Continued)

**CITY OF ABSECON**  
**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2022 and 2021

**LIABILITIES, RESERVES  
AND FUND BALANCE:**

|   | <u>Ref.</u> | <u>2022</u>             | <u>2021</u>             |
|---|-------------|-------------------------|-------------------------|
| Regular Fund:                                   |             |                         |                         |
| Liabilities:                                    |             |                         |                         |
| Appropriation Reserves                          | A-3, SA-9   | \$ 734,539.12           | \$ 918,844.51           |
| Reserve for Encumbrances                        | A-3, SA-9   | 546,457.01              | 420,371.39              |
| Marriage and Domestic Partnership Licenses      | SA-8        |                         | 350.00                  |
| Uniform Construction Code - State Training Fees | SA-16       | 2,947.00                | 1,307.00                |
| Prepaid Taxes                                   | SA-11       | 457,239.38              | 574,035.91              |
| Reserve for Municipal Relief Funds              | SA-1        | 39,355.04               |                         |
| Tax Overpayments                                | SA-12       | 18,352.19               | 7,562.73                |
| Accounts Payable - Police Detail                | SA-10       |                         | 2,220.00                |
| Due to County -- Added and Omitted Taxes        | SA-14       | 13,345.20               | 24,572.79               |
| Due Local School Tax Payable                    | SA-15       | 2,582,411.53            | 2,583,286.53            |
| Due Federal and State Grant Fund                | SA-18       | 449,982.95              | 317,747.53              |
|   |             | <u>4,844,629.42</u>     | <u>4,850,298.39</u>     |
| Reserves for Receivables and                    |             |                         |                         |
| Other Assets                                    |             | 738,549.29              | 700,377.75              |
| Fund Balance                                    | A-1         | <u>3,384,149.82</u>     | <u>3,261,806.15</u>     |
| Total Current Fund                              |             | <u>8,967,328.53</u>     | <u>8,812,482.29</u>     |
| Federal and State Grant Fund:                   |             |                         |                         |
| Reserve for Federal and State Grants --         |             |                         |                         |
| Unappropriated                                  | SA-19       | 463,387.74              | 461,483.65              |
| Reserve for Federal, State and Local Grants --  |             |                         |                         |
| Appropriated                                    | SA-20       | 1,777,528.46            | 1,231,995.65            |
| Reserve for Encumbrances                        | SA-20       | 63,095.20               | 63,216.98               |
| Total Federal and State Grant Fund              |             | <u>2,304,011.40</u>     | <u>1,756,696.28</u>     |
| Total Liabilities, Reserves and Fund Balance    |             | <u>\$ 11,271,339.93</u> | <u>\$ 10,569,178.57</u> |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF ABSECON**  
**CURRENT FUND**

Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
For the Years Ended December 31, 2022 and 2021

|  | <u>2022</u>            | <u>2021</u>            |
|--|------------------------|------------------------|
| <u>Revenue and Other Income Realized</u>                   |                        |                        |
| Fund Balance Utilized                                      | \$ 1,634,600.00        | \$ 1,512,360.00        |
| Miscellaneous Revenues Anticipated                         | 3,204,522.93           | 2,963,346.08           |
| Receipts from Delinquent Taxes                             | 144,818.77             | 216,809.62             |
| Receipts from Current Taxes                                | 23,691,315.29          | 23,574,594.49          |
| Non-Budget Revenues  | 379,755.73             | 486,101.37             |
| Other Credits to Income:                                   |                        |                        |
| Unexpended Balance of Appropriation Reserves               | 708,171.40             | 625,857.55             |
| Cancellation of Reserves for Federal and State Grants      | 185,562.52             |                        |
| Liquidation of Reserve for:                                |                        |                        |
| Police Detail Receivable                                   |                        | 14,495.00              |
|  | <u>29,948,746.64</u>   | <u>29,393,564.11</u>   |
| <u>Expenditures</u>  |                        |                        |
| Budget and Emergency Appropriations:                       |                        |                        |
| Operations Within "CAPS":                                  |                        |                        |
| Salaries and Wages   | 3,947,100.00           | 4,063,100.00           |
| Other Expenses   | 3,650,600.00           | 3,762,600.00           |
| Deferred Charges and Regulatory Expenditures Within "CAPS" | 1,258,917.00           | 1,214,936.00           |
| Operations Excluded from "CAPS":                           |                        |                        |
| Salaries and Wages   | 54,800.00              | 7,319.30               |
| Other Expenses   | 1,486,850.07           | 1,626,953.29           |
| Capital Improvements Excluded from "CAPS"                  | 606,750.00             | 262,250.00             |
| Municipal Debt Service Excluded from "CAPS"                | 594,470.98             | 563,675.30             |
| County Taxes   | 4,055,158.83           | 3,647,281.21           |
| County Added and Omitted Taxes                             | 13,345.20              | 24,572.79              |
| Local District School Tax                                  | 12,417,895.00          | 12,419,645.00          |
| Cancellation of Federal and State Grants Receivable        | 105,915.89             |                        |
|  | <u>28,191,802.97</u>   | <u>27,592,332.89</u>   |
| Regulatory Excess to Fund Balance                          | 1,756,943.67           | 1,801,231.22           |
| <u>Fund Balance</u>  |                        |                        |
| Balance Jan. 1   | <u>3,261,806.15</u>    | <u>2,972,934.93</u>    |
|  | 5,018,749.82           | 4,774,166.15           |
| Decreased by:  |                        |                        |
| Utilization as Anticipated Revenue                         | <u>1,634,600.00</u>    | <u>1,512,360.00</u>    |
| Balance Dec. 31  | <u>\$ 3,384,149.82</u> | <u>\$ 3,261,806.15</u> |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2022

|  | Anticipated<br>Budget | Special<br>N.J.S.A. 40A:4-87 | Realized         | Excess or<br>(Deficit) |
|--|-----------------------|------------------------------|------------------|------------------------|
| Surplus Anticipated  | \$ 1,634,600.00       |                              | \$ 1,634,600.00  |                        |
| Miscellaneous Revenues:  |                       |                              |                  |                        |
| Local Revenues:  |                       |                              |                  |                        |
| Licenses:  |                       |                              |                  |                        |
| Alcoholic Beverages  | 10,000.00             |                              | 10,200.00        | \$ 200.00              |
| Other  | 15,000.00             |                              | 15,725.00        | 725.00                 |
| Fees and Permits   | 50,000.00             |                              | 38,280.30        | (11,719.70)            |
| Fines and Costs - Municipal Court  | 85,000.00             |                              | 84,929.21        | (70.79)                |
| Interest and Costs on Taxes  | 48,000.00             |                              | 43,967.53        | (4,032.47)             |
| Interest on Investments and Deposits   | 16,000.00             |                              | 31,734.09        | 15,734.09              |
| Cable Franchise Fees   | 36,903.88             |                              | 36,903.88        |                        |
| Communications Tower Rental  | 107,000.00            |                              | 111,244.57       | 4,244.57               |
| State Aid Without Offsetting Appropriations:   |                       |                              |                  |                        |
| Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)   | 754,465.00            |                              | 754,465.00       |                        |
| Watershed Aid  | 3,337.00              |                              | 3,337.00         |                        |
| Dedicated Uniform Construction Code Fees Offset with<br>Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17):   |                       |                              |                  |                        |
| Uniform Construction Code Fees   | 108,000.00            |                              | 143,100.00       | 35,100.00              |
| Special Items of General Revenue Anticipated with Prior Written<br>Consent of Director of Local Government Services - Public and<br>Private Revenues Offset with Appropriations: |                       |                              |                  |                        |
| Clean Communities Program  |                       | \$ 21,213.84                 | 21,213.84        |                        |
| Body Armor Fund - State  | 1,444.14              |                              | 1,444.14         |                        |
| NJ Transportation Trust Fund Authority Act   | 270,000.00            |                              | 270,000.00       |                        |
| Recycling Tonnage Grant  | 12,828.09             |                              | 12,828.09        |                        |
| Drive Sober or Get Pulled Over   |                       | 3,900.00                     | 3,900.00         |                        |
| Streetscape Improvements - Phase 4   | 525,000.00            |                              | 525,000.00       |                        |
| Community Development Block Grant  |                       | 50,900.00                    | 50,900.00        |                        |
| NJ Department of Community Affairs - LEAP Implementation Grant   |                       | 201,364.00                   | 201,364.00       |                        |
| Bullet Proof Vest Partnership Grant  |                       | 4,000.00                     | 4,000.00         |                        |
| Special Items of General Revenue Anticipated with Prior Written<br>Consent of Director of Local Government Services - Other Special Items:                                       |                       |                              |                  |                        |
| Uniform Fire Safety Act  | 15,129.00             |                              | 12,328.88        | (2,800.12)             |
| Occupancy Tax  | 250,000.00            |                              | 272,408.91       | 22,408.91              |
| Library Building Rent  | 31,250.00             |                              | 31,250.00        |                        |
| Community Champions  | 16,000.00             |                              | 16,200.00        | 200.00                 |
| American Rescue Plan   | 461,583.65            |                              | 461,583.65       |                        |
| PILOT - Conifer Reality  | 38,000.00             |                              | 46,214.84        | 8,214.84               |
| Total Miscellaneous Revenues   | 2,854,940.76          | 281,377.84                   | 3,204,522.93     | 68,204.33              |
| Receipts from Delinquent Taxes   | 140,000.00            |                              | 144,818.77       | 4,818.77               |
| Amount to be Raised by Taxes for Support of Municipal Budget:  |                       |                              |                  |                        |
| Local Tax for Municipal Purposes including<br>Reserve for Uncollected Taxes  | 7,340,850.53          |                              | 7,857,068.32     | 516,217.79             |
| Budget Totals  | 11,970,391.29         | 281,377.84                   | 12,841,010.02    | 589,240.89             |
| Non-Budget Revenues  |                       |                              | 379,755.73       | 379,755.73             |
|  | \$ 11,970,391.29      | \$ 281,377.84                | \$ 13,220,765.75 | \$ 968,996.62          |

(Continued)

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2022

Analysis of Realized Revenues

Allocation of Current Tax Collections:

|                          |                      |
|--------------------------|----------------------|
| Revenue from Collections | \$ 23,691,315.29     |
| Allocated to:            |                      |
| Schools and County Taxes | <u>16,486,399.03</u> |

|  |              |
|--|--------------|
| Balance for Support of Municipal Budget Appropriations | 7,204,916.26 |
|--|--------------|

|  |                   |
|--|-------------------|
| Add: Appropriation "Reserve for Uncollected Taxes" | <u>652,152.06</u> |
|--|-------------------|

|   |                               |
|---|-------------------------------|
| Amount for Support of Municipal Budget Appropriations | <u><u>\$ 7,857,068.32</u></u> |
|---|-------------------------------|

Receipts from Delinquent Taxes:

|                            |                             |
|----------------------------|-----------------------------|
| Delinquent Tax Collections | \$ 144,787.80               |
| Tax Title Liens            | <u>30.97</u>                |
|                            | <u><u>\$ 144,818.77</u></u> |

Analysis of Non-Budget Revenues

Treasurer:

Receipts:

|   |                             |
|---|-----------------------------|
| Administrative Fee for Senior Citizen and Veterans Deductions | \$ 1,477.61                 |
| DMV Inspection Fees   | 250.00                      |
| Building Inspection   | 3,356.00                    |
| Election Reimbursements                                       | 350.00                      |
| Auction Proceeds  | 44,511.98                   |
| Land Sale   | 250,000.00                  |
| Annual Service Charge - Redevelopment                         | 20,417.70                   |
| Insurance Reimbursements                                      | 10,046.00                   |
| FEMA Reimbursements   | 16,370.90                   |
| Miscellaneous Reimbursements                                  | 12,436.83                   |
| Administration Fees Police Outside Employment                 | 20,038.71                   |
| Miscellaneous - Collector                                     | <u>500.00</u>               |
|   | <u><u>\$ 379,755.73</u></u> |

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

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2022

|                               | <u>Budget</u> | <u>Budget After<br/>Modification</u> | <u>Expended</u> | <u>Paid or Charged<br/>Encumbered</u> | <u>Reserved</u> | <u>Unexpended<br/>Balance<br/>Canceled</u> |
|-------------------------------|---------------|--------------------------------------|-----------------|---------------------------------------|-----------------|--|
| OPERATIONS -- WITHIN "CAPS"   |               |                                      |                 |                                       |                 |  |
| General Government Functions: |               |                                      |                 |                                       |                 |  |
| General Administration        |               |                                      |                 |                                       |                 |  |
| Salaries and Wages            | \$ 30,000.00  | \$ 30,000.00                         | \$ 28,775.29    |                                       | \$ 1,224.71     |  |
| Other Expenses                | 32,000.00     | 17,000.00                            | 4,538.28        | \$ 1,680.00                           | 10,781.72       |  |
| Mayor and Council             |               |                                      |                 |                                       |                 |  |
| Salaries and Wages            | 81,500.00     | 81,500.00                            | 81,328.78       |                                       | 171.22          |  |
| Other Expenses                | 2,800.00      | 2,800.00                             | 2,084.04        |                                       | 715.96          |  |
| Municipal Clerk               |               |                                      |                 |                                       |                 |  |
| Salaries and Wages            | 94,000.00     | 94,000.00                            | 91,981.97       |                                       | 2,018.03        |  |
| Other Expenses                | 9,000.00      | 9,000.00                             | 6,464.14        |                                       | 2,535.86        |  |
| Election Expenses             | 10,000.00     | 10,000.00                            | 10,000.00       |                                       |                 |  |
| Financial Administration      |               |                                      |                 |                                       |                 |  |
| Salaries and Wages            | 80,000.00     | 80,000.00                            | 74,033.72       |                                       | 5,966.28        |  |
| Other Expenses                | 10,000.00     | 10,000.00                            | 7,790.02        | 237.90                                | 1,972.08        |  |
| Audit Services                | 26,000.00     | 26,000.00                            | 26,000.00       |                                       |                 |  |
| Information Technology        |               |                                      |                 |                                       |                 |  |
| Salaries and Wages            | 82,000.00     | 82,000.00                            | 61,854.38       |                                       | 20,145.62       |  |
| Other Expenses                | 88,000.00     | 88,000.00                            | 57,950.14       | 1,266.33                              | 28,783.53       |  |
| Collection of Taxes           |               |                                      |                 |                                       |                 |  |
| Salaries and Wages            | 68,000.00     | 68,000.00                            | 64,823.89       |                                       | 3,176.11        |  |
| Other Expenses                | 7,000.00      | 7,000.00                             | 4,881.31        | 68.00                                 | 2,050.69        |  |
| Assessment of Taxes           |               |                                      |                 |                                       |                 |  |
| Salaries and Wages            | 54,000.00     | 54,000.00                            | 53,188.23       |                                       | 811.77          |  |
| Other Expenses                | 6,000.00      | 6,000.00                             | 4,933.78        |                                       | 1,066.22        |  |
| Legal Services                |               |                                      |                 |                                       |                 |  |
| Other Expenses                | 100,000.00    | 140,000.00                           | 132,004.89      | 976.00                                | 7,019.11        |  |
| Engineering Services          |               |                                      |                 |                                       |                 |  |
| Other Expenses                | 150,000.00    | 150,000.00                           | 30,656.00       | 14,606.25                             | 104,737.75      |  |
| Municipal Prosecutor          |               |                                      |                 |                                       |                 |  |
| Other Expenses                | 27,000.00     | 27,000.00                            | 25,200.00       |                                       | 1,800.00        |  |
| Municipal Court               |               |                                      |                 |                                       |                 |  |
| Salaries and Wages            | 122,000.00    | 122,000.00                           | 119,937.13      |                                       | 2,062.87        |  |
| Other Expenses                | 6,000.00      | 6,000.00                             | 5,325.63        |                                       | 674.37          |  |
| Public Defender               |               |                                      |                 |                                       |                 |  |
| Other Expenses                | 7,200.00      | 7,200.00                             | 7,200.00        |                                       |                 |  |
| Planning Board                |               |                                      |                 |                                       |                 |  |
| Salaries and Wages            | 16,000.00     | 16,000.00                            | 14,929.78       |                                       | 1,070.22        |  |
| Other Expenses                | 6,000.00      | 6,000.00                             | 1,054.67        |                                       | 4,945.33        |  |
| Zoning Board                  |               |                                      |                 |                                       |                 |  |
| Salaries and Wages            | 6,000.00      | 6,000.00                             | 5,076.14        |                                       | 923.86          |  |
| Other Expenses                | 1,200.00      | 1,200.00                             | 370.00          |                                       | 830.00          |  |

(Continued)

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2022

|                                      | <u>Budget</u> | <u>Budget After<br/>Modification</u> | <u>Expended</u> | <u>Paid or Charged<br/>Encumbered</u> | <u>Reserved</u> | <u>Unexpended<br/>Balance<br/>Canceled</u> |
|--------------------------------------|---------------|--------------------------------------|-----------------|---------------------------------------|-----------------|--|
| OPERATIONS -- WITHIN "CAPS" (CONT'D) |               |                                      |                 |                                       |                 |  |
| Insurance:                           |               |                                      |                 |                                       |                 |  |
| General Liability Insurance          | \$ 30,000.00  | \$ 2,500.00                          | \$ 2,329.00     |                                       | \$ 171.00       |  |
| Worker's Compensation Insurance      | 303,000.00    | 293,500.00                           | 293,171.00      |                                       | 329.00          |  |
| Group Employee Insurance             | 640,000.00    | 640,000.00                           | 471,797.91      | \$ 154,139.36                         | 14,062.73       |  |
| Public Safety Functions:             |               |                                      |                 |                                       |                 |  |
| Police Department                    |               |                                      |                 |                                       |                 |  |
| Salaries and Wages                   | 2,895,000.00  | 2,895,000.00                         | 2,708,695.68    |                                       | 186,304.32      |  |
| Other Expenses                       | 138,000.00    | 138,000.00                           | 100,118.79      | 16,843.75                             | 21,037.46       |  |
| Fire Department                      |               |                                      |                 |                                       |                 |  |
| Other Expenses                       | 70,000.00     | 70,000.00                            | 51,395.15       | 12,852.70                             | 5,752.15        |  |
| Fire Hydrant Service                 | 100,000.00    | 102,000.00                           | 92,715.10       | 9,247.30                              | 37.60           |  |
| Public Work Functions:               |               |                                      |                 |                                       |                 |  |
| Public Works                         |               |                                      |                 |                                       |                 |  |
| Salaries and Wages                   | 257,000.00    | 257,000.00                           | 243,871.46      |                                       | 13,128.54       |  |
| Other Expenses                       | 215,000.00    | 215,000.00                           | 197,451.61      | 11,828.57                             | 5,719.82        |  |
| Street Lighting                      | 230,000.00    | 230,000.00                           | 207,544.22      |                                       | 22,455.78       |  |
| Sanitation Trash Removal             |               |                                      |                 |                                       |                 |  |
| Contractual                          | 152,000.00    | 152,000.00                           | 133,599.42      | 12,940.56                             | 5,460.02        |  |
| Tipping Fees                         | 620,000.00    | 620,000.00                           | 536,082.52      | 55,000.00                             | 28,917.48       |  |
| Recycling Program                    |               |                                      |                 |                                       |                 |  |
| Salaries and Wages                   | 5,000.00      |                                      |                 |                                       |                 |  |
| Maintenance of Motor Vehicles        |               |                                      |                 |                                       |                 |  |
| Other Expenses                       | 105,000.00    | 105,000.00                           | 67,011.88       | 3,658.12                              | 34,330.00       |  |
| Health and Welfare Functions:        |               |                                      |                 |                                       |                 |  |
| Animal Control Services              |               |                                      |                 |                                       |                 |  |
| Other Expenses                       | 8,400.00      | 8,400.00                             | 7,700.00        | 700.00                                |                 |  |
| Ambulance Service                    |               |                                      |                 |                                       |                 |  |
| Other Expenses                       | 50,000.00     | 50,000.00                            | 50,000.00       |                                       |                 |  |
| Recreation and Education Functions:  |               |                                      |                 |                                       |                 |  |
| Parks and Recreation                 |               |                                      |                 |                                       |                 |  |
| Salaries and Wages                   | 5,000.00      | 5,000.00                             | 5,000.00        |                                       |                 |  |
| Other Expenses                       | 36,000.00     | 31,000.00                            | 23,315.00       |                                       | 7,685.00        |  |
| Celebration of Public Events         |               |                                      |                 |                                       |                 |  |
| Other Expenses                       | 55,000.00     | 55,000.00                            | 50,138.99       | 1,889.16                              | 2,971.85        |  |
| Office of Emergency Management       |               |                                      |                 |                                       |                 |  |
| Salaries and Wages                   | 3,600.00      | 3,600.00                             | 3,600.00        |                                       |                 |  |
| Other Expenses                       | 1,000.00      | 1,000.00                             | 400             |                                       | 600.00          |  |

(Continued)

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2022

|  | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Expended</u>     | <u>Paid or Charged<br/>Encumbered</u> | <u>Reserved</u>   | <u>Unexpended<br/>Balance<br/>Canceled</u> |
|--|---------------------|--------------------------------------|---------------------|---------------------------------------|-------------------|--|
| <b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>  |                     |                                      |                     |                                       |                   |  |
| Uniform Fire Safety Act  |                     |                                      |                     |                                       |                   |  |
| Salaries and Wages   | \$ 14,000.00        | \$ 14,000.00                         | \$ 11,475.76        |                                       | \$ 2,524.24       |  |
| Other Expenses   | 3,000.00            | 3,000.00                             | 2,978.75            |                                       | 21.25             |  |
| Uniform Construction Code:   |                     |                                      |                     |                                       |                   |  |
| Appropriations Offset by Dedicated   |                     |                                      |                     |                                       |                   |  |
| Revenues (N.J.A.C. 5:23-4.17)  |                     |                                      |                     |                                       |                   |  |
| Construction Official  |                     |                                      |                     |                                       |                   |  |
| Salaries and Wages   | 139,000.00          | 139,000.00                           | 135,740.65          |                                       | 3,259.35          |  |
| Other Expenses   | 11,000.00           | 11,000.00                            | 3,956.87            | \$ 575.00                             | 6,468.13          |  |
| Utility Expenses and Bulk Purchases:   |                     |                                      |                     |                                       |                   |  |
| Electric   | 135,000.00          | 135,000.00                           | 135,000.00          |                                       |                   |  |
| Telephone  | 62,000.00           | 58,000.00                            | 55,414.71           | 1,150.00                              | 1,435.29          |  |
| Gas  | 35,000.00           | 35,000.00                            | 34,910.56           |                                       | 89.44             |  |
| Gasoline   | 58,000.00           | 72,000.00                            | 61,867.84           | 7,900.00                              | 2,232.16          |  |
| Water  | 25,000.00           | 35,000.00                            | 27,975.01           | 1,350.00                              | 5,674.99          |  |
| Unclassified:  |                     |                                      |                     |                                       |                   |  |
| Office Supplies/Maintenance  | 48,000.00           | 48,000.00                            | 47,831.15           |                                       | 168.85            |  |
| Compensated Absences Funding   | 25,000.00           | 25,000.00                            | 25,000.00           |                                       |                   |  |
| <b>Total Operations - within "CAPS"</b>  | <b>7,595,700.00</b> | <b>7,595,700.00</b>                  | <b>6,710,471.24</b> | <b>308,909.00</b>                     | <b>576,319.76</b> |  |
| <b>Contingent</b>  | <b>2,000.00</b>     | <b>2,000.00</b>                      | <b>124.31</b>       |                                       | <b>1,875.69</b>   |  |
| <b>Total Operations Including Contingent - within "CAPS"</b>                             | <b>7,597,700.00</b> | <b>7,597,700.00</b>                  | <b>6,710,595.55</b> | <b>308,909.00</b>                     | <b>578,195.45</b> |  |
| <b>Detail:</b>   |                     |                                      |                     |                                       |                   |  |
| Salaries and Wages   | 3,952,100.00        | 3,947,100.00                         | 3,704,312.86        |                                       | 242,787.14        |  |
| Other Expenses   | 3,645,600.00        | 3,650,600.00                         | 3,006,282.69        | 308,909.00                            | 335,408.31        |  |
| <b>DEFERRED CHARGES AND STATUTORY<br/>EXPENDITURES MUNICIPAL -- WITHIN "CAPS"</b>        |                     |                                      |                     |                                       |                   |  |
| Regulatory Expenditures:   |                     |                                      |                     |                                       |                   |  |
| Contribution to:   |                     |                                      |                     |                                       |                   |  |
| Public Employee's Retirement System  | 180,282.00          | 180,282.00                           | 180,282.00          |                                       |                   |  |
| Police and Firemen's Retirement System of N.J.   | 750,635.00          | 750,635.00                           | 750,635.00          |                                       |                   |  |
| Unemployment Insurance   | 15,000.00           | 15,000.00                            | 13,321.27           |                                       | 1,678.73          |  |
| Social Security System (O.A.S.I.)  | 305,000.00          | 305,000.00                           | 274,453.42          |                                       | 30,546.58         |  |
| Defined Contribution Retirement Program  | 8,000.00            | 8,000.00                             | 7,221.82            |                                       | 778.18            |  |
| <b>Total Deferred Charges and Regulatory<br/>Expenditures Municipal -- Within "CAPS"</b> | <b>1,258,917.00</b> | <b>1,258,917.00</b>                  | <b>1,225,913.51</b> |                                       | <b>33,003.49</b>  |  |
| <b>Total General Appropriations for Municipal<br/>Purposes within "CAPS"</b>             | <b>8,856,617.00</b> | <b>8,856,617.00</b>                  | <b>7,936,509.06</b> | <b>308,909.00</b>                     | <b>611,198.94</b> |  |

(Continued)

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2022

|  | <u>Budget</u> | <u>Budget After<br/>Modification</u> | <u>Expended</u> | <u>Paid or Charged<br/>Encumbered</u> | <u>Reserved</u> | <u>Unexpended<br/>Balance<br/>Canceled</u> |
|--|---------------|--------------------------------------|-----------------|---------------------------------------|-----------------|--|
| OPERATIONS -- EXCLUDED FROM "CAPS"                                 |               |                                      |                 |                                       |                 |  |
| Length of Service Awards Program                                   | \$ 28,000.00  | \$ 28,000.00                         |                 |                                       | \$ 28,000.00    |  |
| Township of Galloway - Dispatch Services                           | 423,000.00    | 423,000.00                           | \$ 422,686.66   |                                       | 313.34          |  |
| Public and Private Programs Offset by Revenues:                    |               |                                      |                 |                                       |                 |  |
| Clean Communities Program (N.J.S.A. 40A-87 +\$21,213.84)           |               | 21,213.84                            | 21,213.84       |                                       |                 |  |
| Community Development Block Grant (N.J.S.A. 40A-87 + \$50,900.00)  |               | 50,900.00                            | 50,900.00       |                                       |                 |  |
| Drive Sober or Get Pulled Over (N.J.S.A. 40A-87 + \$3,900.00)      |               | 3,900.00                             | 3,900.00        |                                       |                 |  |
| Bulletproof Vest Partnership Grant (N.J.S.A. 40A-87 +\$4,000.00)   |               | 4,000.00                             | 4,000.00        |                                       |                 |  |
| Body Armor Fund - State  | 1,444.14      | 1,444.14                             | 1,444.14        |                                       |                 |  |
| NJ DCA - LEAP Implementation Grant (N.J.S.A. 40A-87 +\$201,364.00) |               | 201,364.00                           | 201,364.00      |                                       |                 |  |
| NJ Transportation Trust Fund Authority Act                         | 270,000.00    | 270,000.00                           | 270,000.00      |                                       |                 |  |
| Streetscape Improvements Phase 4                                   | 525,000.00    | 525,000.00                           | 525,000.00      |                                       |                 |  |
| Recycling Tonnage Grant  | 12,828.09     | 12,828.09                            | 12,828.09       |                                       |                 |  |
| Total Operations -- Excluded from "CAPS"                           | 1,260,272.23  | 1,541,650.07                         | 1,513,336.73    |                                       | 28,313.34       |  |
| Detail:  |               |                                      |                 |                                       |                 |  |
| Salaries and Wages   |               | 54,800.00                            | 54,800.00       |                                       |                 |  |
| Other Expenses   | 1,260,272.23  | 1,486,850.07                         | 1,458,536.73    |                                       | 28,313.34       |  |
| CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"                       |               |                                      |                 |                                       |                 |  |
| Capital Improvement Fund   | 71,750.00     | 71,750.00                            | 71,750.00       |                                       |                 |  |
| City Hall Building Improvements                                    | 30,000.00     | 30,000.00                            | 16,600.00       | \$ 8,460.00                           | 4,940.00        |  |
| Public Safety - Fire Improvements                                  | 37,000.00     | 37,000.00                            |                 | 24,325.60                             | 12,674.40       |  |
| Public Property Improvements                                       | 50,000.00     | 50,000.00                            | 38,750.00       | 11,250.00                             |                 |  |
| Public Safety - Police Vehicles/Equipment                          | 115,000.00    | 115,000.00                           | 1,887.96        | 90,114.65                             | 22,997.39       |  |
| Code Enforcement/Construction Office                               | 52,000.00     | 52,000.00                            | 35,595.40       | 6,183.30                              | 10,221.30       |  |
| Technology/Audio System  | 176,000.00    | 176,000.00                           | 109,591.79      | 57,638.00                             | 8,770.21        |  |
| Public Safety and Security Enhancements                            | 55,000.00     | 55,000.00                            |                 | 39,576.46                             | 15,423.54       |  |
| City Clerk Codification  | 20,000.00     | 20,000.00                            |                 |                                       | 20,000.00       |  |
|  | 606,750.00    | 606,750.00                           | 274,175.15      | 237,548.01                            | 95,026.84       |  |

(Continued)

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2022

|   | <u>Budget</u>    | <u>Budget After<br/>Modification</u> | <u>Expended</u>         | <u>Paid or Charged<br/>Encumbered</u> | <u>Reserved</u> | <u>Unexpended<br/>Balance<br/>Canceled</u> |
|---|------------------|--------------------------------------|-------------------------|---------------------------------------|-----------------|--|
| MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"                              |                  |                                      |                         |                                       |                 |  |
| Payment of Bond Principal   | \$ 270,000.00    | \$ 270,000.00                        | \$ 270,000.00           |                                       |                 |  |
| Interest on Bonds   | 295,650.00       | 295,650.00                           | 295,643.78              |                                       |                 | \$ 6.22                                    |
| Interest on Notes   | 28,950.00        | 28,950.00                            | 28,827.20               |                                       |                 | 122.80                                     |
|   |                  |                                      |                         |                                       |                 |  |
| Total Municipal Debt Service --<br>Excluded from "CAPS"                     | 594,600.00       | 594,600.00                           | 594,470.98              |                                       |                 | 129.02                                     |
|   |                  |                                      |                         |                                       |                 |  |
| Total General Appropriations for Municipal<br>Purposes Excluded from "CAPS" | 2,461,622.23     | 2,743,000.07                         | 2,381,982.86            | \$ 237,548.01                         | \$ 123,340.18   | 129.02                                     |
|   |                  |                                      |                         |                                       |                 |  |
| Subtotal General Appropriations   | 11,318,239.23    | 11,599,617.07                        | 10,318,491.92           | 546,457.01                            | 734,539.12      | 129.02                                     |
| Reserve for Uncollected Taxes   | 652,152.06       | 652,152.06                           | 652,152.06              |                                       |                 |  |
|   |                  |                                      |                         |                                       |                 |  |
| Total General Appropriations (Carried Forward)                              | \$ 11,970,391.29 | \$ 12,251,769.13                     | \$ 10,970,643.98        | \$ 546,457.01                         | 734,539.12      | \$ 129.02                                  |
|   |                  |                                      |                         |                                       |                 |  |
| Appropriation by N.J.S.A. 40A:4-87<br>Budget                                |                  | \$ 281,377.84<br>11,970,391.29       |                         |                                       |                 |  |
|   |                  | <u>\$ 12,251,769.13</u>              |                         |                                       |                 |  |
|   |                  |                                      |                         |                                       |                 |  |
| Reserve for Federal and State Grants -- Appropriated                        |                  |                                      | \$ 1,090,650.07         |                                       |                 |  |
| Reserve for Uncollected Taxes   |                  |                                      | 652,152.06              |                                       |                 |  |
| Disbursements   |                  |                                      | 9,227,841.85            |                                       |                 |  |
|   |                  |                                      |                         |                                       |                 |  |
|   |                  |                                      | <u>\$ 10,970,643.98</u> |                                       |                 |  |

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

**CITY OF ABSECON**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis  
 As of December 31, 2022 and 2021

| ASSETS:   | Ref. | 2022                          | 2021                          |
|---|------|-------------------------------|-------------------------------|
| Animal Control Fund:                            |      |                               |                               |
| Cash  | SB-1 | \$ 1,880.59                   | \$ 1,298.87                   |
| Total Animal Control Fund                       |      | <u>1,880.59</u>               | <u>1,298.87</u>               |
| Other Funds:                                    |      |                               |                               |
| Cash  | SB-1 | 789,398.73                    | 889,865.00                    |
| Small Cities Revolving Loan Receivable          | SB-5 | <u>129,608.20</u>             | <u>87,218.20</u>              |
| Total Other Funds                               |      | <u>919,006.93</u>             | <u>977,083.20</u>             |
| Length of Service Awards Program:               |      |                               |                               |
| Investments - Length of Service Awards Program  | SB-2 | <u>550,026.05</u>             | <u>653,150.69</u>             |
| Total Length of Service Awards Program          |      | <u>550,026.05</u>             | <u>653,150.69</u>             |
| Total Assets                                    |      | <u><u>\$ 1,470,913.57</u></u> | <u><u>\$ 1,631,532.76</u></u> |
| LIABILITIES AND RESERVES:                       |      |                               |                               |
| Animal Control Fund:                            |      |                               |                               |
| Reserve for Dog License Fund Expenditures       | SB-3 | \$ 1,853.59                   | \$ 1,276.67                   |
| Due to State of New Jersey -- Registration Fees | SB-4 | <u>27.00</u>                  | <u>22.20</u>                  |
| Total Animal Control Fund                       |      | <u>1,880.59</u>               | <u>1,298.87</u>               |
| Other Funds:                                    |      |                               |                               |
| Reserve for Payroll Deductions Payable          | SB-6 | 33,259.01                     | 30,186.75                     |
| Reserve for Small Cities Revolving Loan Fund    | SB-5 | 129,608.20                    | 87,218.20                     |
| Miscellaneous Trust Reserves:                   |      |                               |                               |
| Recreation Trust                                | SB-7 | 121,770.58                    | 118,653.97                    |
| Tax Title Lien Redemption                       | SB-7 | 3,657.60                      |                               |
| Premiums Received at Tax Sale                   | SB-7 | 226,200.00                    | 146,900.00                    |
| Uniform Fire Safety Act Penalty Monies          | SB-7 | 3,526.18                      | 3,526.18                      |
| Planning and Zoning                             | SB-7 | 48,311.51                     | 37,205.74                     |
| Parking Offense Adjudication Act                | SB-7 | 184.26                        | 84.26                         |
| Disposal of Forfeited Property                  | SB-7 | 43,770.05                     | 42,942.98                     |
| Accumulated Absences                            | SB-7 | 245,203.38                    | 282,094.30                    |
| Small Cities Grant                              | SB-7 | 32,424.41                     | 32,331.85                     |
| Performance Bond                                | SB-7 | 28,591.75                     | 193,178.97                    |
| Security Deposits                               | SB-7 | <u>2,500.00</u>               | <u>2,760.00</u>               |
| Total Other Funds                               |      | <u>919,006.93</u>             | <u>977,083.20</u>             |
| Length of Service Awards Program:               |      |                               |                               |
| Reserve for Length of Service Awards Program    | SB-7 | <u>550,026.05</u>             | <u>653,150.69</u>             |
| Total Length of Service Awards Program          |      | <u>550,026.05</u>             | <u>653,150.69</u>             |
| Total Liabilities and Reserves                  |      | <u><u>\$ 1,470,913.57</u></u> | <u><u>\$ 1,631,532.76</u></u> |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF ABSECON**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2022 and 2021

| ASSETS:  | <u>Ref.</u> | <u>2022</u>             | <u>2021</u>             |
|--|-------------|-------------------------|-------------------------|
| Cash   | SC-1, SC-2  | \$ 1,624,905.21         | \$ 821,347.43           |
| Due from NJ Department of Transportation           | SC-4        | 270,000.00              |                         |
| Due from Community Development Block Grant Program | SC-4        | 50,000.00               |                         |
| Deferred Charges to Future Taxation:               |             |                         |                         |
| Funded   | SC-6        | 10,915,000.00           | 11,185,000.00           |
| Unfunded   | SC-3        | <u>4,254,000.00</u>     | <u>2,890,750.00</u>     |
| Total Assets                                       |             | <u>\$ 17,113,905.21</u> | <u>\$ 14,897,097.43</u> |
|  |             |                         |                         |
| LIABILITIES, RESERVES<br>AND FUND BALANCE:         |             |                         |                         |
| Improvement Authorizations:                        |             |                         |                         |
| Funded   | SC-4        | \$ 20,720.28            | \$ 30,119.18            |
| Unfunded   | SC-4        | 1,542,852.82            | 273,378.54              |
| Contracts Payable                                  | SC-4        | 327,132.44              | 481,692.04              |
| Capital Improvement Fund                           | SC-5        | 14,350.00               | 14,350.00               |
| General Serial Bonds                               | SC-8        | 10,915,000.00           | 11,185,000.00           |
| Bond Anticipation Notes                            | SC-7        | 4,254,000.00            | 2,890,750.00            |
| Fund Balance                                       | C-1         | <u>39,849.67</u>        | <u>21,807.67</u>        |
| Total Liabilities and Reserves                     |             | <u>\$ 17,113,905.21</u> | <u>\$ 14,897,097.43</u> |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF ABSECON**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2022

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|                                    |                            |
|------------------------------------|----------------------------|
| Balance Dec. 31, 2021              | \$ 21,807.67               |
| Increased by:                      |                            |
| Premium Collected on Sale of Notes | <u>18,042.00</u>           |
| Balance Dec. 31, 2022              | <u><u>\$ 39,849.67</u></u> |

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

**CITY OF ABSECON**  
**SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2022 and 2021

| ASSETS:                                      | <u>Ref.</u> | <u>2022</u>                   | <u>2021</u>                   |
|--|-------------|-------------------------------|-------------------------------|
| Operating Fund:                              |             |                               |                               |
| Cash   | SD-1        | <u>\$ 1,317,891.84</u>        | <u>\$ 1,636,893.03</u>        |
| Receivables with Full Reserves:              |             |                               |                               |
| Sewer Consumer Accounts Receivable           | SD-4        | <u>51,107.84</u>              | <u>41,948.33</u>              |
| Total Operating Fund                         |             | <u>1,368,999.68</u>           | <u>1,678,841.36</u>           |
| Capital Fund:                                |             |                               |                               |
| Cash   | SD-1        | <u>29,917.40</u>              | <u>29,917.40</u>              |
| Fixed Capital                                | SD-5        | <u>3,959,307.36</u>           | <u>3,949,307.36</u>           |
| Total Capital Fund                           |             | <u>3,989,224.76</u>           | <u>3,979,224.76</u>           |
| Total Assets                                 |             | <u><u>\$ 5,358,224.44</u></u> | <u><u>\$ 5,658,066.12</u></u> |
|  |             |                               |                               |
| LIABILITIES, RESERVES<br>AND FUND BALANCE:   | <u>Ref.</u> | <u>2022</u>                   | <u>2021</u>                   |
| Operating Fund:                              |             |                               |                               |
| Appropriation Reserves                       | D-3, SD-6   | <u>\$ 65,642.98</u>           | <u>\$ 42,410.54</u>           |
| Reserve for Encumbrances                     | D-3, SD-6   | <u>6,715.62</u>               | <u>23,975.63</u>              |
| Sewer Rent Overpayments                      | SD-7        | <u>1,459.50</u>               | <u>9,719.49</u>               |
| Prepaid Sewer Rents                          | SD-9        | <u>415,173.26</u>             | <u>416,212.96</u>             |
|  |             | <u>488,991.36</u>             | <u>492,318.62</u>             |
| Reserve for Receivables                      |             | <u>51,107.84</u>              | <u>41,948.33</u>              |
| Fund Balance                                 | D-1         | <u>828,900.48</u>             | <u>1,144,574.41</u>           |
| Total Operating Fund                         |             | <u>1,368,999.68</u>           | <u>1,678,841.36</u>           |
| Capital Fund:                                |             |                               |                               |
| Capital Improvement Fund                     | D           | <u>27,814.11</u>              | <u>27,814.11</u>              |
| Reserve for Amortization                     | SD-8        | <u>3,959,307.36</u>           | <u>3,949,307.36</u>           |
| Fund Balance                                 | D           | <u>2,103.29</u>               | <u>2,103.29</u>               |
| Total Capital Fund                           |             | <u>3,989,224.76</u>           | <u>3,979,224.76</u>           |
| Total Liabilities, Reserves and Fund Balance |             | <u><u>\$ 5,358,224.44</u></u> | <u><u>\$ 5,658,066.12</u></u> |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF ABSECON**  
**SEWER UTILITY OPERATING FUND**  
**Statements of Operations and Changes in Fund Balance -- Regulatory Basis**  
**For the Years Ended December 31, 2022 and 2021**

|  | <u>2022</u>                 | <u>2021</u>                   |
|--|-----------------------------|-------------------------------|
| <u>Revenue and Other Income Realized</u>     |                             |                               |
| Fund Balance Anticipated                     | \$ 365,000.00               | \$ 204,000.00                 |
| Sewer Rents                                  | 1,819,559.83                | 1,836,281.07                  |
| Miscellaneous                                | 22,634.03                   | 29,622.98                     |
| Other Credits to Income:                     |                             |                               |
| Unexpended Balance of Appropriation Reserves | <u>42,132.21</u>            | <u>29,837.07</u>              |
| Total Income                                 | <u>2,249,326.07</u>         | <u>2,099,741.12</u>           |
| <u>Expenditures</u>                          |                             |                               |
| Operating                                    | 2,114,000.00                | 1,889,000.00                  |
| Capital Improvements                         | 10,000.00                   | 10,000.00                     |
| Deferred Charges and Statutory Expenditures  | <u>76,000.00</u>            | <u>75,000.00</u>              |
| Total Expenditures                           | <u>2,200,000.00</u>         | <u>1,974,000.00</u>           |
| Regulatory Excess to Surplus                 | <u>49,326.07</u>            | <u>125,741.12</u>             |
| <u>Fund Balance</u>                          |                             |                               |
| Balance January 1                            | <u>1,144,574.41</u>         | <u>1,222,833.29</u>           |
|  | 1,193,900.48                | 1,348,574.41                  |
| Decreased by:                                |                             |                               |
| Utilized as Revenue                          | <u>365,000.00</u>           | <u>204,000.00</u>             |
| Balance December 31                          | <u><u>\$ 828,900.48</u></u> | <u><u>\$ 1,144,574.41</u></u> |

The accompanying Notes to Financial Statements are an integral part of these statements.

**CITY OF ABSECON**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Revenues -- Regulatory Basis**  
**For the Year Ended December 31, 2022**

|   | <u>Anticipated<br/>Budget</u> | <u>Realized</u>        | <u>Excess or<br/>(Deficit)</u> |
|---|-------------------------------|------------------------|--------------------------------|
| Surplus Anticipated                       | \$ 365,000.00                 | \$ 365,000.00          |                                |
| Sewer Rents                               | 1,835,000.00                  | 1,819,559.83           | \$ (15,440.17)                 |
| Miscellaneous                             |                               | 22,634.03              | 22,634.03                      |
|   | <u>\$ 2,200,000.00</u>        | <u>\$ 2,207,193.86</u> | <u>\$ 7,193.86</u>             |
| <br><u>Analysis of Realized Revenues:</u> |                               |                        |                                |
| Rents:                                    |                               |                        |                                |
| Consumer Accounts Receivable              |                               |                        | <u>\$ 1,819,559.83</u>         |
| Miscellaneous:                            |                               |                        |                                |
| Interest and Costs on Delinquent Rents:   |                               |                        |                                |
| Collector                                 |                               |                        | \$ 17,109.68                   |
| Treasurer:                                |                               |                        |                                |
| Receipts:                                 |                               |                        |                                |
| Interest Earned on Deposits               |                               | \$ 3,764.35            |                                |
| Miscellaneous                             |                               | <u>1,760.00</u>        |                                |
|   |                               |                        | <u>5,524.35</u>                |
|   |                               |                        | <u>\$ 22,634.03</u>            |

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

**CITY OF ABSECON**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Expenditures -- Regulatory Basis**  
**For the Year Ended December 31, 2022**

|   | <u>Appropriations</u>      |                                      | <u>Expended</u>            |                     |                 | <u>Unexpended<br/>Balance<br/>Cancelled</u> |
|---|----------------------------|--------------------------------------|----------------------------|---------------------|-----------------|---|
|   | <u>Original<br/>Budget</u> | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbrances</u> | <u>Reserved</u> |   |
| Sewer Operating:                                  |                            |                                      |                            |                     |                 |   |
| Salaries and Wages                                | \$ 385,000.00              | \$ 385,000.00                        | \$ 374,373.04              |                     | \$ 10,626.96    |   |
| Other Expenses                                    | 1,729,000.00               | 1,729,000.00                         | 1,668,628.86               | \$ 6,715.62         | 53,655.52       |   |
| Total Operating                                   | 2,114,000.00               | 2,114,000.00                         | 2,043,001.90               | 6,715.62            | 64,282.48       |   |
| Capital Improvements:                             |                            |                                      |                            |                     |                 |   |
| Capital Outlay                                    | 10,000.00                  | 10,000.00                            | 10,000.00                  |                     |                 |   |
| Total Capital Improvements                        | 10,000.00                  | 10,000.00                            | 10,000.00                  |                     |                 |   |
| Deferred Charges and Statutory Expenditures:      |                            |                                      |                            |                     |                 |   |
| Contribution to:                                  |                            |                                      |                            |                     |                 |   |
| Public Employees Retirement System                | 46,000.00                  | 46,000.00                            | 46,000.00                  |                     |                 |   |
| Social Security System (O.A.S.I.)                 | 30,000.00                  | 30,000.00                            | 28,639.50                  |                     | 1,360.50        |   |
| Total Deferred Charges and Statutory Expenditures | 76,000.00                  | 76,000.00                            | 74,639.50                  |                     | 1,360.50        |   |
|   | \$ 2,200,000.00            | \$ 2,200,000.00                      | \$ 2,127,641.40            | \$ 6,715.62         | \$ 65,642.98    | \$ -  |

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

**CITY OF ABSECON**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
Statement of Changes in General Fixed Assets -- Regulatory Basis  
For the Year Ended December 31, 2022

|  | Balance<br><u>Dec. 31, 2021</u> | <u>Additions</u>     | <u>Deletions</u>     | Balance<br><u>Dec. 31, 2022</u> |
|--|---------------------------------|----------------------|----------------------|---------------------------------|
| General Fixed Assets:                    |                                 |                      |                      |                                 |
| Land and Land Improvements               | \$ 30,172,089.50                | \$ 6,500.00          | \$ 343,800.00        | \$ 29,834,789.50                |
| Building and Building Improvements       | 12,289,475.69                   |                      | 115,900.00           | 12,173,575.69                   |
| Machinery, Vehicles and Equipment        | <u>4,452,669.31</u>             | <u>146,135.85</u>    | <u>505,309.09</u>    | <u>4,093,496.07</u>             |
| Total General Fixed Assets               | <u>\$ 46,914,234.50</u>         | <u>\$ 152,635.85</u> | <u>\$ 965,009.09</u> | <u>\$ 46,101,861.26</u>         |
| Total Investment in General Fixed Assets | <u>\$ 46,914,234.50</u>         | <u>\$ 152,635.85</u> | <u>\$ 965,009.09</u> | <u>\$ 46,101,861.26</u>         |

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

**CITY OF ABSECON**  
Notes to Financial Statements  
For the Year Ended December 31, 2022

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

**Description of Financial Reporting Entity** - The City of Absecon (hereafter referred to as the "City") was incorporated as a City in 1902. The City has a total area of approximately six square miles and is located in eastern Atlantic County, New Jersey. The City borders Atlantic City, the City of Pleasantville, Galloway Township, and Egg Harbor City. According to the 2020 census, the population is 8,789.

The City is governed under the Mayor-Council form of government, where the seven-member council is elected from wards and is the legislative body of the City. The Mayor is chosen through a separate election and is the Chief Executive Officer of the City. The City employs an administrator who is responsible for the day-to-day operations.

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

In accordance with the *Requirements*, the City accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

**Current Fund** - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

**General Capital Fund** - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

**Sewer Utility Operating and Capital Funds** - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

**General Fixed Asset Group of Accounts** - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the City's length of service awards program, however, are stated at fair value.

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

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

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The City has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The City is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the City's basic financial statements.

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

**Utility Fixed Assets** - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

**Foreclosed Property** - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

**Fund Balance** - Fund balances included in the current fund and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budgets of the County of Atlantic and the City of Absecon School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The City is responsible for levying, collecting, and remitting school taxes for the City of Absecon School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2021 and decreased by the amount deferred at December 31, 2022.

**County Taxes** - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Atlantic. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

**Reserve for Uncollected Taxes** - The inclusion of the "reserve for uncollected taxes" appropriation in the City's annual budget protects the City from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediately preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be 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 year. Lapsed appropriation reserves are recorded as income.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Long-Term Debt** - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e., assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

The City implemented the following GASB Statement for the year ended December 31, 2022:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to measure and disclose a lease liability and a lessor is required to measure and disclose a lease receivable; thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the City.

Because of the implementation of GASB Statement No. 87, the City has determined that a lease agreement in which they are the lessor is now disclosed in accordance with the Statement (note 6).

**Recently Issued Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Statement will become effective for the City's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the City, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the City.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the City in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the City, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the City.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. Although the City does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected 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 agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2022, the City's bank balances of \$11,987,704.67 were exposed to custodial credit risk as follows:

|                                |                         |
|--------------------------------|-------------------------|
| Insured by FDIC and GUDPA      | \$ 11,865,251.96        |
| Uninsured and Uncollateralized | <u>122,452.71</u>       |
| Total                          | <u>\$ 11,987,704.67</u> |

**Note 3: PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

**Comparative Schedule of Tax Rates**

|                            | <u>Year Ended</u> |                 |                 |                 |                 |
|----------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|
|                            | <u>2022</u>       | <u>2021</u>     | <u>2020</u>     | <u>2019</u>     | <u>2018</u>     |
| Tax Rate                   | <u>\$ 3.306</u>   | <u>\$ 3.296</u> | <u>\$ 3.302</u> | <u>\$ 3.278</u> | <u>\$ 3.292</u> |
| Apportionment of Tax Rate: |                   |                 |                 |                 |                 |
| Municipal                  | \$ 1.019          | \$ 1.018        | \$ 1.004        | \$ .987         | \$ .994         |
| Municipal Library          |                   | .033            | .034            | .035            | .034            |
| County                     | .562              | .511            | .525            | .536            | .535            |
| Local School               | 1.725             | 1.734           | 1.739           | 1.720           | 1.729           |

**Assessed Valuation**

| <u>Year</u> | <u>Amount</u>     |
|-------------|-------------------|
| 2022        | \$ 720,397,500.00 |
| 2021        | 716,356,000.00    |
| 2020        | 710,099,400.00    |
| 2019        | 707,814,800.00    |
| 2018        | 704,301,400.00    |

**Comparison of Tax Levies and Collections**

| <u>Year</u> | <u>Tax Levy</u>  | <u>Collections</u> | <u>Percentage of Collections</u> |
|-------------|------------------|--------------------|----------------------------------|
| 2022        | \$ 23,894,845.40 | \$ 23,691,315.29   | 99.15%                           |
| 2021        | 23,769,283.36    | 23,574,594.49      | 99.18%                           |
| 2020        | 23,657,812.89    | 23,350,835.30      | 98.70%                           |
| 2019        | 23,328,263.82    | 22,956,365.58      | 98.41%                           |
| 2018        | 23,349,137.36    | 22,950,991.61      | 98.29%                           |

**Note 3: PROPERTY TAXES (CONT'D)**

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

**Delinquent Taxes and Tax Title Liens**

| <u>Year</u> | <u>Tax Title Liens</u> | <u>Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage of Tax Levy</u> |
|-------------|------------------------|-------------------------|-------------------------|-------------------------------|
| 2022        | \$ 150,246.73          | \$ 172,102.56           | \$ 322,349.29           | 1.35%                         |
| 2021        | 135,991.69             | 148,186.06              | 284,177.75              | 1.20%                         |
| 2020        | 131,882.55             | 207,499.06              | 339,381.61              | 1.43%                         |
| 2019        | 108,405.62             | 249,804.34              | 358,209.96              | 1.54%                         |
| 2018        | 101,088.09             | 227,946.00              | 329,034.09              | 1.41%                         |

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

| <u>Year</u> | <u>Number</u> |
|-------------|---------------|
| 2022        | 34            |
| 2021        | 35            |
| 2020        | 37            |
| 2019        | 36            |
| 2018        | 38            |

**Note 4: 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 four years was as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2022        | \$ 416,200.00 |
| 2021        | 416,200.00    |
| 2020        | 416,200.00    |
| 2019        | 416,200.00    |
| 2018        | 416,200.00    |

**Note 5: SEWER UTILITY SERVICE CHARGES**

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

| <u>Year</u> | <u>Balance Beginning of Year Receivable</u> | <u>Liens</u> | <u>Levy</u>     | <u>Total</u>    | <u>Cash Collections</u> |
|-------------|---|--------------|-----------------|-----------------|-------------------------|
| 2022        | \$ 41,948.33                                | -            | \$ 1,828,719.34 | \$ 1,870,667.67 | \$ 1,819,559.83         |
| 2021        | 62,922.19                                   | -            | 1,815,307.21    | 1,878,229.40    | 1,836,281.07            |
| 2020        | 49,291.70                                   | -            | 1,786,785.00    | 1,836,076.70    | 1,773,154.51            |
| 2019        | 67,596.00                                   | -            | 1,726,354.88    | 1,793,950.88    | 1,744,659.18            |
| 2018        | 79,921.78                                   | -            | 1,717,455.64    | 1,797,377.42    | 1,729,781.42            |

**Note 6: LEASES RECEIVABLE**

The City, as lessor, has entered into the following lease which meets the requirements of GASB 87:

**Library Building** - On October 1, 2021, the City entered into a ten-year lease agreement with the County of Atlantic for the lease of the former City Library Building with an incremental borrowing rate of 1.00%. Based on this agreement, the City is receiving payments of \$15,625.00 on a semi-annual basis through October 1, 2031.

Under the provisions of GASB 87, as of December 31, 2022, the balance of the lease's receivable is \$254,041.11. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

The following is a summary of the lease as of December 31, 2022:

| <u>Lease Description</u> | <u>Lease<br/>Receivable</u> | <u>Lease<br/>Revenue</u> | <u>Lease<br/>Interest<br/>Revenue</u> |
|--------------------------|-----------------------------|--------------------------|---------------------------------------|
| Library Building Lease   | \$ 254,041.11               | \$ 29,816.18             | \$ 2,754.30                           |

Under the provisions of GASB 87, for the year ended December 31, 2022, the City would have recognized \$28,495.70 in a reduction of lease receivable and \$2,754.30 in interest revenue related to the lease. In addition, \$29,816.18 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to the lease.

As a result of the regulatory basis of accounting previously described in note 1, the rental payments collected of \$31,250.00 were reported as revenue in the current fund.

The following schedule represents the remaining principal and interest payments on the lease agreement:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>  |
|-------------|------------------|-----------------|---------------|
| 2023        | \$ 28,781.36     | \$ 2,468.64     | \$ 31,250.00  |
| 2024        | 29,069.89        | 2,180.11        | 31,250.00     |
| 2025        | 29,361.32        | 1,888.68        | 31,250.00     |
| 2026        | 29,655.67        | 1,594.33        | 31,250.00     |
| 2027        | 29,952.97        | 1,297.03        | 31,250.00     |
| 2028-2031   | 107,219.90       | 2,155.10        | 109,375.00    |
| Total       | \$ 254,041.11    | \$ 11,583.89    | \$ 265,625.00 |

**Note 7: FUND BALANCES APPROPRIATED**

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

**Current Fund**

| <u>Year</u> | <u>Balance<br/>December 31,</u> | <u>Utilized in<br/>Budget of<br/>Succeeding Year</u> | <u>Percentage<br/>of Fund<br/>Balance Used</u> |
|-------------|---------------------------------|--|--|
| 2022        | \$ 3,384,149.82                 | \$ 1,780,000.00                                      | 52.60%   |
| 2021        | 3,261,806.15                    | 1,634,600.00   | 50.11%   |
| 2020        | 2,972,934.93                    | 1,512,360.00   | 50.87%   |
| 2019        | 2,348,225.34                    | 1,220,000.00   | 51.95%   |
| 2018        | 2,124,068.63                    | 790,000.00   | 37.19%   |

**Sewer Utility Fund**

| <u>Year</u> | <u>Balance<br/>December 31,</u> | <u>Utilized in<br/>Budget of<br/>Succeeding Year</u> | <u>Percentage<br/>of Fund<br/>Balance Used</u> |
|-------------|---------------------------------|--|--|
| 2022        | \$ 828,900.48                   | \$ 419,000.00  | 50.55%   |
| 2021        | 1,144,574.41                    | 365,000.00   | 31.89%   |
| 2020        | 1,222,833.29                    | 204,000.00   | 16.68%   |
| 2019        | 1,300,542.52                    | 181,000.00   | 13.92%   |
| 2018        | 1,058,618.15                    | -  | -  |

**Note 8: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2022:

| <u>Fund</u>             | <u>Interfunds<br/>Receivable</u> | <u>Interfunds<br/>Payable</u> |
|-------------------------|----------------------------------|-------------------------------|
| Current                 |                                  | \$ 449,982.95                 |
| Federal and State Grant | \$ 449,982.95                    |                               |
| Totals                  | <u>\$ 449,982.95</u>             | <u>\$ 449,982.95</u>          |

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2023, the City expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 9: PENSION PLANS**

In May of 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2022 was not available for both plans; therefore, the information from the measurement period June 30, 2021 is disclosed below.

A substantial number of the City's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several City employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower (formerly Prudential Financial) for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

**General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the City, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the City. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

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

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The City's contractually required contribution rate for the year ended December 31, 2021 was 17.57% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the City's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$226,282.00, and is payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2020, the City's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$196,114.00, which was paid on April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 were \$97,068.69.

**Police and Firemen's Retirement System** - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. 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.

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

The City's contractually required contribution rate for the year ended December 31, 2021 was 32.78% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2021, the City's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$750,635.00, and is payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2020, the City's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$702,114.00, which was paid on April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 were \$230,218.24.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2021 was 5.02% of the City's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2021 the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2021 was \$115,015.00, and is payable by April 1, 2022. For the prior year measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2020 was \$96,979.00, which was paid on April 1, 2021.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the City contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2022, employee contributions totaled \$21,061.86, and the City's contributions were \$6,825.62. There were no forfeitures during the year.

**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Public Employees' Retirement System**

**Pension Liability** - As of December 31, 2021, the City's proportionate share of the PERS net pension liability was \$2,288,970.00. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. 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. For the June 30, 2021 measurement date, the City's proportion was .0193219080%, which was an increase of .0013947561% from its proportion measured as of June 30, 2020.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

**Pension (Benefit) Expense** - For the year ended December 31, 2021, the City's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$292,838.00). This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the City's contribution to PERS was \$196,114.00, and was paid on April 1, 2021.

**Police and Firemen's Retirement System**

**Pension Liability** - As of December 31, 2021, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

|   |                        |
|---|------------------------|
| City's Proportionate Share of Net Pension Liability   | \$ 4,707,570.00        |
| State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City | <u>1,324,003.00</u>    |
|   | <u>\$ 6,031,573.00</u> |

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

**Pension Liability (Cont'd)** - The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. 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 and the State of New Jersey, actuarially determined. For the June 30, 2021 measurement date, the City's proportion was .0644065194%, which was an increase of .0015590151% from its proportion measured as of June 30, 2020. Likewise, at June 30, 2021, the State of New Jersey's proportion, on-behalf of the City, was .0644063905%, which was an increase of .0015588862% from its proportion, on-behalf of the City, measured as of June 30, 2020.

**Pension (Benefit) Expense** - For the year ended December 31, 2021, the City's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$494,912.00). This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the City's contribution to PFRS was \$702,114.00, and was paid on April 1, 2021.

For the year ended December 31, 2021, the State's proportionate share of the PFRS pension (benefit) expense, associated with the City, calculated by the Plan as of the June 30, 2021 measurement date, was \$1,324,003.00. This on-behalf (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - As of December 31, 2021, the City had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows of Resources |                        |                        | Deferred Inflows of Resources |                        |                        |
|---|--------------------------------|------------------------|------------------------|-------------------------------|------------------------|------------------------|
|   | PERS                           | PFRS                   | Total                  | PERS                          | PFRS                   | Total                  |
| Differences between Expected and Actual Experience  | \$ 36,100.00                   | \$ 53,708.00           | \$ 89,808.00           | \$ 16,386.00                  | \$ 563,918.00          | \$ 580,304.00          |
| Changes of Assumptions  | 11,921.00                      | 25,049.00              | 36,970.00              | 814,888.00                    | 1,410,837.00           | 2,225,725.00           |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments                          | -                              | -                      | -                      | 602,975.00                    | 2,006,049.00           | 2,609,024.00           |
| Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions | 383,154.00                     | 743,570.00             | 1,126,724.00           | 63,263.00                     | 26,892.00              | 90,155.00              |
| City Contributions Subsequent to the Measurement Date   | 113,141.00                     | 375,318.00             | 488,459.00             | -                             | -                      | -                      |
|   | <u>\$ 544,316.00</u>           | <u>\$ 1,197,645.00</u> | <u>\$ 1,741,961.00</u> | <u>\$ 1,497,512.00</u>        | <u>\$ 4,007,696.00</u> | <u>\$ 5,505,208.00</u> |

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Deferred outflows of resources in the amounts of \$113,141.00 and \$375,318.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2022. These amounts were based on an estimated April 1, 2023 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2021 to the City's year end of December 31, 2021.

The City will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

|  | <b>PERS</b>                                  |   | <b>PFRS</b>                                  |   |
|--|--|---|--|---|
|  | <b><u>Deferred Outflows of Resources</u></b> | <b><u>Deferred Inflows of Resources</u></b> | <b><u>Deferred Outflows of Resources</u></b> | <b><u>Deferred Inflows of Resources</u></b> |
| Differences between Expected and Actual Experience                           |  |   |  |   |
| Year of Pension Plan Deferral:   |  |   |  |   |
| June 30, 2016  | 5.57   | -   | -  | 5.58  |
| June 30, 2017  | 5.48   | -   | 5.59   | -   |
| June 30, 2018  | -  | 5.63  | 5.73   | -   |
| June 30, 2019  | 5.21   | -   | -  | 5.92  |
| June 30, 2020  | 5.16   | -   | 5.90   | -   |
| June 30, 2021  | -  | 5.13  | -  | 6.17  |
| Changes of Assumptions   |  |   |  |   |
| Year of Pension Plan Deferral:   |  |   |  |   |
| June 30, 2016  | 5.57   | -   | 5.58   | -   |
| June 30, 2017  | -  | 5.48  | -  | 5.59  |
| June 30, 2018  | -  | 5.63  | -  | 5.73  |
| June 30, 2019  | -  | 5.21  | -  | 5.92  |
| June 30, 2020  | -  | 5.16  | -  | 5.90  |
| June 30, 2021  | 5.13   | -   | 6.17   | -   |
| Difference between Projected and Actual Earnings on Pension Plan Investments |  |   |  |   |
| Year of Pension Plan Deferral:   |  |   |  |   |
| June 30, 2017  | -  | 5.00  | -  | 5.00  |
| June 30, 2018  | -  | 5.00  | -  | 5.00  |
| June 30, 2019  | -  | 5.00  | -  | 5.00  |
| June 30, 2020  | -  | 5.00  | -  | 5.00  |
| June 30, 2021  | -  | 5.00  | -  | 5.00  |
| Changes in Proportion  |  |   |  |   |
| Year of Pension Plan Deferral:   |  |   |  |   |
| June 30, 2016  | 5.57   | 5.57  | 5.58   | 5.58  |
| June 30, 2017  | 5.48   | 5.48  | 5.59   | 5.59  |
| June 30, 2018  | 5.63   | 5.63  | 5.73   | 5.73  |
| June 30, 2019  | 5.21   | 5.21  | 5.92   | 5.92  |
| June 30, 2020  | 5.16   | 5.16  | 5.90   | 5.90  |
| June 30, 2021  | 5.13   | 5.13  | 6.17   | 6.17  |

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

| <b><u>Year Ending<br/>Dec 31,</u></b> | <b><u>PERS</u></b>       | <b><u>PFRS</u></b>       | <b><u>Total</u></b>      |
|---------------------------------------|--------------------------|--------------------------|--------------------------|
| 2022                                  | \$ (455,186.00)          | \$ (1,021,905.00)        | \$ (1,477,091.00)        |
| 2023                                  | (301,066.00)             | (710,955.00)             | (1,012,021.00)           |
| 2024                                  | (183,503.00)             | (658,368.00)             | (841,871.00)             |
| 2025                                  | (134,366.00)             | (722,907.00)             | (857,273.00)             |
| 2026                                  | 7,784.00                 | (60,885.00)              | (53,101.00)              |
| Thereafter                            | -                        | (10,349.00)              | (10,349.00)              |
|                                       | <u>\$ (1,066,337.00)</u> | <u>\$ (3,185,369.00)</u> | <u>\$ (4,251,706.00)</u> |

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

|   | <b><u>PERS</u></b>           | <b><u>PFRS</u></b>           |
|---|------------------------------|------------------------------|
| Inflation Rate:                                   |                              |                              |
| Price   | 2.75%                        | 2.75%                        |
| Wage  | 3.25%                        | 3.25%                        |
| Salary Increases: <sup>(1)</sup>                  |                              |                              |
| Through 2026                                      | 2.00% - 6.00%                |                              |
| Thereafter  | 3.00% - 7.00%                |                              |
| Through All Future Years                          |                              | 3.25% - 15.25%               |
| Investment Rate of Return                         | 7.00%                        | 7.00%                        |
| Period of Actuarial Experience                    |                              |                              |
| Study upon which Actuarial Assumptions were Based | July 1, 2014 - June 30, 2018 | July 1, 2013 - June 30, 2018 |

<sup>(1)</sup> based on years of service

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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

**Police and Firemen's Retirement System**

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

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

| <u>Asset Class</u>              | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|--------------------------|---|
| U.S. Equity                     | 27.00%                   | 8.09%   |
| Non-US Developed Markets Equity | 13.50%                   | 8.71%   |
| Emerging Market Equity          | 5.50%                    | 10.96%  |
| Private Equity                  | 13.00%                   | 11.30%  |
| Real Estate                     | 8.00%                    | 9.15%   |
| Real Assets                     | 3.00%                    | 7.40%   |
| High Yield                      | 2.00%                    | 3.75%   |
| Private Credit                  | 8.00%                    | 7.60%   |
| Investment Grade Credit         | 8.00%                    | 1.68%   |
| Cash Equivalents                | 4.00%                    | 0.50%   |
| U.S. Treasuries                 | 5.00%                    | 0.95%   |
| Risk Mitigation Strategies      | 3.00%                    | 3.35%   |
|                                 | <u>100.00%</u>           |   |

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Discount Rate -**

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make 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.

**Police and Firemen's Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.16% as of June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the City's proportionate share of the net pension liability as of the June 30, 2021 measurement date, calculated using a discount rate of 7.00%, 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% lower or 1% higher than the current rates used:

|  | <b>1%<br/>Decrease<br/>(6.00%)</b> | <b>Current<br/>Discount Rate<br/>(7.00%)</b> | <b>1%<br/>Increase<br/>(8.00%)</b> |
|--|------------------------------------|--|------------------------------------|
| City's Proportionate Share<br>of the Net Pension Liability | <u>\$ 3,117,113.00</u>             | <u>\$ 2,288,970.00</u>                       | <u>\$ 1,586,173.00</u>             |

**Note 9: PENSION PLANS (CONT'D)****Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the City's annual required contribution. As such, the net pension liability as of the June 30, 2021 measurement date, for the City and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

|   | <b>1%<br/>Decrease<br/>(6.00%)</b> | <b>Current<br/>Discount Rate<br/>(7.00%)</b> | <b>1%<br/>Increase<br/>(8.00%)</b> |
|---|------------------------------------|--|------------------------------------|
| City's Proportionate Share<br>of the Net Pension Liability  | \$ 7,148,298.00                    | \$ 4,707,570.00                              | \$ 2,675,928.00                    |
| State of New Jersey's Proportionate<br>Share of Net Pension Liability<br>associated with the City | 2,010,458.00                       | 1,324,003.00                                 | 752,604.00                         |
|   | <u>\$ 9,158,756.00</u>             | <u>\$ 6,031,573.00</u>                       | <u>\$ 3,428,532.00</u>             |

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Nine Plan Years)***

|  | <b>Measurement Date Ended June 30,</b> |                    |                    |                    |                    |
|--|--|--------------------|--------------------|--------------------|--------------------|
|  | <b><u>2021</u></b>                     | <b><u>2020</u></b> | <b><u>2019</u></b> | <b><u>2018</u></b> | <b><u>2017</u></b> |
| City's Proportion of the Net Pension Liability   | 0.0193219080%                          | 0.0179271519%      | 0.0173566420%      | 0.0178778653%      | 0.0169651504%      |
| City's Proportionate Share of the Net Pension Liability                                    | \$ 2,288,970.00                        | \$ 2,923,450.00    | \$ 3,127,404.00    | \$ 3,520,063.00    | \$ 3,949,216.00    |
| City's Covered Payroll (Plan Measurement Period)   | \$ 1,398,704.00                        | \$ 1,280,408.00    | \$ 1,221,084.00    | \$ 1,225,468.00    | \$ 1,212,368.00    |
| City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 163.65%                                | 228.32%            | 256.12%            | 287.24%            | 325.74%            |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                 | 70.33%                                 | 58.32%             | 56.27%             | 53.60%             | 48.10%             |
|  | <b>Measurement Date Ended June 30,</b> |                    |                    |                    |                    |
|  | <b><u>2016</u></b>                     | <b><u>2015</u></b> | <b><u>2014</u></b> | <b><u>2013</u></b> |                    |
| City's Proportion of the Net Pension Liability   | 0.0176553942%                          | 0.0201589611%      | 0.0218380822%      | 0.0220856683%      |                    |
| City's Proportionate Share of the Net Pension Liability                                    | \$ 5,229,021.00                        | \$ 4,525,283.00    | \$ 4,088,686.00    | \$ 4,221,010.00    |                    |
| City's Covered Payroll (Plan Measurement Period)   | \$ 1,291,768.00                        | \$ 1,396,868.00    | \$ 1,507,984.00    | \$ 1,489,952.00    |                    |
| City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 404.80%                                | 323.96%            | 271.14%            | 283.30%            |                    |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                 | 40.14%                                 | 47.93%             | 52.08%             | 48.72%             |                    |

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Nine Years)***

|  | Year Ended December 31, |                 |                 |                 |                 |
|--|-------------------------|-----------------|-----------------|-----------------|-----------------|
|  | <u>2021</u>             | <u>2020</u>     | <u>2019</u>     | <u>2018</u>     | <u>2017</u>     |
| City's Contractually Required Contribution                                 | \$ 226,282.00           | \$ 196,114.00   | \$ 168,829.00   | \$ 177,827.00   | \$ 157,164.00   |
| City's Contribution in Relation to the Contractually Required Contribution | (226,282.00)            | (196,114.00)    | (168,829.00)    | (177,827.00)    | (157,164.00)    |
| City's Contribution Deficiency (Excess)                                    | <u>\$ -</u>             | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| City's Covered Payroll (Calendar Year)                                     | \$ 1,287,538.00         | \$ 1,387,607.00 | \$ 1,283,597.00 | \$ 1,186,347.00 | \$ 1,209,175.00 |
| City's Contributions as a Percentage of Covered Payroll                    | 17.57%                  | 14.13%          | 13.15%          | 14.99%          | 13.00%          |
|  | Year Ended December 31, |                 |                 |                 |                 |
|  | <u>2016</u>             | <u>2015</u>     | <u>2014</u>     | <u>2013</u>     |                 |
| City's Contractually Required Contribution                                 | \$ 156,848.00           | \$ 173,313.00   | \$ 180,030.00   | \$ 166,411.00   |                 |
| City's Contribution in Relation to the Contractually Required Contribution | (156,848.00)            | (173,313.00)    | (180,030.00)    | (166,411.00)    |                 |
| City's Contribution Deficiency (Excess)                                    | <u>\$ -</u>             | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |                 |
| City's Covered Payroll (Calendar Year)                                     | \$ 1,203,612.00         | \$ 1,252,365.00 | \$ 1,395,890.00 | \$ 1,449,515.00 |                 |
| City's Contributions as a Percentage of Covered Payroll                    | 13.03%                  | 13.84%          | 12.90%          | 11.48%          |                 |

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Nine Plan Years)***

|  | <b>Measurement Date Ended June 30,</b> |                         |                        |                        |                        |
|--|--|-------------------------|------------------------|------------------------|------------------------|
|  | <b><u>2021</u></b>                     | <b><u>2020</u></b>      | <b><u>2019</u></b>     | <b><u>2018</u></b>     | <b><u>2017</u></b>     |
| City's Proportion of the Net Pension Liability   | 0.0644065194%                          | 0.0628475043%           | 0.0615564278%          | 0.0586205251%          | 0.0549237132%          |
| City's Proportionate Share of the Net Pension Liability                                    | \$ 4,707,570.00                        | \$ 8,120,726.00         | \$ 7,533,164.00        | \$ 7,932,323.00        | \$ 8,479,159.00        |
| State's Proportionate Share of the Net Pension Liability associated with the City          | 1,324,003.00                           | 1,260,300.00            | 1,189,501.00           | 1,077,475.00           | 949,737.00             |
| Total  | <u>\$ 6,031,573.00</u>                 | <u>\$ 9,381,026.00</u>  | <u>\$ 8,722,665.00</u> | <u>\$ 9,009,798.00</u> | <u>\$ 9,428,896.00</u> |
| City's Covered Payroll (Plan Measurement Period)   | \$ 2,276,416.00                        | \$ 2,168,544.00         | \$ 2,086,336.00        | \$ 1,866,000.00        | \$ 1,777,864.00        |
| City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 206.80%                                | 374.48%                 | 361.07%                | 425.10%                | 476.93%                |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                 | 77.26%                                 | 63.52%                  | 65.00%                 | 62.48%                 | 58.60%                 |
|  | <b>Measurement Date Ended June 30,</b> |                         |                        |                        |                        |
|  | <b><u>2016</u></b>                     | <b><u>2015</u></b>      | <b><u>2014</u></b>     | <b><u>2013</u></b>     |                        |
| City's Proportion of the Net Pension Liability   | 0.0565954895%                          | 0.0616458731%           | 0.0586861285%          | 0.0558535402%          |                        |
| City's Proportionate Share of the Net Pension Liability                                    | \$ 10,811,186.00                       | \$ 10,268,054.00        | \$ 7,382,171.00        | \$ 7,425,224.00        |                        |
| State's Proportionate Share of the Net Pension Liability associated with the City          | 907,872.00                             | 900,474.00              | 794,936.00             | 692,121.00             |                        |
| Total  | <u>\$ 11,719,058.00</u>                | <u>\$ 11,168,528.00</u> | <u>\$ 8,177,107.00</u> | <u>\$ 8,117,345.00</u> |                        |
| City's Covered Payroll (Plan Measurement Period)   | \$ 1,808,932.00                        | \$ 1,952,208.00         | \$ 1,806,132.00        | \$ 1,752,872.00        |                        |
| City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 597.66%                                | 525.97%                 | 408.73%                | 423.60%                |                        |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                 | 52.01%                                 | 56.31%                  | 62.41%                 | 58.70%                 |                        |

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Nine Years)***

|  | Year Ended December 31, |                 |                 |                 |                 |
|--|-------------------------|-----------------|-----------------|-----------------|-----------------|
|  | <u>2021</u>             | <u>2020</u>     | <u>2019</u>     | <u>2018</u>     | <u>2017</u>     |
| City's Contractually Required Contribution                                 | \$ 750,635.00           | \$ 702,114.00   | \$ 621,788.00   | \$ 573,102.00   | \$ 486,085.00   |
| City's Contribution in Relation to the Contractually Required Contribution | (750,635.00)            | (702,114.00)    | (621,788.00)    | (573,102.00)    | (486,085.00)    |
| City's Contribution Deficiency (Excess)                                    | \$ -                    | \$ -            | \$ -            | \$ -            | \$ -            |
| City's Covered Payroll (Calendar Year)                                     | \$ 2,289,820.00         | \$ 2,252,441.00 | \$ 2,185,030.00 | \$ 2,074,309.00 | \$ 1,929,184.00 |
| City's Contributions as a Percentage of Covered Payroll                    | 32.78%                  | 31.17%          | 28.46%          | 27.63%          | 25.20%          |
|  | Year Ended December 31, |                 |                 |                 |                 |
|  | <u>2016</u>             | <u>2015</u>     | <u>2014</u>     | <u>2013</u>     |                 |
| City's Contractually Required Contribution                                 | \$ 461,446.00           | \$ 501,089.00   | \$ 450,750.00   | \$ 407,495.00   |                 |
| City's Contribution in Relation to the Contractually Required Contribution | (461,446.00)            | (501,089.00)    | (450,750.00)    | (407,495.00)    |                 |
| City's Contribution Deficiency (Excess)                                    | \$ -                    | \$ -            | \$ -            | \$ -            |                 |
| City's Covered Payroll (Calendar Year)                                     | \$ 1,816,346.00         | \$ 1,806,574.00 | \$ 1,935,921.00 | \$ 1,817,580.00 |                 |
| City's Contributions as a Percentage of Covered Payroll                    | 25.41%                  | 27.74%          | 23.28%          | 22.42%          |                 |

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the defined contribution retirement program (DCRP) and regular part of PERS into the WCJ Part of PERS.

**Changes in Assumptions**

The discount rate used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2021        | 7.00%       | 2017        | 5.00%       |
| 2020        | 7.00%       | 2016        | 3.98%       |
| 2019        | 6.28%       | 2015        | 4.90%       |
| 2018        | 5.66%       | 2014        | 5.39%       |

The long-term expected rate of return used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2021        | 7.00%       | 2017        | 7.00%       |
| 2020        | 7.00%       | 2016        | 7.65%       |
| 2019        | 7.00%       | 2015        | 7.90%       |
| 2018        | 7.00%       | 2014        | 7.90%       |

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

***Police and Firemen's Retirement System (PFRS)*****Changes in Benefit Terms**

None

**Changes in Assumptions**

The discount rate used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2021        | 7.00%       | 2017        | 6.14%       |
| 2020        | 7.00%       | 2016        | 5.55%       |
| 2019        | 6.85%       | 2015        | 5.79%       |
| 2018        | 6.51%       | 2014        | 6.32%       |

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

The long-term expected rate of return used as of June 30 measurement date is as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2021        | 7.00%       | 2017        | 7.00%       |
| 2020        | 7.00%       | 2016        | 7.65%       |
| 2019        | 7.00%       | 2015        | 7.90%       |
| 2018        | 7.00%       | 2014        | 7.90%       |

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

**Note 10: LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description** - The City's length of service awards program (the "Plan"), which is a defined contribution plan reported in the City's trust fund, was created by a City Resolution adopted on August 17, 2000 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the City approved the adoption of the Plan at the general election held on November 7, 2000, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2001. The City's Plan was amended by City Ordinance adopted on September 6, 2007 and approved by the voters at the general election held on November 6, 2007. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The City's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the City of Absecon Volunteer Fire Department and the Absecon VFW Volunteer Ambulance Squad, come from contributions made solely by the governing body of the City, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**Note 10: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

**Plan Amendments** - The City may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the City, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the City's governing body, provided, however, that any amendment required by the IRS, may be adopted by the City's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the City shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The City may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the City shall notify all participants in writing prior to making any amendment to the Plan.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The City elected to contribute between \$493.00 and \$1,511.86 for the year ended December 31, 2022 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The City has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2022, the City's total expenditure to the Plan was \$21,264.51.

**Participant Accounts** - Each participant's account is credited with the City's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The City has placed the amounts deferred, including earnings, in an account maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the City to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the City. These funds, however, are not available for funding the operations of the City.

**Vesting** - The City, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

**Payment of Benefits** - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

**Note 10: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

**Forfeited Accounts** - For the year ended December 31, 2022, no accounts were forfeited.

**Investments** - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

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

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

In May of 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2022 was not available; therefore, the information from the measurement period June 30, 2021 is disclosed below.

**General Information about the State Health Benefit Local Government Retired Employees Plan**

**Plan Description and Benefits Provided** - The City does not provide postemployment benefits to its retirees; however, the State of New Jersey (the "State") provides these benefits to certain City retirees and their dependents under a special funding situation as described below.

The State, on-behalf of the City, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

**Plan Description and Benefits Provided (Cont'd)** - 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.

**Special Funding Situation Component** - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB Plan. 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% 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 nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the City, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the City, is (\$1,588,894.00) for the year ended December 31, 2021, representing -69.39% of the City's covered payroll.

**OPEB Liability**

**OPEB Liability** - At December 31, 2021, the State's proportionate share of the net OPEB liability associated with the City was \$11,644,195.00. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

The State's proportion of the net OPEB liability, associated with the City, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the State's proportion on-behalf of the City was .301557%, which was an increase of .103977% from its proportion measured as of the June 30, 2020 measurement date.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

|                           |                 |
|---------------------------|-----------------|
| Inflation Rate            | 2.50%           |
| Salary Increases *        |                 |
| PFRS:                     |                 |
| Rate for all Future Years | 3.25% to 15.25% |

\* salary increases are based on years of service within the respective Plan

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the valuation were based on the results of the PFRS experience study prepared for July 1, 2013 to June 30, 2018.

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

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pays interest to participants on a monthly basis.

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

The health care trend assumptions used is as follows:

| Fiscal Year<br>Ending | Annual Rate of Increase |             |             |                               |
|-----------------------|-------------------------|-------------|-------------|-------------------------------|
|                       | Medical Trend           |             |             | Prescription<br>Drug<br>Trend |
|                       | Pre-65                  | PPO Post-65 | HMP Post-65 |                               |
| 2021                  | 5.65%                   | 13.08%      | 13.76%      | 6.75%                         |
| 2022                  | 5.55%                   | 3.34%       | 3.22%       | 6.50%                         |
| 2023                  | 5.45%                   | 0.52%       | 0.17%       | 6.25%                         |
| 2024                  | 5.35%                   | 7.56%       | 7.79%       | 6.00%                         |
| 2025                  | 5.20%                   | 14.43%      | 15.23%      | 5.50%                         |
| 2026                  | 5.00%                   | 12.55%      | 13.19%      | 5.00%                         |
| 2027                  | 4.75%                   | 8.95%       | 9.29%       | 4.75%                         |
| 2028                  | 4.50%                   | 5.92%       | 6.04%       | 4.50%                         |
| 2029                  | 4.50%                   | 5.38%       | 5.46%       | 4.50%                         |
| 2030                  | 4.50%                   | 4.86%       | 4.89%       | 4.50%                         |
| 2031                  | 4.50%                   | 4.55%       | 4.56%       | 4.50%                         |
| 2032 and Later        | 4.50%                   | 4.50%       | 4.50%       | 4.50%                         |

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The net OPEB liability, calculated using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

|  | <b>1%<br/>Decrease<br/>(1.16%)</b> | <b>Current<br/>Discount Rate<br/>(2.16%)</b> | <b>1%<br/>Increase<br/>(3.16%)</b> |
|--|------------------------------------|--|------------------------------------|
| State of New Jersey's Proportionate Share<br>of the Net OPEB Liability Associated<br>with the City | <u>\$ 13,702,984.00</u>            | <u>\$ 11,644,195.00</u>                      | <u>\$ 10,012,560.00</u>            |

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

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

|  | <b>1%<br/>Decrease</b> | <b>Healthcare Cost<br/>Trend Rate</b> | <b>1%<br/>Increase</b>  |
|--|------------------------|---------------------------------------|-------------------------|
| State of New Jersey's Proportionate Share<br>of the Net OPEB Liability Associated<br>with the City | <u>\$ 9,715,180.00</u> | <u>\$ 11,644,195.00</u>               | <u>\$ 14,161,320.00</u> |

**OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Supplementary OPEB Information (Cont'd)****Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the City (Last Five Plan Years)**

|  | <b>Measurement Date Ended June 30,</b> |                    |                    |                    |                    |
|--|--|--------------------|--------------------|--------------------|--------------------|
|  | <b><u>2021</u></b>                     | <b><u>2020</u></b> | <b><u>2019</u></b> | <b><u>2018</u></b> | <b><u>2017</u></b> |
| City's Proportion of the Net OPEB Liability  | 0.00%                                  | 0.00%              | 0.00%              | 0.00%              | 0.00%              |
| State's Proportionate Share of the Net OPEB Liability Associated with the City           | 100.00%                                | 100.00%            | 100.00%            | 100.00%            | 100.00%            |
| Total  | 100.00%                                | 100.00%            | 100.00%            | 100.00%            | 100.00%            |
| City's Proportionate Share of the Net OPEB Liability                                     | \$ -                                   | \$ -               | \$ -               | \$ -               | \$ -               |
| State's Proportionate Share of the Net OPEB Liability Associated with the City           | 11,644,195.00                          | 10,792,419.00      | 8,340,851.00       | 9,840,306.00       | 14,057,614.00      |
| Total  | \$ 11,644,195.00                       | \$ 10,792,419.00   | \$ 8,340,851.00    | \$ 9,840,306.00    | \$ 14,057,614.00   |
| City's Covered Payroll (Plan Measurement Period)   | \$ 2,262,352.00                        | \$ 2,231,466.00    | \$ 2,126,721.00    | \$ 2,008,153.00    | \$ 1,885,576.00    |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll  | 0.00%                                  | 0.00%              | 0.00%              | 0.00%              | 0.00%              |
| State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 514.69%                                | 483.65%            | 392.19%            | 490.02%            | 745.53%            |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                  | 0.28%                                  | 0.91%              | 1.98%              | 1.97%              | 1.03%              |

**Other Notes to Supplementary OPEB Information**

**Changes in Benefit Terms** - The actuarial valuation as of June 30, 2020 included changes due to employers adopting and/or changing Chapter 48 provisions.

**Changes in Assumptions** - The discount rate used as of the June 30 measurement date is as follows:

| <b><u>Year</u></b> | <b><u>Rate</u></b> | <b><u>Year</u></b> | <b><u>Rate</u></b> |
|--------------------|--------------------|--------------------|--------------------|
| 2021               | 2.16%              | 2018               | 3.87%              |
| 2020               | 2.21%              | 2017               | 3.58%              |
| 2019               | 3.50%              |                    |                    |

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated mortality improvement assumptions.

In October 2021, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2021. The MP-2021 scale reflects more recent mortality data for the U.S. population.

**Note 12: COMPENSATED ABSENCES**

Under the existing policy of the City, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward, but the carry-forward is limited to the equivalent of one year's accrued vacation days.

The City compensates employees for unused sick leave and vacation days upon termination or retirement. For unused sick leave, however, the current policy provides one compensated day for every two days accumulated.

The City has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2022, the balance of the fund was \$245,203.38. It is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$622,135.44.

**Note 13: DEFERRED COMPENSATION SALARY ACCOUNT**

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the City or its creditors. Since the City does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the City's financial statements.

**Note 14: CAPITAL DEBT****General Improvement Bonds**

General Improvement Bonds, Series 2020 - On July 30, 2020, the City issued \$11,455,000.00 of general improvement bonds, with interest rates ranging from 2.00% to 4.00%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is July 15, 2045.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

**General Debt - Serial Bonds**

| <u>Year</u> | <u>Principal</u>        | <u>Interest</u>        | <u>Total</u>            |
|-------------|-------------------------|------------------------|-------------------------|
| 2023        | \$ 290,000.00           | \$ 284,843.76          | \$ 574,843.76           |
| 2024        | 315,000.00              | 273,243.76             | 588,243.76              |
| 2025        | 340,000.00              | 260,643.76             | 600,643.76              |
| 2026        | 365,000.00              | 247,043.76             | 612,043.76              |
| 2027        | 390,000.00              | 232,443.76             | 622,443.76              |
| 2028-2032   | 2,300,000.00            | 922,868.80             | 3,222,868.80            |
| 2033-2037   | 2,645,000.00            | 616,668.80             | 3,261,668.80            |
| 2038-2042   | 2,675,000.00            | 347,962.54             | 3,022,962.54            |
| 2043-2045   | 1,595,000.00            | 71,550.00              | 1,666,550.00            |
| Totals      | <u>\$ 10,915,000.00</u> | <u>\$ 3,257,268.94</u> | <u>\$ 14,172,268.94</u> |

**Note 14: CAPITAL DEBT (CONT'D)**

The following schedule represents the City's summary of debt for the current and two previous years:

**Summary of Debt**

|   | <u>2022</u>             | <u>2021</u>             | <u>2020</u>             |
|---|-------------------------|-------------------------|-------------------------|
| <b><u>Issued</u></b>                          |                         |                         |                         |
| General:                                      |                         |                         |                         |
| Bonds and Notes                               | \$ 15,169,000.00        | \$ 14,075,750.00        | \$ 11,455,000.00        |
| Sewer Utility:                                |                         |                         |                         |
| Bonds and Notes                               | -                       | -                       | -                       |
| Total Issued                                  | <u>15,169,000.00</u>    | <u>14,075,750.00</u>    | <u>11,455,000.00</u>    |
| <b><u>Authorized but not Issued</u></b>       |                         |                         |                         |
| General:                                      |                         |                         |                         |
| Bonds and Notes                               | -                       | -                       | 1,325,000.00            |
| Sewer Utility:                                |                         |                         |                         |
| Bonds and Notes                               | -                       | -                       | -                       |
| Total Authorized but not Issued               | <u>-</u>                | <u>-</u>                | <u>1,325,000.00</u>     |
| Total Issued and Authorized<br>but not Issued | <u>15,169,000.00</u>    | <u>14,075,750.00</u>    | <u>12,780,000.00</u>    |
| <b><u>Deductions</u></b>                      |                         |                         |                         |
| Total Deductions                              | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| <b><u>Net Debt</u></b>                        | <u>\$ 15,169,000.00</u> | <u>\$ 14,075,750.00</u> | <u>\$ 12,780,000.00</u> |

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.939%.

|                  | <u>Gross Debt</u>       | <u>Deductions</u>      | <u>Net Debt</u>         |
|------------------|-------------------------|------------------------|-------------------------|
| School Purposes  | \$ 3,035,000.00         | \$ 3,035,000.00        |                         |
| Self-Liquidating | -                       | -                      |                         |
| General          | <u>15,169,000.00</u>    |                        | \$ 15,169,000.00        |
|                  | <u>\$ 18,204,000.00</u> | <u>\$ 3,035,000.00</u> | <u>\$ 15,169,000.00</u> |

Net debt \$15,169,000.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$782,413,205.67, equals 1.939%.

**Note 14: CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

|   |    |                      |
|---|----|----------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ | 27,384,462.20        |
| Less: Net Debt                                  |    | <u>15,169,000.00</u> |
| Remaining Borrowing Power                       | \$ | <u>12,215,462.20</u> |

**Calculation of "Self-Liquidating Purpose,"  
Sewer Utility Per N.J.S.A. 40:2-45**

|  |    |                     |
|--|----|---------------------|
| Cash Receipts from Fees, Rents, Fund Balance<br>Anticipated, Interest and Other Investment<br>Income, and Other Charges for the Year | \$ | 2,207,193.86        |
| Deductions:  |    |                     |
| Operating and Maintenance Cos  | \$ | 2,190,000.00        |
| Debt Service   |    | <u>-</u>            |
| Total Deductions   |    | <u>2,190,000.00</u> |
| Excess in Revenue  | \$ | <u>17,193.86</u>    |

**Note 15: SCHOOL TAXES**

Local District School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

|                | <b><u>Balance December 31,</u></b> |                        |
|----------------|------------------------------------|------------------------|
|                | <b><u>2022</u></b>                 | <b><u>2021</u></b>     |
| Balance of Tax | \$ 6,208,947.47                    | \$ 6,209,822.47        |
| Deferred       | <u>3,626,535.94</u>                | <u>3,626,535.94</u>    |
| Taxes Payable  | <u>\$ 2,582,411.53</u>             | <u>\$ 2,583,286.53</u> |

**Note 16: 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.

**Joint Insurance Pool** - The City is a member of the Atlantic County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
Crime Coverage  
Property - Blanket Building and Grounds  
General and Automobile Liability  
Cyber Liability

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The City's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Atlantic County Municipal Joint Insurance Fund  
[www.acmjif.org](http://www.acmjif.org)

**Note 17: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amount, if any, to be immaterial.

**Note 18: CONCENTRATIONS**

The City depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 19: SUBSEQUENT EVENTS**

**General Obligation Bonds, Series 2023** - On September 25, 2023, the City issued \$5,345,000.00 of general obligation bonds, with an interest rate of 4.0%. The bonds were issued to refund, on a current basis, prior bond anticipation notes issued by the City and for the purpose of permanently funding various capital ordinances in the City. The final maturity of the bonds is September 15, 2033.

**Authorization of Debt** - Subsequent to December 31, the City authorized additional bonds and notes as follows:

| <u>Purpose</u>                                | <u>Adoption</u> | <u>Authorization</u> |
|---|-----------------|----------------------|
| <b>General Improvements</b>                   |                 |                      |
| Various Capital Acquisitions and Improvements | 05/04/23        | \$ 1,182,750.00      |

**COVID-19** - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2023.

## **SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Current Cash -- Treasurer  
For the Year Ended December 31, 2022

|   | <u>Regular Fund</u>    | <u>Federal and State<br/>Grant Fund</u> |
|---|------------------------|---|
| Balance Dec. 31, 2021   | \$ 8,111,005.83        |   |
| Increased by Receipts:  |                        |   |
| Miscellaneous Revenue not Anticipated                                   | \$ 379,755.73          |   |
| Collector   | 23,727,567.35          |   |
| Revenue Accounts Receivable   | 1,608,321.68           |   |
| Due State of New Jersey -- Veterans'<br>and Senior Citizens' Deductions | 73,880.41              |   |
| Due State of New Jersey -- Marriage Licenses                            | 650.00                 |   |
| Due to State of New Jersey--State Training Fees                         | 9,469.00               |   |
| Reserve for Municipal Relief Funds                                      | 39,355.04              |   |
| Police Detail Receivable  | 75,211.25              |   |
| Due Federal and State Grant Fund  | 673,465.70             |   |
| Federal, State and Local Grants Receivable                              |                        | <u>\$ 1,033,142.22</u>                  |
|   | <u>26,587,676.16</u>   | <u>\$ 1,033,142.22</u>                  |
|   | 34,698,681.99          | 1,033,142.22                            |
| Decreased by Disbursements:   |                        |   |
| Current Year Appropriations   | 9,227,841.85           |   |
| Prior Year Appropriation Reserves                                       | 631,044.50             |   |
| Refunds - Tax Overpayments  | 27,326.42              |   |
| County Taxes Payable  | 4,055,158.83           |   |
| Due State of New Jersey -- Marriage Licenses                            | 1,000.00               |   |
| Due County for Added and Omitted Taxes                                  | 24,572.79              |   |
| Local School District Taxes Payable                                     | 12,418,770.00          |   |
| Due to State of New Jersey--State Training Fees                         | 7,829.00               |   |
| Police Detail Receivable  | 77,431.25              |   |
| Due Current Fund  |                        | 673,465.70                              |
| Reserve for Federal, State and Local Grants --<br>Appropriated          |                        | <u>359,676.52</u>                       |
|   | <u>26,470,974.64</u>   | <u>1,033,142.22</u>                     |
| Balance Dec. 31, 2022   | <u>\$ 8,227,707.35</u> | <u>\$ -</u>                             |

CITY OF ABSECON  
CURRENT FUND  
Statement of Current Cash  
Per N.J.S.A. 40A:5-5 - Collector  
For the Year Ended December 31, 2022

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|                              |                                    |
|------------------------------|------------------------------------|
| Increased by:                |                                    |
| Taxes Receivable             | \$ 23,188,213.59                   |
| Tax Title Liens              | 30.97                              |
| Prepaid Taxes                | 457,239.38                         |
| Tax Overpayments             | 38,115.88                          |
| Revenue Accounts Receivable: |                                    |
| Interest and Costs on Taxes  | <u>43,967.53</u>                   |
|                              | 23,727,567.35                      |
| <br>Payments to Treasurer    | <br><u><u>\$ 23,727,567.35</u></u> |

CITY OF ABSECON  
CURRENT FUND  
Statement of Change Funds  
For the Year Ended December 31, 2022

|                       |                       |
|-----------------------|-----------------------|
| <hr/>                 |                       |
| Balance Dec. 31, 2021 | \$ 600.00             |
| Increased by:         |                       |
| Disbursements         | <hr/> -               |
| Balance Dec. 31, 2022 | <hr/> <hr/> \$ 600.00 |

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Due from State of New Jersey  
Veterans' and Senior Citizens' Deductions  
For the Year Ended December 31, 2022

|  |                  |                         |
|--|------------------|-------------------------|
| Balance Dec. 31, 2021                        |                  | \$ 498.71               |
| Increased by:                                |                  |                         |
| Senior Citizens' Deductions per Tax Billings | \$ 10,500.00     |                         |
| Veterans' Deductions per Tax Billings        | <u>62,000.00</u> |                         |
|  | 72,500.00        |                         |
| Add:   |                  |                         |
| Veterans' and Senior Citizens' Deductions    |                  |                         |
| Allowed by Tax Collector                     | <u>3,250.00</u>  |                         |
|  | 75,750.00        |                         |
| Deduct:                                      |                  |                         |
| Veterans' and Senior Citizens' Deductions    |                  |                         |
| Disallowed by Tax Collector                  | <u>1,896.41</u>  |                         |
|  |                  | <u>73,853.59</u>        |
|  |                  | 74,352.30               |
| Decreased by:                                |                  |                         |
| Collections                                  |                  | <u>73,880.41</u>        |
| Balance Dec. 31, 2022                        |                  | <u><u>\$ 471.89</u></u> |

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Taxes Receivable  
For the Year Ended December 31, 2022

| Year | Balance       | 2022<br>Levy     | Collections   |                  | Due from<br>State of<br>New Jersey | Transferred<br>to Tax<br>Title Liens | Canceled     | Balance       |
|------|---------------|------------------|---------------|------------------|------------------------------------|--------------------------------------|--------------|---------------|
|      | Dec. 31, 2021 |                  | 2021          | 2022             |                                    |                                      |              | Dec. 31, 2022 |
| 2020 | \$ 1,643.45   |                  |               | \$ 1,643.45      |                                    |                                      |              |               |
| 2021 | 146,542.61    |                  |               | 143,144.35       |                                    |                                      |              | \$ 3,398.26   |
|      | 148,186.06    |                  |               | 144,787.80       |                                    |                                      |              | 3,398.26      |
| 2022 |               | \$ 23,894,845.40 | \$ 574,035.91 | 23,043,425.79    | \$ 73,853.59                       | \$ 14,286.01                         | \$ 20,539.80 | 168,704.30    |
|      | \$ 148,186.06 | \$ 23,894,845.40 | \$ 574,035.91 | \$ 23,188,213.59 | \$ 73,853.59                       | \$ 14,286.01                         | \$ 20,539.80 | \$ 172,102.56 |

Analysis of 2022 Property Taxes

Tax Yield:

|                     |                         |  |
|---------------------|-------------------------|--|
| General Purpose Tax | \$ 23,813,904.36        |  |
| Added/Omitted Taxes | 80,941.04               |  |
|                     | <u>\$ 23,894,845.40</u> |  |

Tax Levy:

|  |                         |  |
|--|-------------------------|--|
| Local District School Tax              | \$ 12,417,895.00        |  |
| County Taxes:                          |                         |  |
| Net County Taxes                       | \$ 3,581,932.06         |  |
| County Health Tax                      | 176,253.24              |  |
| County Library Tax                     | 258,035.36              |  |
| County Open Space Tax                  | 38,938.17               |  |
| Due County for Added and Omitted Taxes | <u>13,345.20</u>        |  |
| Total County Taxes                     | 4,068,504.03            |  |
| Local Tax for Municipal Purposes       | 7,340,850.53            |  |
| Add: Additional Tax Levied             | <u>67,595.84</u>        |  |
|  | <u>7,408,446.37</u>     |  |
|  | <u>\$ 23,894,845.40</u> |  |

CITY OF ABSECON  
CURRENT FUND  
Statement of Tax Title Liens  
For the Year Ended December 31, 2022

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|                                 |                             |
|---------------------------------|-----------------------------|
| Balance Dec. 31, 2021           | \$ 135,991.69               |
| Increased by:                   |                             |
| Transfers from Taxes Receivable | <u>14,286.01</u>            |
|                                 | 150,277.70                  |
| Decreased by:                   |                             |
| Collections                     | <u>30.97</u>                |
| Balance Dec. 31, 2022           | <u><u>\$ 150,246.73</u></u> |

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2022

|                                      | <u>Balance</u><br><u>Dec. 31, 2021</u> | <u>Accrued in</u><br><u>2022</u> | <u>Collections</u>                | <u>Balance</u><br><u>Dec. 31, 2022</u> |
|--------------------------------------|--|----------------------------------|-----------------------------------|--|
|                                      |  |                                  | <u>Collector</u> <u>Treasurer</u> |  |
| Clerk:                               |  |                                  |                                   |  |
| Licenses:                            |  |                                  |                                   |  |
| Alcohol Beverages                    |  | \$ 10,200.00                     |                                   | \$ 10,200.00                           |
| Other                                |  | 15,725.00                        |                                   | 15,725.00                              |
| Fees and Permits                     |  | 38,280.30                        |                                   | 38,280.30                              |
| Municipal Court:                     |  |                                  |                                   |  |
| Fines and Costs                      |  | 84,929.21                        |                                   | 84,929.21                              |
| Interest and Costs on Taxes          |  | 43,967.53                        | \$ 43,967.53                      |  |
| Interest on Investments and Deposits |  | 31,734.09                        |                                   | 31,734.09                              |
| Cable Franchise Fee                  |  | 36,903.88                        |                                   | 36,903.88                              |
| Communications Tower Rental          |  | 111,244.57                       |                                   | 111,244.57                             |
| Energy Receipts Tax                  |  | 754,465.00                       |                                   | 754,465.00                             |
| Watershed Aid                        |  | 3,337.00                         |                                   | 3,337.00                               |
| Uniform Construction Code Fees       |  | 143,100.00                       |                                   | 143,100.00                             |
| Uniform Fire Safety Act              |  | 12,328.88                        |                                   | 12,328.88                              |
| Occupancy Tax                        |  | 272,408.91                       |                                   | 272,408.91                             |
| Library Building Rent                |  | 31,250.00                        |                                   | 31,250.00                              |
| PILOT - Conifer Reality              |  | 46,214.84                        |                                   | 46,214.84                              |
| Community Champions                  |  | 16,200.00                        |                                   | 16,200.00                              |
|                                      | \$ -                                   | \$ 1,652,289.21                  | \$ 43,967.53                      | \$ 1,608,321.68                        |
|                                      |  |                                  |                                   | \$ -                                   |

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Due State of New Jersey  
Marriage and Domestic Partnership Licenses  
For the Year Ended December 31, 2022

|                       |    |                 |
|-----------------------|----|-----------------|
| Balance Dec. 31, 2021 | \$ | 350.00          |
| Increased by:         |    |                 |
| Receipts              |    | <u>650.00</u>   |
|                       |    | 1,000.00        |
| Decreased by:         |    |                 |
| Disbursements         |    | <u>1,000.00</u> |
| Balance Dec. 31, 2022 | \$ | <u><u>-</u></u> |

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of 2021 Appropriation Reserves  
For the Year Ended December 31, 2022

|                                    | Balance<br>Dec. 31, 2021 |                 | Balance<br>After    |                 | Balanced      |
|------------------------------------|--------------------------|-----------------|---------------------|-----------------|---------------|
|                                    | <u>Encumbered</u>        | <u>Reserved</u> | <u>Modification</u> | <u>Expended</u> | <u>Lapsed</u> |
| <b>OPERATIONS -- WITHIN "CAPS"</b> |                          |                 |                     |                 |               |
| General Government Functions:      |                          |                 |                     |                 |               |
| General Administration             |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | \$ 833.29       | \$ 833.29           |                 | \$ 833.29     |
| Other Expenses                     | \$ 5,500.00              | 5,955.96        | 11,455.96           | \$ 6,009.97     | 5,445.99      |
| Mayor and Council                  |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 1,719.70        | 1,719.70            |                 | 1,719.70      |
| Other Expenses                     |                          | 1,625.60        | 1,625.60            |                 | 1,625.60      |
| Municipal Clerk                    |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 2,953.36        | 2,953.36            |                 | 2,953.36      |
| Other Expenses                     | 150.64                   | 3,669.41        | 3,820.05            | 150.64          | 3,669.41      |
| Financial Administration           |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 3,599.80        | 3,599.80            |                 | 3,599.80      |
| Other Expenses                     | 417.10                   | 1,391.07        | 1,808.17            | 684.94          | 1,123.23      |
| Information Technology             |                          |                 |                     |                 |               |
| Other Expenses                     | 504.69                   | 2,301.28        | 2,805.97            | 504.69          | 2,301.28      |
| Collection of Taxes                |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 1,860.14        | 1,860.14            |                 | 1,860.14      |
| Other Expenses                     |                          | 5,069.61        | 5,069.61            | 1,119.90        | 3,949.71      |
| Assessment of Taxes                |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 724.25          | 724.25              |                 | 724.25        |
| Other Expenses                     |                          | 137.82          | 137.82              |                 | 137.82        |
| Legal Services and Costs           |                          |                 |                     |                 |               |
| Other Expenses                     | 2,592.00                 | 20,014.81       | 22,606.81           | 12,569.08       | 10,037.73     |
| Engineering Services               |                          |                 |                     |                 |               |
| Other Expenses                     | 61,348.50                | 29,060.48       | 90,408.98           | 58,098.50       | 32,310.48     |
| Land Use Administration            |                          |                 |                     |                 |               |
| Planning Board                     |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 1,363.27        | 1,363.27            |                 | 1,363.27      |
| Other Expenses                     |                          | 4,305.91        | 4,305.91            | 19.58           | 4,286.33      |
| Zoning Board                       |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 1,023.50        | 1,023.50            |                 | 1,023.50      |
| Other Expenses                     |                          | 1,181.00        | 1,181.00            | 300.00          | 881.00        |
| Municipal Prosecutor               |                          |                 |                     |                 |               |
| Other Expenses                     |                          | 600.00          | 600.00              |                 | 600.00        |
| Municipal Court                    |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 779.55          | 779.55              |                 | 779.55        |
| Other Expenses                     | 744.15                   | 1,736.42        | 2,480.57            | 961.84          | 1,518.73      |
| Insurance                          |                          |                 |                     |                 |               |
| Liability Insurance                |                          | 5,989.00        | 5,989.00            |                 | 5,989.00      |
| Worker's Compensation              |                          | 29,299.00       | 29,299.00           |                 | 29,299.00     |
| Group Employee Insurance           | 145,285.47               | 109,921.67      | 255,207.14          | 187,285.47      | 67,921.67     |
| Police Department                  |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 219,482.14      | 219,482.14          | 42,078.96       | 177,403.18    |
| Other Expenses                     | 25,754.29                | 2,963.39        | 28,717.68           | 26,348.49       | 2,369.19      |
| Police Dispatch                    |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 52,793.59       | 52,793.59           | 52,000.00       | 793.59        |
| Other Expenses                     | 6,139.00                 | 6,507.85        | 12,646.85           | 5,917.00        | 6,729.85      |
| Fire Department                    |                          |                 |                     |                 |               |
| Other Expenses                     | 21,397.43                | 2,109.10        | 23,506.53           | 16,919.16       | 6,587.37      |
| Fire Hydrant Services              | 8,126.32                 | 2,037.30        | 10,163.62           | 8,126.32        | 2,037.30      |
| Public Works                       |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 36,643.21       | 36,643.21           |                 | 36,643.21     |
| Other Expenses                     | 5,058.37                 | 53,262.18       | 58,320.55           | 6,821.33        | 51,499.22     |
| Street Lighting                    | 24,234.82                | 13,052.59       | 37,287.41           | 37,287.41       |               |
| Sanitation Trash Removal           |                          |                 |                     |                 |               |
| Contractual                        | 11,968.70                | 375.60          | 12,344.30           | 11,968.70       | 375.60        |
| Tipping Fees                       | 49,238.01                | 6,035.68        | 55,273.69           | 49,238.01       | 6,035.68      |
| Recycling Program                  |                          |                 |                     |                 |               |
| Salaries and Wages                 |                          | 5,000.00        | 5,000.00            |                 | 5,000.00      |
| Maintenance of Motor Vehicles      |                          |                 |                     |                 |               |
| Other Expenses                     | 8,269.70                 | 29,463.84       | 37,733.54           | 9,806.82        | 27,926.72     |

(Continued)

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of 2021 Appropriation Reserves  
For the Year Ended December 31, 2022

|  | Balance<br>Dec. 31, 2021 |                      | Balance<br>After       |                      | Balanced             |
|--|--------------------------|----------------------|------------------------|----------------------|----------------------|
|  | <u>Encumbered</u>        | <u>Reserved</u>      | <u>Modification</u>    | <u>Expended</u>      | <u>Lapsed</u>        |
| <b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>                          |                          |                      |                        |                      |                      |
| Animal Control   |                          |                      |                        |                      |                      |
| Other Expenses   | \$ 700.00                |                      | \$ 700.00              | \$ 700.00            |                      |
| Celebration of Public Events   |                          |                      |                        |                      |                      |
| Other Expenses   | 4,237.24                 | \$ 9,776.76          | 14,014.00              | 4,680.65             | \$ 9,333.35          |
| Recreation   |                          |                      |                        |                      |                      |
| Other Expenses   | 6,689.99                 | 8,878.01             | 15,568.00              | 11,689.99            | 3,878.01             |
| Office of Emergency Management                                       |                          |                      |                        |                      |                      |
| Salaries and Wages   |                          | 0.04                 | 0.04                   |                      | 0.04                 |
| Other Expenses   |                          | 1,000.00             | 1,000.00               |                      | 1,000.00             |
| Uniform Fire Safety Act  |                          |                      |                        |                      |                      |
| Salaries and Wages   |                          | 750.96               | 750.96                 |                      | 750.96               |
| Other Expenses   | 414.59                   | 872.54               | 1,287.13               | 414.59               | 872.54               |
| Construction Official  |                          |                      |                        |                      |                      |
| Salaries and Wages   |                          | 7,413.45             | 7,413.45               |                      | 7,413.45             |
| Other Expenses   | 1,164.00                 | 9,912.15             | 11,076.15              | 1,311.99             | 9,764.16             |
| Utility Expenses and Bulk Purchases:                                 |                          |                      |                        |                      |                      |
| Electric   | 2,000.00                 |                      | 2,000.00               | 2,000.00             |                      |
| Telephone  | 2,435.77                 | 6,139.19             | 8,574.96               | 3,540.35             | 5,034.61             |
| Gas  | 3,272.46                 | 13,213.69            | 16,486.15              | 16,486.15            |                      |
| Gasoline   | 8,675.89                 | 2,139.30             | 10,815.19              | 10,815.19            |                      |
| Water  | 1,262.86                 | 2,159.09             | 3,421.95               | 1,262.86             | 2,159.09             |
| Office Supplies/Maintenance  | 806.55                   | 4,904.79             | 5,711.34               | 1,408.82             | 4,302.52             |
| Contingent   |                          | 1,738.49             | 1,738.49               |                      | 1,738.49             |
| Total Operations--Within "CAPS" including Contingent                 | <u>408,388.54</u>        | <u>735,740.83</u>    | <u>1,144,129.37</u>    | <u>588,527.40</u>    | <u>555,601.97</u>    |
| Regulatory Expenditures:   |                          |                      |                        |                      |                      |
| Contribution to:   |                          |                      |                        |                      |                      |
| Unemployment Insurance   |                          | 3,023.71             | 3,023.71               |                      | 3,023.71             |
| Social Security System (O.A.S.I.)                                    |                          | 35,484.45            | 35,484.45              | 3,219.04             | 32,265.41            |
| Defined Contribution Retirement Plan                                 |                          | 3,174.38             | 3,174.38               |                      | 3,174.38             |
| Total Deferred Charges -- Within "CAPS"                              |                          | <u>41,682.54</u>     | <u>41,682.54</u>       | <u>3219.04</u>       | <u>38,463.50</u>     |
| Total General Appropriations for Municipal Purposes -- Within "CAPS" | <u>408,388.54</u>        | <u>777,423.37</u>    | <u>1,185,811.91</u>    | <u>591,746.44</u>    | <u>594,065.47</u>    |
| <b>OPERATIONS -- EXCLUDED FROM "CAPS"</b>                            |                          |                      |                        |                      |                      |
| Aid to Library   | 97.35                    | 59,081.47            | 59,178.82              | 350.46               | 58,828.36            |
| Length of Service Awards Program                                     |                          | 25,000.00            | 25,000.00              | 21,264.51            | 3,735.49             |
| Total Operations -- Excluded from "CAPS"                             | <u>97.35</u>             | <u>84,081.47</u>     | <u>84,178.82</u>       | <u>21,614.97</u>     | <u>62,563.85</u>     |
| <b>CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"</b>                  |                          |                      |                        |                      |                      |
| City Hall Building Improvements                                      |                          | 37,000.00            | 37,000.00              |                      | 37,000.00            |
| Public Property Improvements   | 11,885.50                | 20,339.67            | 32,225.17              | 17,683.09            | 14,542.08            |
| Total Capital Improvements -- Excluded from "CAPS"                   | <u>11,885.50</u>         | <u>57,339.67</u>     | <u>69,225.17</u>       | <u>17,683.09</u>     | <u>51,542.08</u>     |
|  | <u>\$ 420,371.39</u>     | <u>\$ 918,844.51</u> | <u>\$ 1,339,215.90</u> | <u>\$ 631,044.50</u> | <u>\$ 708,171.40</u> |

CITY OF ABSECON  
CURRENT FUND  
Statement of Reserve for Accounts Payable - Police Detail  
For the Year Ended December 31, 2022

|                       |                    |
|-----------------------|--------------------|
| Balance Dec. 31, 2021 | \$ 2,220.00        |
| Increased by:         |                    |
| Receipts              | <u>75,211.25</u>   |
|                       | 77,431.25          |
| Decreased by:         |                    |
| Disbursements         | <u>77,431.25</u>   |
| Balance Dec. 31, 2022 | <u><u>\$ -</u></u> |

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2022

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|                                    |                             |
|------------------------------------|-----------------------------|
| Balance Dec. 31, 2021 (2022 Taxes) | \$ 574,035.91               |
| Increased by:                      |                             |
| Receipts -- Collector              | <u>457,239.38</u>           |
|                                    | 1,031,275.29                |
| Decreased by:                      |                             |
| Application to Taxes Receivable    | <u>574,035.91</u>           |
| Balance Dec. 31, 2022 (2023 Taxes) | <u><u>\$ 457,239.38</u></u> |

## Exhibit SA-12

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2022

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|                           |                            |
|---------------------------|----------------------------|
| Balance Dec. 31, 2021     | \$ 7,562.73                |
| Increased by:             |                            |
| Receipts -- Collector     | <u>38,115.88</u>           |
|                           | 45,678.61                  |
| Decreased by:             |                            |
| Disbursements -- Refunded | <u>27,326.42</u>           |
| Balance Dec. 31, 2022     | <u><u>\$ 18,352.19</u></u> |

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2022

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|                   |    |                               |
|-------------------|----|-------------------------------|
| 2022 Levy:        |    |                               |
| Net County Taxes  | \$ | 3,581,932.06                  |
| County Health Tax |    | 176,253.24                    |
| Library Tax       |    | 258,035.36                    |
| Open Space Tax    |    | <u>38,938.17</u>              |
|                   |    | \$ 4,055,158.83               |
| Decreased by:     |    |                               |
| Disbursements     |    | <u><u>\$ 4,055,158.83</u></u> |

Exhibit SA-14

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Due County for Added and Omitted Taxes  
For the Year Ended December 31, 2022

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|  |    |                         |
|--|----|-------------------------|
| Balance Dec. 31, 2021                      | \$ | 24,572.79               |
| Increased by:                              |    |                         |
| County Share of 2022 Levy:                 |    |                         |
| Added Assessments (R.S. 54:4-63.1 et seq.) |    | <u>13,345.20</u>        |
|  |    | 37,917.99               |
| Decreased by:                              |    |                         |
| Disbursements                              |    | <u>24,572.79</u>        |
| Balance Dec. 31, 2022                      | \$ | <u><u>13,345.20</u></u> |

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Local School District Taxes  
For the Year Ended December 31, 2022

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|   |                     |                         |
|---|---------------------|-------------------------|
| Balance Dec. 31, 2021                           |                     |                         |
| School Tax Payable                              | \$ 2,583,286.53     |                         |
| School Tax Deferred                             | <u>3,626,535.94</u> |                         |
|   |                     | \$ 6,209,822.47         |
| Increased by:                                   |                     |                         |
| Levy--School Year July 1, 2022 to June 30, 2023 |                     | <u>12,417,895.00</u>    |
|   |                     | 18,627,717.47           |
| Decreased by:                                   |                     |                         |
| Payments  |                     | <u>12,418,770.00</u>    |
| Balance Dec. 31, 2022                           |                     |                         |
| School Tax Payable                              | 2,582,411.53        |                         |
| School Tax Deferred                             | <u>3,626,535.94</u> |                         |
| Balance Dec. 31, 2022                           |                     | <u>\$ 6,208,947.47</u>  |
| 2022 Liability for Local School Tax:            |                     |                         |
| Tax Paid  |                     | \$ 12,418,770.00        |
| Add: Tax Payable Dec. 31, 2022                  |                     | <u>2,582,411.53</u>     |
|   |                     | 15,001,181.53           |
| Less: Tax Payable Dec. 31, 2021                 |                     | <u>2,583,286.53</u>     |
| Amount Charged to 2022 Operations               |                     | <u>\$ 12,417,895.00</u> |

## Exhibit SA-16

**CITY OF ABSECON**  
**CURRENT FUND**  
Statement of Due to State of New Jersey  
Uniform Construction Code--State Training Fees  
For the Year Ended December 31, 2022

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|                       |                    |
|-----------------------|--------------------|
| Balance Dec. 31, 2021 | \$ 1,307.00        |
| Increased by:         |                    |
| Receipts              | <u>9,469.00</u>    |
|                       | 10,776.00          |
| Decreased by:         |                    |
| Disbursements         | <u>7,829.00</u>    |
| Balance Dec. 31, 2022 | <u>\$ 2,947.00</u> |

**CITY OF ABSECON**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal, State and Local Grants Receivable  
For the Year Ended December 31, 2022

|  | Balance<br><u>Dec. 31, 2021</u> | <u>Accrued</u>         | <u>Received</u>        | <u>Canceled</u>      | Balance<br><u>Dec. 31, 2022</u> |
|--|---------------------------------|------------------------|------------------------|----------------------|---------------------------------|
| Federal Grants:                              |                                 |                        |                        |                      |                                 |
| Community Development Block Grant            |                                 | \$ 50,900.00           |                        |                      | \$ 50,900.00                    |
| American Rescue Plan Fiscal Recovery Funding |                                 | 461,483.66             | \$ 461,483.66          |                      |                                 |
| Drive Sober or Get Pulled Over               | \$ 7,920.00                     | 3,900.00               |                        | \$ 8,040.00          | 3,780.00                        |
| Body Armor                                   | 7,012.86                        | 4,000.00               | 5,528.41               |                      | 5,484.45                        |
|  | <u>14,932.86</u>                | <u>520,283.66</u>      | <u>467,012.07</u>      | <u>8,040.00</u>      | <u>60,164.45</u>                |
| Total Federal Grants                         |                                 |                        |                        |                      |                                 |
| State Grants:                                |                                 |                        |                        |                      |                                 |
| NJ DCA - LEAP Implementation Program         |                                 | 201,364.00             |                        |                      | 201,364.00                      |
| NJ Transportation Trust Fund Authority Act   |                                 | 270,000.00             | 202,500.00             |                      | 67,500.00                       |
| NJ DOT Trust Fund Authority Act              | 265,000.00                      |                        | 265,000.00             |                      |                                 |
| Streetscape Improvement - Phase 4            |                                 | 525,000.00             |                        |                      | 525,000.00                      |
| Body Armor                                   |                                 | 3,448.22               | 3,448.22               |                      |                                 |
| Bodyworn Camera Grant                        | 61,140.00                       |                        | 61,140.00              |                      |                                 |
| Clean Communities Program                    |                                 | 21,213.84              | 21,213.84              |                      |                                 |
| Recycling Tonnage Grant                      |                                 | 12,828.09              | 12,828.09              |                      |                                 |
|  | <u>326,140.00</u>               | <u>1,033,854.15</u>    | <u>566,130.15</u>      |                      | <u>793,864.00</u>               |
| Total State Grants                           |                                 |                        |                        |                      |                                 |
| Local Grants:                                |                                 |                        |                        |                      |                                 |
| Atlantic County Drainage Improvements        | 97,875.89                       |                        |                        | 97,875.89            |                                 |
| Atlantic County Shore Road Grant             | 1,000,000.00                    |                        |                        |                      | 1,000,000.00                    |
|  | <u>1,097,875.89</u>             |                        |                        | <u>97,875.89</u>     | <u>1,000,000.00</u>             |
| Total Local Grants                           |                                 |                        |                        |                      |                                 |
| Total All Grants                             | <u>\$ 1,438,948.75</u>          | <u>\$ 1,554,137.81</u> | <u>\$ 1,033,142.22</u> | <u>\$ 105,915.89</u> | <u>\$ 1,854,028.45</u>          |

**CITY OF ABSECON**  
**FEDERAL AND STATE GRANT FUND**  
**Statement of Due from Current Fund**  
**For the Year Ended December 31, 2022**

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|  |                   |                             |
|--|-------------------|-----------------------------|
| Balance Dec. 31, 2021  |                   | \$ 317,747.53               |
| Increased by:  |                   |                             |
| Disbursements  | \$ 673,465.70     |                             |
| Cancellation of Federal, State and Local Grants Receivable   | <u>105,915.89</u> |                             |
|  |                   | <u>779,381.59</u>           |
|  |                   | 1,097,129.12                |
| Decreased by:  |                   |                             |
| Cancellation of Federal, State and Local Grants Appropriated | 185,562.52        |                             |
| Grant Funds Realized as Anticipated Revenue in Current Fund  | <u>461,583.65</u> |                             |
|  |                   | <u>647,146.17</u>           |
| Balance Dec. 31, 2022  |                   | <u><u>\$ 449,982.95</u></u> |

**CITY OF ABSECON**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserves for Federal and State Grants - Unappropriated  
For the Year Ended December 31, 2022

| <u>Grant</u>                                 | <u>Balance<br/>Dec. 31, 2021</u> | <u>Federal, State<br/>and Local<br/>Grants<br/>Receivable</u> | <u>Realized as<br/>Revenue in<br/>2022</u> | <u>Balance<br/>Dec. 31, 2022</u> |
|--|----------------------------------|---|--|----------------------------------|
| Federal Grants:                              |                                  |   |  |                                  |
| Drive Sober or Get Pulled Over               |                                  | \$ 3,900.00   | \$ 3,900.00                                |                                  |
| American Rescue Plan Fiscal Recovery Funding | \$ 461,483.65                    | 461,483.66  | 461,583.65                                 | \$ 461,383.66                    |
| Community Development Block Grant            |                                  | 50,900.00   | 50,900.00                                  |                                  |
| Body Armor Fund                              |                                  | 4,000.00  | 4,000.00                                   |                                  |
| Total Federal Grants                         | 461,483.65                       | 520,283.66  | 520,383.65                                 | 461,383.66                       |
| State Grants:                                |                                  |   |  |                                  |
| Clean Communities Program                    |                                  | 21,213.84   | 21,213.84                                  |                                  |
| Body Armor Fund                              |                                  | 3,448.22  | 1,444.14                                   | 2,004.08                         |
| NJ DCA - LEAP Implementation Program         |                                  | 201,364.00  | 201,364.00                                 |                                  |
| NJ DOT Trust Fund Authority Act              |                                  | 270,000.00  | 270,000.00                                 |                                  |
| Recycling Tonnage Grant                      |                                  | 12,828.09   | 12,828.09                                  |                                  |
| Streetscape Improvement - Phase 4            |                                  | 525,000.00  | 525,000.00                                 |                                  |
| Total State Grants                           |                                  | 1,033,854.15  | 1,031,850.07                               | 2,004.08                         |
| Total All Grants                             | \$ 461,483.65                    | \$ 1,554,137.81   | \$ 1,552,233.72                            | \$ 463,387.74                    |

**CITY OF ABSECON**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserves for Federal, State and Local Grants - Appropriated  
For the Year Ended December 31, 2022

| <u>Grant</u>                                   | <u>Balance<br/>Dec. 31, 2021</u><br><u>Appropriated</u> | <u>Reserve for<br/>Encumbrances</u> | <u>Transferred -<br/>2022 Budget<br/>Appropriations</u> | <u>Expenditures</u>  | <u>Encumbered</u>   | <u>Canceled</u>      | <u>Balance<br/>Dec. 31, 2022</u> |
|--|---|-------------------------------------|---|----------------------|---------------------|----------------------|----------------------------------|
| Federal Grants:                                |   |                                     |   |                      |                     |                      |                                  |
| Body Armor Fund 2022                           |   |                                     | \$ 4,000.00   |                      |                     |                      | \$ 4,000.00                      |
| Body Armor Fund 2020                           | \$ 4,000.00   |                                     |   | \$ 409.26            | \$ 977.60           |                      | 2,613.14                         |
| Body Armor Fund 2019                           | 3,200.00  |                                     |   | 3,200.00             |                     |                      |                                  |
| Body Armor Fund 2016                           | 430.66  | \$ 1,038.49                         |   | 1,469.15             |                     |                      |                                  |
| Community Development Block Grant              |   |                                     | 50,900.00   | 50,900.00            |                     |                      |                                  |
| Drive Sober or Get Pulled Over 2022            |   |                                     | 3,900.00  | 2,800.00             |                     | \$ 360.00            | 740.00                           |
| Drive Sober or Get Pulled Over 2020            | 3,600.00  |                                     |   | 240.00               |                     | 3,360.00             |                                  |
| Drive Sober or Get Pulled Over 2021            | 2,130.00  |                                     |   |                      |                     | 2,130.00             |                                  |
| <b>Total Federal Grants</b>                    | <b>13,360.66</b>  | <b>1,038.49</b>                     | <b>58,800.00</b>  | <b>59,018.41</b>     | <b>977.60</b>       | <b>5,850.00</b>      | <b>7,353.14</b>                  |
| State Grants:                                  |   |                                     |   |                      |                     |                      |                                  |
| Drunk Driving Enforcement Fund 2021            | 2,934.00  |                                     |   | 1,766.39             |                     |                      | 1,167.61                         |
| Bodyworn Camera Grant                          |   | 61,140.00                           |   |                      | 61,140.00           |                      |                                  |
| Clean Communities Program 2022                 |   |                                     | 21,213.84   |                      |                     |                      | 21,213.84                        |
| Clean Communities Program 2021                 | 19,471.80   |                                     |   | 19,471.80            |                     |                      |                                  |
| NJ DOT Trust Fund Authority Act 2018           | 6,396.02  |                                     |   |                      |                     | 6,396.02             |                                  |
| NJ DOT Trust Fund Authority Act 2022           |   |                                     | 270,000.00  | 270,000.00           |                     |                      |                                  |
| NJ DCA - LEAP Implementation Program           |   |                                     | 201,364.00  |                      |                     |                      | 201,364.00                       |
| Streetscape Improvements Phase 4               |   |                                     | 525,000.00  |                      |                     |                      | 525,000.00                       |
| Recycling Tonnage Grant 2022                   |   |                                     | 12,828.09   |                      |                     |                      | 12,828.09                        |
| Recycling Tonnage Grant 2021                   | 8,687.93  |                                     |   | 4,341.51             |                     |                      | 4,346.42                         |
| Body Armor Fund 2022                           |   |                                     | 1,444.14  |                      |                     |                      | 1,444.14                         |
| Body Armor Fund 2021                           | 2,095.95  |                                     |   |                      |                     |                      | 2,095.95                         |
| Body Armor Fund 2019                           | 4,925.49  | 531.78                              |   | 4,264.40             | 977.60              |                      | 215.27                           |
| Body Armor Fund 2017                           |   | 506.71                              |   | 506.71               |                     |                      |                                  |
| Body Armor Fund 2015                           | 307.30  |                                     |   | 307.30               |                     |                      |                                  |
| <b>Total State Grants</b>                      | <b>44,818.49</b>  | <b>62,178.49</b>                    | <b>1,031,850.07</b>                                     | <b>300,658.11</b>    | <b>62,117.60</b>    | <b>6,396.02</b>      | <b>769,675.32</b>                |
| Local Grants:                                  |   |                                     |   |                      |                     |                      |                                  |
| Atlantic County Drainage Improvements          | 173,316.50  |                                     |   |                      |                     | 173,316.50           |                                  |
| Atlantic County Shore Road Grant               | 1,000,000.00  |                                     |   |                      |                     |                      | 1,000,000.00                     |
| Atlantic County Utilities Authority Mini Grant | 500.00  |                                     |   |                      |                     |                      | 500.00                           |
| <b>Total Local Grants</b>                      | <b>1,173,816.50</b>                                     |                                     |   |                      |                     | <b>173,316.50</b>    | <b>1,000,500.00</b>              |
| <b>Total All Grants</b>                        | <b>\$ 1,231,995.65</b>                                  | <b>\$ 63,216.98</b>                 | <b>\$ 1,090,650.07</b>                                  | <b>\$ 359,676.52</b> | <b>\$ 63,095.20</b> | <b>\$ 185,562.52</b> | <b>\$ 1,777,528.46</b>           |

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**CITY OF ABSECON**  
**TRUST FUNDS**  
Statement of Trust Fund Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2022

|   | <u>Animal Control</u>     | <u>Other</u>                |
|---|---------------------------|-----------------------------|
| Balance Dec. 31, 2021                   | \$ 1,298.87               | \$ 889,865.00               |
| Increased by Receipts:                  |                           |                             |
| Reserve for Animal Control License Fund | \$ 1,373.00               |                             |
| State Registration Fees                 | 357.00                    |                             |
| Net Payroll                             |                           | \$ 2,721,130.38             |
| Reserve for Payroll Deductions Payable  |                           | 1,984,214.16                |
| Miscellaneous Trust Reserves:           |                           |                             |
| Recreation Trust                        |                           | 79,078.00                   |
| Tax Title Lien Redemption               |                           | 171,119.42                  |
| Premiums Received at Tax Sale           |                           | 204,200.00                  |
| Planning and Zoning                     |                           | 78,857.32                   |
| Parking Offense Adjudication Act        |                           | 100.00                      |
| Disposal of Forfeited Property          |                           | 4,801.00                    |
| Accumulated Absences                    |                           | 25,000.00                   |
| Small Cities Grant                      |                           | 92.56                       |
| Performance Bond                        |                           | 405.51                      |
| Security Deposits                       |                           | 7,000.00                    |
|   | <u>1,730.00</u>           | <u>5,275,998.35</u>         |
|   | 3,028.87                  | 6,165,863.35                |
| Decreased by Disbursements:             |                           |                             |
| Reserve for Animal Control License Fund | 796.08                    |                             |
| State Registration Fees                 | 352.20                    |                             |
| Net Payroll                             |                           | 2,721,130.38                |
| Reserve for Payroll Deductions Payable  |                           | 1,981,141.90                |
| Miscellaneous Trust Reserves:           |                           |                             |
| Recreation Trust                        |                           | 75,961.39                   |
| Tax Title Lien Redemption               |                           | 167,461.82                  |
| Premiums Received at Tax Sale           |                           | 124,900.00                  |
| Planning and Zoning                     |                           | 67,751.55                   |
| Disposal of Forfeited Property          |                           | 3,973.93                    |
| Accumulated Absences                    |                           | 61,890.92                   |
| Performance Bond                        |                           | 164,992.73                  |
| Security Deposits                       |                           | 7,260.00                    |
|   | <u>1,148.28</u>           | <u>5,376,464.62</u>         |
| Balance Dec. 31, 2022                   | <u><u>\$ 1,880.59</u></u> | <u><u>\$ 789,398.73</u></u> |

**CITY OF ABSECON**  
TRUST - LENGTH OF SERVICE AWARDS PROGRAM  
Statement of Investments - Length of Service Awards Program  
For the Year Ended December 31, 2022

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|                                |                 |                             |
|--------------------------------|-----------------|-----------------------------|
| Balance Dec. 31, 2021          |                 | \$ 653,150.69               |
| Increased by:                  |                 |                             |
| Prior Year City Contributions  |                 | <u>35,597.70</u>            |
|                                |                 | 688,748.39                  |
| Decreased by:                  |                 |                             |
| Benefits Paid to Participants  | \$ 6,253.46     |                             |
| Unrealized Loss on Investments | 131,268.88      |                             |
| Administration Expenses        | <u>1,200.00</u> |                             |
|                                |                 | <u>138,722.34</u>           |
| Balance Dec. 31, 2022          |                 | <u><u>\$ 550,026.05</u></u> |

**CITY OF ABSECON**  
**ANIMAL CONTROL TRUST FUND**  
Statement of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2022

|                                     |    |                        |                        |
|-------------------------------------|----|------------------------|------------------------|
| Balance Dec. 31, 2021               |    | \$                     | 1,276.67               |
| Increased by:                       |    |                        |                        |
| Receipts:                           |    |                        |                        |
| Dog License Fees Collected          | \$ | 1,233.00               |                        |
| Cat License Fees Collected          |    | 140.00                 |                        |
|                                     |    |                        | <u>1,373.00</u>        |
|                                     |    |                        | 2,649.67               |
| Decreased by:                       |    |                        |                        |
| Expenditures under R.S. 4:19-15.11: |    |                        |                        |
| Disbursements                       |    |                        | <u>796.08</u>          |
| Balance Dec. 31, 2022               |    | \$                     | <u><u>1,853.59</u></u> |
| <br><u>License Fees Collected:</u>  |    |                        |                        |
| <u>Year</u>                         |    |                        |                        |
| 2020                                | \$ | 788.80                 |                        |
| 2021                                |    | <u>1,071.80</u>        |                        |
|                                     | \$ | <u><u>1,860.60</u></u> |                        |

CITY OF ABSECON  
ANIMAL CONTROL TRUST FUND  
Statement of Due to State of New Jersey  
For the Year Ended December 31, 2022

|                       |                        |
|-----------------------|------------------------|
| <hr/>                 |                        |
| Balance Dec. 31, 2021 | \$ 22.20               |
| Increased by:         |                        |
| Receipts              | <u>357.00</u>          |
|                       | 379.20                 |
| Decreased by:         |                        |
| Disbursements         | <u>352.20</u>          |
| Balance Dec. 31, 2022 | <u><u>\$ 27.00</u></u> |

CITY OF ABSECON  
TRUST - OTHER FUND  
Statement of Small Cities Revolving Loan Fund  
For the Year Ended December 31, 2022

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|                       |                             |
|-----------------------|-----------------------------|
| Balance Dec. 31, 2021 | \$ 87,218.20                |
| Increased by:         |                             |
| Loans Issued          | <u>42,390.00</u>            |
| Balance Dec. 31, 2022 | <u><u>\$ 129,608.20</u></u> |

CITY OF ABSECON  
TRUST - OTHER FUND  
Statement of Reserve for Payroll Deductions Payable  
For the Year Ended December 31, 2022

|                       |                            |
|-----------------------|----------------------------|
| <hr/>                 |                            |
| Balance Dec. 31, 2021 | \$ 30,186.75               |
| Increased by:         |                            |
| Receipts              | <u>1,984,214.16</u>        |
|                       | 2,014,400.91               |
| Decreased by:         |                            |
| Disbursements         | <u>1,981,141.90</u>        |
| Balance Dec. 31, 2022 | <u><u>\$ 33,259.01</u></u> |

**CITY OF ABSECON**  
**TRUST FUNDS**  
Statement of Miscellaneous Trust Fund Reserves  
For the Year Ended December 31, 2022

|  | Balance<br><u>Dec. 31, 2021</u> | Increased by<br><u>Receipts</u> | Decreased by<br><u>Disbursements</u> | Balance<br><u>Dec. 31, 2022</u> |
|--|---------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| Reserve for Length of Service Awards Program       | \$ 653,150.69                   | \$ 35,597.70                    | \$ 138,722.34                        | \$ 550,026.05                   |
| Reserve for Recreation Trust                       | 118,653.97                      | 79,078.00                       | 75,961.39                            | 121,770.58                      |
| Reserve for Tax Title Lien Redemption              |                                 | 171,119.42                      | 167,461.82                           | 3,657.60                        |
| Reserve for Tax Sale Premiums                      | 146,900.00                      | 204,200.00                      | 124,900.00                           | 226,200.00                      |
| Reserve for Uniform Fire Safety Act Penalty Monies | 3,526.18                        |                                 |                                      | 3,526.18                        |
| Reserve for Planning and Zoning                    | 37,205.74                       | 78,857.32                       | 67,751.55                            | 48,311.51                       |
| Reserve for Parking Offense Adjudication Act       | 84.26                           | 100.00                          |                                      | 184.26                          |
| Reserve for Disposal of Forfeited Property         | 42,942.98                       | 4,801.00                        | 3,973.93                             | 43,770.05                       |
| Reserve for Accumulated Absences                   | 282,094.30                      | 25,000.00                       | 61,890.92                            | 245,203.38                      |
| Reserve for Small Cities Grant                     | 32,331.85                       | 92.56                           |                                      | 32,424.41                       |
| Reserve for Performance Bond                       | 193,178.97                      | 405.51                          | 164,992.73                           | 28,591.75                       |
| Reserve for Security Deposits                      | 2,760.00                        | 7,000.00                        | 7,260.00                             | 2,500.00                        |
|  | <u>\$ 1,512,828.94</u>          | <u>\$ 606,251.51</u>            | <u>\$ 812,914.68</u>                 | <u>\$ 1,306,165.77</u>          |

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**CITY OF ABSECON**  
**GENERAL CAPITAL FUND**  
**Statement of General Capital Cash**  
**Per N.J.S. 40A:5-5 -- Treasurer**  
**For the Year Ended December 31, 2022**

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|                                   |                             |                               |
|-----------------------------------|-----------------------------|-------------------------------|
| Balance Dec. 31, 2021             |                             | \$ 821,347.43                 |
| Increased by Receipts:            |                             |                               |
| Premium Collected on Serial Bonds | \$ 18,042.00                |                               |
| Capital Improvement Fund          | 71,750.00                   |                               |
| Bond Anticipation Notes           | 4,254,000.00                |                               |
|                                   | <u>                    </u> | <u>4,343,792.00</u>           |
|                                   |                             | 5,165,139.43                  |
| Decreased by Disbursements:       |                             |                               |
| Improvement Authorizations        | 649,484.22                  |                               |
| Bond Anticipation Notes           | 2,890,750.00                |                               |
|                                   | <u>                    </u> | <u>3,540,234.22</u>           |
| Balance Dec. 31, 2022             |                             | <u><u>\$ 1,624,905.21</u></u> |

**CITY OF ABSECON**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2022

|   |  | Receipts             |                                      | Disbursements                         |                                      | Transfers              |                        |  |
|---|--|----------------------|--------------------------------------|---------------------------------------|--------------------------------------|------------------------|------------------------|--|
|   | Balance<br>(Deficit)<br><u>Dec. 31, 2021</u> | <u>Miscellaneous</u> | Bond<br>Anticipation<br><u>Notes</u> | <u>Improvement<br/>Authorizations</u> | Bond<br>Anticipation<br><u>Notes</u> | <u>From</u>            | <u>To</u>              | Balance<br>(Deficit)<br><u>Dec. 31, 2022</u> |
| Capital Improvement Fund                                | \$ 14,350.00                                 | \$ 71,750.00         |                                      |                                       |                                      | \$ 71,750.00           |                        | \$ 14,350.00                                 |
| Contracts Payable                                       | 481,692.04                                   |                      |                                      |                                       |                                      | 481,692.04             | \$ 327,132.44          | 327,132.44                                   |
| Due from New Jersey Department of Transportation        |  |                      |                                      |                                       |                                      | 270,000.00             |                        | (270,000.00)                                 |
| Due from Community Development Block Grant Program      |  |                      |                                      |                                       |                                      | 50,000.00              |                        | (50,000.00)                                  |
| Fund Balance  | 21,807.67                                    | 18,042.00            |                                      |                                       |                                      |                        |                        | 39,849.67                                    |
| Note Renewals   |  |                      | \$ 2,890,750.00                      |                                       | \$ 2,890,750.00                      |                        |                        |  |
| Ordinance   |  |                      |                                      |                                       |                                      |                        |                        |  |
| <u>Number</u> <u>Improvement Authorizations:</u>        |  |                      |                                      |                                       |                                      |                        |                        |  |
| 6-18/12-18 Various Capital Improvements                 | 21,537.56                                    |                      |                                      | \$ 20,400.50                          |                                      |                        | 11,001.60              | 12,138.66                                    |
| 2-19/11-19; Acquisition of Property and Construction    |  |                      |                                      |                                       |                                      |                        |                        |  |
| 5-20 of a New Firehouse Building                        | 8,581.62                                     |                      |                                      |                                       |                                      | 110,955.34             | 110,955.34             | 8,581.62                                     |
| 6-19/6-20 Various Capital Improvements                  |  |                      |                                      |                                       |                                      | 36,045.78              | 36,045.78              |  |
| 7-21/4-22 Various Capital Acquisitions and Improvements | 273,378.54                                   |                      |                                      | 286,458.04                            |                                      | 126,127.00             | 323,689.32             | 184,482.82                                   |
| 5-22 Various Capital Acquisitions and Improvements      |  |                      | 1,363,250.00                         | 342,625.68                            |                                      | 54,004.32              | 391,750.00             | 1,358,370.00                                 |
|   | <u>\$ 821,347.43</u>                         | <u>\$ 89,792.00</u>  | <u>\$ 4,254,000.00</u>               | <u>\$ 649,484.22</u>                  | <u>\$ 2,890,750.00</u>               | <u>\$ 1,200,574.48</u> | <u>\$ 1,200,574.48</u> | <u>\$ 1,624,905.21</u>                       |

**CITY OF ABSECON**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Unfunded  
For the Year Ended December 31, 2022

| Ordinance<br>Number | Improvement Description                   | Balance<br>Dec. 31, 2021 | Increased by           |  | Balance<br>Dec. 31, 2022 | Analysis of Balance<br>Dec. 31, 2022 |              | Unexpended<br>Improvement<br>Authorizations |
|---------------------|---|--------------------------|------------------------|--|--------------------------|--------------------------------------|--------------|---|
|                     |   |                          | 2022<br>Authorizations |  |                          | Bond<br>Anticipation<br>Notes        | Expenditures |   |
|                     | General Improvements:                     |                          |                        |  |                          |                                      |              |   |
| 6-19/6-20           | Various Capital Improvements              | \$ 758,000.00            |                        |  | \$ 758,000.00            | \$ 758,000.00                        |              |   |
| 7-21/4-22           | Various Capital Improvements/Acquisitions | 2,132,750.00             |                        |  | 2,132,750.00             | 2,132,750.00                         |              |   |
| 5-22                | Various Capital Improvements/Acquisitions |                          | \$ 1,363,250.00        |  | 1,363,250.00             | 1,363,250.00                         |              |   |
|                     |   | <u>\$ 2,890,750.00</u>   | <u>\$ 1,363,250.00</u> |  | <u>\$ 4,254,000.00</u>   | <u>\$ 4,254,000.00</u>               | <u>\$ -</u>  | <u>\$ -</u>                                 |

CITY OF ABSECON  
GENERAL CAPITAL FUND  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2022

| Ordinance<br>Number  | Improvement Descriptions  | Date                        | Ordinance<br>Amount | Balance<br>Dec. 31, 2021 |               | 2022 Authorizations            |                               |  | Transfer<br>from<br>Contracts Payable | Paid or<br>Charged          | Balance<br>Dec. 31, 2022 |                 |
|--|---|-----------------------------|---------------------|--------------------------|---------------|--------------------------------|-------------------------------|--|---------------------------------------|-----------------------------|--------------------------|-----------------|
|  |   |                             |                     | Funded                   | Unfunded      | Capital<br>Improvement<br>Fund | Other<br>Financing<br>Sources | Deferred<br>Charges to<br>Future<br>Taxation<br>Unfunded |                                       |                             | Funded                   | Unfunded        |
|  |   |                             |                     |                          |               |                                |                               |  |                                       |                             |                          |                 |
| General Improvements:  |   |                             |                     |                          |               |                                |                               |  |                                       |                             |                          |                 |
| 6-18/12-18   | Various Capital Improvements  | 4/19/2018;10/18/18          | \$ 1,040,000.00     | \$ 21,537.56             |               |                                |                               |  | \$ 11,001.60                          | \$ 20,400.50                | \$ 12,138.66             |                 |
| 2-19/11-19/<br>5-20  | Acquisition of Property and Construction<br>of a New Firehouse Building | 2/21/19;8/15/19;<br>5/21/20 | 7,278,000.00        | 8,581.62                 |               |                                |                               |  | 110,955.34                            | 110,955.34                  | 8,581.62                 |                 |
| 6-19/6-20  | Various Capital Improvements  | 4/18/19                     | 1,828,000.00        |                          |               |                                |                               |  | 36,045.78                             | 36,045.78                   |                          |                 |
| 7-21/4-22  | Various Capital Acquisitions and Improvements                           | 4/15/2021;4/7/22            | 2,245,000.00        |                          | \$ 273,378.54 |                                |                               |  | 323,689.32                            | 412,585.04                  |                          | \$ 184,482.82   |
| 5-22   | Various Capital Acquisitions and Improvements                           | 4/21/22                     | 1,755,000.00        |                          |               | \$ 71,750.00                   | \$ 320,000.00                 | \$ 1,363,250.00  |                                       | 396,630.00                  |                          | 1,358,370.00    |
|  |   |                             |                     | \$ 30,119.18             | \$ 273,378.54 | \$ 71,750.00                   | \$ 320,000.00                 | \$ 1,363,250.00  | \$ 481,692.04                         | \$ 976,616.66               | \$ 20,720.28             | \$ 1,542,852.82 |
| New Jersey Department of Transportation<br>Community Development Block Grant Program |   |                             |                     |                          |               |                                | \$ 270,000.00<br>50,000.00    |  |                                       |                             |                          |                 |
|  |   |                             |                     |                          |               |                                | \$ 320,000.00                 |  |                                       |                             |                          |                 |
| Contracts Payable<br>Disbursements   |   |                             |                     |                          |               |                                |                               |  |                                       | \$ 327,132.44<br>649,484.22 |                          |                 |
|  |   |                             |                     |                          |               |                                |                               |  |                                       | \$ 976,616.66               |                          |                 |

**CITY OF ABSECON**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2022

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|   |                            |
|---|----------------------------|
| Balance Dec. 31, 2021                               | \$ 14,350.00               |
| Increased by:                                       |                            |
| 2022 Budget Appropriation                           | <u>71,750.00</u>           |
|   | 86,100.00                  |
| Decreased by:                                       |                            |
| Appropriation to Finance Improvement Authorizations | <u>71,750.00</u>           |
| Balance Dec. 31, 2022                               | <u><u>\$ 14,350.00</u></u> |

## Exhibit SC-6

**CITY OF ABSECON**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2022

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|  |                                |
|--|--------------------------------|
| Balance Dec. 31, 2021                    | \$ 11,185,000.00               |
| Decreased by:                            |                                |
| Budget Appropriation to Pay Serial Bonds | <u>270,000.00</u>              |
| Balance Dec. 31, 2022                    | <u><u>\$ 10,915,000.00</u></u> |

**CITY OF ABSECON**  
**GENERAL CAPITAL FUND**  
Statement of Bonds Anticipation Notes  
For the Year Ended December 31, 2022

| <u>Ordinance<br/>Number</u> | <u>Improvement Description</u>            | <u>Original<br/>Amount<br/>of Issue</u> | <u>Date of<br/>Issue of<br/>Original<br/>Note</u> | <u>Date of<br/>Issue</u> | <u>Date of<br/>Maturity</u> | <u>Interest<br/>Rate</u> | <u>Balance<br/>Dec. 31, 2021</u> | <u>Increased</u>                | <u>Decreased</u>       | <u>Balance<br/>Dec. 31, 2022</u> |
|-----------------------------|---|---|---|--------------------------|-----------------------------|--------------------------|----------------------------------|---------------------------------|------------------------|----------------------------------|
| General Improvements:       |   |   |   |                          |                             |                          |                                  |                                 |                        |                                  |
| 6-19/6-20                   | Various Capital Improvements              | \$ 758,000.00                           | 9/29/2021   | 9/29/2021<br>9/27/2022   | 9/28/2022<br>9/26/2023      | 1.000%<br>4.000%         | \$ 758,000.00                    | \$ 758,000.00                   | \$ 758,000.00          | \$ 758,000.00                    |
| 7-21/4-22                   | Various Capital Improvements/Acquisitions | 2,132,750.00                            | 9/29/2021   | 9/29/2021<br>9/27/2022   | 9/28/2022<br>9/26/2023      | 1.000%<br>4.000%         | 2,132,750.00                     | 2,132,750.00                    | 2,132,750.00           | 2,132,750.00                     |
| 5-22                        | Various Capital Improvements/Acquisitions | 1,363,250.00                            | 9/27/2022   | 9/27/2022                | 9/26/2023                   | 4.000%                   |                                  | 1,363,250.00                    |                        | 1,363,250.00                     |
|                             |   |   |   |                          |                             |                          | <u>\$ 2,890,750.00</u>           | <u>\$ 4,254,000.00</u>          | <u>\$ 2,890,750.00</u> | <u>\$ 4,254,000.00</u>           |
|                             |   |   |   |                          | Issued for Cash<br>Renewals |                          |                                  | \$ 1,363,250.00<br>2,890,750.00 | \$ 2,890,750.00        |                                  |
|                             |   |   |   |                          |                             |                          |                                  | <u>\$ 4,254,000.00</u>          | <u>\$ 2,890,750.00</u> |                                  |

**CITY OF ABSECON**  
**GENERAL CAPITAL FUND**  
Statement of General Serial Bonds  
For the Year Ended December 31, 2022

| <u>Purpose</u>           | <u>Date of<br/>Issue</u> | <u>Original<br/>Issue</u> | <u>Date of<br/>Maturity of Bonds</u> |                          | <u>Interest<br/>Rate</u> | <u>Balance<br/>Dec. 31, 2021</u> | <u>Paid</u>          | <u>Balance<br/>Dec. 31, 2022</u> |
|--------------------------|--------------------------|---------------------------|--------------------------------------|--------------------------|--------------------------|----------------------------------|----------------------|----------------------------------|
|                          |                          |                           | <u>Outstanding</u>                   | <u>December 31, 2022</u> |                          |                                  |                      |                                  |
|                          |                          |                           | <u>Date</u>                          | <u>Amount</u>            |                          |                                  |                      |                                  |
| General Obligation Bonds | 7-30-20                  | \$ 11,455,000.00          | 7/15/2023                            | \$ 290,000.00            | 4.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2024                            | 315,000.00               | 4.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2025                            | 340,000.00               | 4.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2026                            | 365,000.00               | 4.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2027                            | 390,000.00               | 4.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2028                            | 415,000.00               | 4.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2029                            | 440,000.00               | 4.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2030                            | 460,000.00               | 3.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2031                            | 485,000.00               | 3.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2032                            | 500,000.00               | 2.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2033                            | 515,000.00               | 2.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2034                            | 525,000.00               | 2.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2035                            | 535,000.00               | 2.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2036                            | 535,000.00               | 2.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2037                            | 535,000.00               | 2.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2038                            | 535,000.00               | 2.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2039                            | 535,000.00               | 2.000%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2040                            | 535,000.00               | 2.125%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2041                            | 535,000.00               | 2.125%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2042                            | 535,000.00               | 2.125%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2043                            | 535,000.00               | 2.250%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2044                            | 535,000.00               | 2.250%                   |                                  |                      |                                  |
|                          |                          |                           | 7/15/2045                            | 525,000.00               | 2.250%                   |                                  |                      |                                  |
|                          |                          |                           |                                      |                          |                          | <u>\$ 11,185,000.00</u>          | <u>\$ 270,000.00</u> | <u>\$ 10,915,000.00</u>          |

**CITY OF ABSECON**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized but not Issued  
For the Year Ended December 31, 2022

|                                   |   |  | <u>Increased by</u>                  | <u>Decreased by</u>           |  |
|-----------------------------------|---|--|--------------------------------------|-------------------------------|--|
| <u>Ordinance</u><br><u>Number</u> | <u>Improvement Description</u>            | <u>Balance</u><br><u>Dec. 31, 2021</u> | <u>2022</u><br><u>Authorizations</u> | <u>Notes</u><br><u>Issued</u> | <u>Balance</u><br><u>Dec. 31, 2022</u> |
| General Improvements:             |   |  |                                      |                               |  |
| 5-22                              | Various Capital Improvements/Acquisitions | <u>\$ -</u>                            | <u>\$ 1,363,250.00</u>               | <u>\$ 1,363,250.00</u>        | <u>\$ -</u>                            |

**SUPPLEMENTAL EXHIBITS**

**SEWER UTILITY FUND**

**CITY OF ABSECON**  
**SEWER UTILITY FUND**  
Statement of Sewer Utility Cash  
Per N.J.S.A. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2022

---

|   | <u>Operating</u>              | <u>Capital</u>             |
|---|-------------------------------|----------------------------|
| Balance Dec. 31, 2021                       | \$ 1,636,893.03               | \$ 29,917.40               |
| Increased by Receipts:                      |                               |                            |
| Collector                                   | \$ 1,827,369.82               |                            |
| Miscellaneous                               | 1,760.00                      |                            |
| Interest Earned on Deposits and Investments | <u>3,764.35</u>               |                            |
|   | <u>1,832,894.17</u>           |                            |
|   | 3,469,787.20                  | 29,917.40                  |
| Decreased by Disbursements:                 |                               |                            |
| 2022 Appropriations                         | 2,127,641.40                  |                            |
| 2021 Appropriation Reserves                 | <u>24,253.96</u>              |                            |
|   | <u>2,151,895.36</u>           |                            |
| Balance Dec. 31, 2022                       | <u><u>\$ 1,317,891.84</u></u> | <u><u>\$ 29,917.40</u></u> |

**CITY OF ABSECON**  
SEWER UTILITY OPERATING FUND  
Statement of Sewer Utility Cash  
Per N.J.S.A. 40A:5-5 Collector  
For the Year Ended December 31, 2022

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Receipts:

|  |                  |                               |
|--|------------------|-------------------------------|
| Sewer Consumer Accounts Receivable     | \$ 1,380,293.38  |                               |
| Sewer Rent Overpayments                | 14,793.50        |                               |
| Prepaid Sewer Rents                    | 415,173.26       |                               |
| Miscellaneous Revenue:                 |                  |                               |
| Interest and Costs on Delinquent Rents | <u>17,109.68</u> |                               |
|  |                  | \$ 1,827,369.82               |
| Decreased by:                          |                  |                               |
| Payments to Treasurer                  |                  | <u><u>\$ 1,827,369.82</u></u> |

**CITY OF ABSECON**  
**SEWER UTILITY CAPITAL FUND**  
 Analysis of Sewer Utility Capital Cash  
 For the Year Ended December 31, 2022

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|                          | Balance<br><u>Dec. 31, 2021</u> | <u>Receipts</u><br><u>Miscellaneous</u> | <u>Disbursements</u><br><u>Miscellaneous</u> | Balance<br><u>Dec. 31, 2022</u> |
|--------------------------|---------------------------------|---|--|---------------------------------|
| Capital Improvement Fund | \$ 27,814.11                    |   |  | \$ 27,814.11                    |
| Fund Balance             | <u>2,103.29</u>                 |   |  | <u>2,103.29</u>                 |
|                          | <u><u>\$ 29,917.40</u></u>      | <u><u>\$ -</u></u>                      | <u><u>\$ -</u></u>                           | <u><u>\$ 29,917.40</u></u>      |

**CITY OF ABSECON**  
SEWER UTILITY OPERATING FUND  
Statement of Sewer Consumer Accounts Receivable  
For the Year Ended December 31, 2022

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|                          |                  |                            |
|--------------------------|------------------|----------------------------|
| Balance Dec. 31, 2021    |                  | \$ 41,948.33               |
| Increased by:            |                  |                            |
| Sewer Rents Levied       |                  | <u>1,828,719.34</u>        |
|                          |                  | 1,870,667.67               |
| Decreased by:            |                  |                            |
| Receipts -- Collector    | \$ 1,380,293.38  |                            |
| Prepaid Rents -- Applied | 416,212.96       |                            |
| Overpayments -- Applied  | <u>23,053.49</u> |                            |
|                          |                  | <u>1,819,559.83</u>        |
| Balance Dec. 31, 2022    |                  | <u><u>\$ 51,107.84</u></u> |

**CITY OF ABSECON**  
**SEWER UTILITY CAPITAL FUND**  
**Statement of Fixed Capital**  
**For the Year Ended December 31, 2022**

| <u>Description</u>                  | <u>Balance</u><br><u>Dec. 31, 2021</u> | <u>Additions</u><br><u>Budget</u><br><u>Appropriations</u> | <u>Balance</u><br><u>Dec. 31, 2022</u> |
|-------------------------------------|--|--|--|
| Installation of Sewer Line          | \$ 196,292.55                          |  | \$ 196,292.55                          |
| Improvements to Pumping Station     | 296,168.41                             |  | 296,168.41                             |
| Vehicles                            | 176,167.00                             |  | 176,167.00                             |
| General Equipment                   | 495,446.40                             | \$ 10,000.00   | 505,446.40                             |
| Sewer Line Video System             | 8,900.00                               |  | 8,900.00                               |
| Improvements to Sanitary Sewer Line | 976,333.00                             |  | 976,333.00                             |
| Control Panels                      | 1,800,000.00                           |  | 1,800,000.00                           |
|                                     | <u>\$ 3,949,307.36</u>                 | <u>\$ 10,000.00</u>  | <u>\$ 3,959,307.36</u>                 |
| 2022 Budget Appropriation           |  | <u>\$ 10,000.00</u>  |  |

**CITY OF ABSECON**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Appropriation Reserves**  
**For the Year Ended December 31, 2022**

|   | Balance<br>December 31, 2021 |                 | Balance<br>After    |                  |               |
|---|------------------------------|-----------------|---------------------|------------------|---------------|
|   | <u>Encumbered</u>            | <u>Reserved</u> | <u>Modification</u> | <u>Disbursed</u> | <u>Lapsed</u> |
| Operating:                                    |                              |                 |                     |                  |               |
| Salary and Wages                              |                              | \$ 21,240.34    | \$ 21,240.34        |                  | \$ 21,240.34  |
| Other Expenses                                | \$ 23,975.63                 | 18,275.32       | 42,250.95           | \$ 24,253.96     | 17,996.99     |
| Total Operating                               | 23,975.63                    | 39,515.66       | 63,491.29           | 24,253.96        | 39,237.33     |
| Deferred Charges and Regulatory Expenditures: |                              |                 |                     |                  |               |
| Regulatory Expenditures:                      |                              |                 |                     |                  |               |
| Contribution to:                              |                              |                 |                     |                  |               |
| Social Security System (O.A.S.I.)             |                              | 2,894.88        | 2,894.88            |                  | 2,894.88      |
|   |                              | 2,894.88        | 2,894.88            |                  | 2,894.88      |
|   | \$ 23,975.63                 | \$ 42,410.54    | \$ 66,386.17        | \$ 24,253.96     | \$ 42,132.21  |

**CITY OF ABSECON**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Sewer Rent Overpayments**  
**For the Year Ended December 31, 2022**

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|                                       |                           |
|---------------------------------------|---------------------------|
| Balance Dec. 31, 2021                 | \$ 9,719.49               |
| Increased by:                         |                           |
| Receipts -- Collector                 | <u>14,793.50</u>          |
|                                       | 24,512.99                 |
| Decreased by:                         |                           |
| Application to Sewer Rents Receivable | <u>23,053.49</u>          |
| Balance Dec. 31, 2022                 | <u><u>\$ 1,459.50</u></u> |

## Exhibit SD-8

**CITY OF ABSECON**  
**SEWER UTILITY CAPITAL FUND**  
**Statement of Reserve for Amortization**  
**For the Year Ended December 31, 2022**

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|                                    |                               |
|------------------------------------|-------------------------------|
| Balance Dec. 31, 2021              | \$ 3,949,307.36               |
| Increased by:                      |                               |
| 2022 Utility Budget Appropriation: |                               |
| Equipment Purchase                 | <u>10,000.00</u>              |
| Balance December 31, 2022          | <u><u>\$ 3,959,307.36</u></u> |

**CITY OF ABSECON**  
SEWER UTILITY OPERATING FUND  
Statement of Prepaid Sewer Rents  
For the Year Ended December 31, 2022

---

|                       |                             |
|-----------------------|-----------------------------|
| Balance Dec. 31, 2021 | \$ 416,212.96               |
| Increased by:         |                             |
| Receipts -- Collector | <u>415,173.26</u>           |
|                       | 831,386.22                  |
| Decreased by:         |                             |
| Prepayments Applied   | <u>416,212.96</u>           |
| Balance Dec. 31, 2022 | <u><u>\$ 415,173.26</u></u> |

**PART II**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**CITY OF ABSECON**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2022

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

None.

**CITY OF ABSECON**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**FINANCIAL STATEMENT FINDINGS**

None.

**CITY OF ABSECON**  
 Officials in Office and Surety Bonds

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The following officials were in office during the period under audit:

| <u>Name</u>          | <u>Title</u>                                | <u>Amount of<br/>Surety Bond</u> |
|----------------------|---|----------------------------------|
| Kimberly Horton      | Mayor                                       | (A)                              |
| Betty Howell         | President of Council                        | (A)                              |
| Butch Burroughs      | Member of Council                           | (A)                              |
| Sandy Cain           | Member of Council                           | (A)                              |
| Caleb Cavileer       | Member of Council                           | (A)                              |
| Nicholas LaRotonda   | Member of Council                           | (A)                              |
| Stephen Light        | Member of Council                           | (A)                              |
| Donna Poley          | Member of Council                           | (A)                              |
| Jessica Thompson     | City Administrator, Chief Financial Officer | (A)                              |
| Carie Crone          | Municipal Clerk                             | (A)                              |
| Jessica Snyder       | Tax Collector                               | (A)                              |
| John Rosenberger     | Judge of the Municipal Court                | (A)                              |
| Merrilee Carlson     | Municipal Court Administrator               | (A)                              |
| William Blaney, Esq. | Solicitor                                   | (A)                              |

(A) Covered by \$1,000,000, either with a \$1,000 deductible or for the amount the employee or official is required by law to be individually bonded, by a Public Employees Dishonesty Bond from the Atlantic County Municipal Joint Insurance Fund and Municipal Excess Joint Insurance Fund.

**APPRECIATION**

I express my appreciation for the assistance and courtesies rendered by the City officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink, reading "Michael D. Cesaro". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

